



Industrial manufacturing accelerates in the first quarter of 2018 (+3.2%), exports slow down (-0.4%) and imports of textiles plummet (-8.9%)

Germany is again at the top of the ranking of the countries importing Made in Italy textiles (+9.2%), China+Hong Kong come second with a downtrend, followed by France (+6.1%). In 2017, sales (euro 7.9 bln) were up +0.6% and the trade balance of Italian textiles was positive and equal to euro 2.3 bln

Based on a sample survey carried out by the Research Center of Confindustria Moda and according to ISTAT data, in the first quarter of 2018, that is, in the period going from January to March 2018, Italian textiles (including wool, cotton, linen, silk fabrics and knits) were up +3.2%. Conversely, foreign markets opened 2018 with a slow performance. In particular, sales of textiles overseas showed a slight decrease, i.e. by -0.4%, while imports were down by -8.9%.

Obviously, the average performance of textiles conceals different results. The performance of wool fabrics



seems to be bucking the trend of the average of textiles. In fact, exports of wool fabrics remain positive, up by +2.8 % in the quarter. Combed fabrics were up +3.3% and worsteds by +1.2%.

Cotton fabrics posted a reduction both in exports (-6.5%), and in imports – even greater - (-15.2% comprehensively). Conversely, exports of linen fabrics grew by +11.1% and imports leaped by +34.6%. From January to March 2018, exports of knits were up by +1.3%, while imports were down by -12.8%. Lastly, pure silk fabrics show an uptrend in exports (+0.9%) along with a more positive performance, equal to +3.9%, in imports.

Worth mentioning is the overall reduction, equal to 8.9%, in imports of fabrics in the quarter, specifically impacting China, Turkey and Pakistan.

Given the aforementioned results, in the January-March 2018 period, sales of Made-in-Italy textiles exceeded euro 433.4 million, increasing by over euro 34.5 million compared to the figure registered in the corresponding period in 2017.

If we analyze exports from a geographic perspective, in the first three months of 2018, sales of textiles show a divergent trend between EU and extra-EU countries: the EU markets posted a slight increase, equal to +0.4%, while extra-EU markets were down by -1.3%.

As to the main markets, the first two, i.e. Germany and France, are buoyant, growing by +9.2% and +6.1%, respectively. Romania, the third market in order of importance, shows a -6.8% reduction, while Tunisia, ranking fourth, was up +8.8%. The US decreased by -11.1%, as did China and Hong Kong (-4.8% and -5.5%, respectively).

As to imports to Italy, China and Turkey, Italy's first and second supplier markets for textiles, registered a downtrend by -8.7% and -4.7%, respectively. Despite that, China accounts for 25.9% of textile imports, and Turkey 20.9%. Also, imports from Pakistan were substantially down (-19.4%), while fabrics from the Czech Republic were up +5.9%.

According to the estimates of the Research Office of Confindustria Moda, Made-in-Italy textiles closed 2017 with comprehensive sales at euro 7.9 billion, up 0.5% over 2016.

The sector-specific results reflected the slight increase in international sales (+0.6%). In fact, this trend contributed to making the overall sales figure slightly exceed euro 4.3 billion. Concurrently, imports from foreign markets remained steady on the same levels registered in 2016, i.e. euro 2 billion. Given



the performance of foreign trade, the sector's specific trade balance shows a slight increase (i.e. euro +24 million against 2016), topping euro 2.3 billion. The surplus in textiles accounted for 24.2% of the trade balance of the overall Textiles-Fashion supply chain as a whole (slightly below euro 9.6 billion), even if sales represented just 15% of the total.

As to textiles, the most important segment is wool fabrics, making for 41.6% of the total, followed by cotton fabrics (19.6%), knits (18.2), silk fabrics (17.0%) and lastly linen, with a 3.7% share.

Based on the sample survey carried out by the Research Center of Confindustria Moda, in 2017 employment held steady for the second consecutive year.