

Textiles and Clothing

A Large Market for Fashionable Goods and Modern Technical Textiles

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Industry Overview

A long history of manufacturing, innovation and flexibility has made the textile and clothing industry in Germany one of the most important sectors in the country.

Today, textiles and clothing are the second largest consumer goods market after the food and beverage industry.

The domestic industry is made up of almost 1200 mostly small and medium sized enterprises with a national workforce of 120,000 in the different industry segments. The structural change during the past decades has transformed the national textile industry from low-tech manufacturing into an innovative high-tech sector. Today the German textile industry

is the global market leader for technical textiles with a market share of 45 percent.

Germany is a major player in foreign trade with textiles and clothing. The country is the fourth largest exporter of textiles and clothing worldwide, registering an export quota of 42 percent in 2013. At the same time, the country is also the second largest textile importer after the United States and has become an attractive market for many textile exporting countries since the 1980s. Especially in the clothing segment, Germany imports a vast majority of apparel products, thus offering an appealing opportunity for foreign companies.

Our Industry in Numbers

- In 2013, Germany's textile imports reached EUR 36.2 billion and exports 24.0 billion Euros.
- Clothing made up 40% and textiles 60% of the total turnover in 2013.
- Technical textiles alone generate almost 22% of the textiles industry turnover and is strongly globalized with an export turnover of more than 60%.
- Most of the imported textiles and clothing in 2013

- came from Asia (about 51%) and the EU (30%). The most important source countries are China, Turkey, and Bangladesh.

- E-commerce has become a popular channel for buying fashion. According to a large German consumption and media study, almost 33% of all online shoppers ordered apparel online. That makes clothing and shoes the most attractive product group for online shopping.

Market Potential

Besides being the second largest textile importer in the world, Germany has experienced an increasing demand for textiles and clothing in the past years. With a market share of almost 18% in 2013, Germany is the largest market for textiles and clothing in Europe. In 2013, industry turnover dropped slightly by 1.1 percent.

This shows large opportunities for foreign textile and clothing companies to increase their export volume by expanding their presence in the German market. Foreign companies with expertise in technical textiles benefit from a highly innovative industry landscape and immediate market proximity to strong manufacturing industries. Armed with

the right information about the market, appropriate distribution channels and helpful potential business contacts in Germany, textile companies from around the world will be able to increase their market share successfully.

Market Access

Entering the German textile market requires thorough research and preparation. There are many aspects to be taken into consideration such as standardization, labeling, import regulations and industry certifications.

STANDARDIZA - The Textiles and Textile Machinery Standards Committee (Te

is in charge of establishing DIN standards for textiles, clothing as well as textile machinery. The different

DIN standards define the requirements, dimensions, technical terminology as well as testing standards for special areas in the textile industry. Foreign companies must ensure that their textile products conform to all relevant standards in Germany.

LABELING -

The German Textile Labeling Law lays the foundation for the labeling of textiles on the market. All textiles manufactured, imported and sold in Germany must bear a label indicating their raw materials composition. According to the law which applies to all textile products on the supply chain, textiles may only be sold if they possess the appropriate specifications of the fiber contents, care and washing instructions as well as size in metric measurements.

The Textile

Labeling Law harmonizes with the
▶ **EU Directive 96/74/EC**
in order to make sure that the labeling for textile fibers and other terms used on labels and relevant documents are uniform throughout the EU.

Even though care labeling symbols are not mandatory in Germany, the **National Association for Textile Care Labelling**, GINETEX, has defined an internationally recognized care labeling system for textiles based on trademark symbols. These care symbols provide traders, consumers and companies with the correct information about taking care of textile products.

IMPORT REGULATION:

- In order to import textile products into Germany, companies must make

sure that their products present a certificate of origin (Ursprungszeugnis). Textiles coming from countries that have no bilateral agreements with the EU require an import license (Einfuhrgenehmigung) in order to enter Germany. Import licenses can be obtained from the **Federal Office for Economics and Export Control** (BAFA).

A good source for finding the correct tariff rates for importing textiles into Germany and the EU is the **Integrated Tariff of the European Community**, TARIC. This database contains information relating to tariff import regulations with the goal of applying uniform import measures within the EU. The **German Customs Administration** also offers importers the

**Electronic
Customs**

Tariff (EZT).

This database (in German) contains the tariff information already present in TARIC plus information about the corresponding national turnover tax and excise tax.

Furthermore, the EZT informs about the certificates that must be presented when importing textile products into the country.

Furthermore, according to the **REACH** (Registration, Evaluation, Authorization and Restriction of chemical products) Regulation of the European Union (1907/2006/EC), manufacturers and importers of textiles containing potentially dangerous chemicals must register these substances to the European **Chemicals Agency** (ECHA) and

ensure the appropriate communication along the supply chain. The main goal of REACH is to control the safety of chemicals in consumer products, including textiles. For more information please refer to the website of the European Chemicals Agency (ECHA)

CERTIFICATIO

- The most widely used and recognized certificate of quality for textiles in Germany and the EU is the **Oeko-Tex Standard 100**. This voluntary certificate provides the textile and clothing industry a uniform standard for consumers who specifically aim to buy textiles that are free of harmful substances. All raw materials, intermediate and end products at all stages of production are tested and

certified for compliance with the standard.

Another widely used voluntary label is the **European Ecolabel**. This "bio" label stands for products that have been manufactured and can be recycled according to strict ecological requirements. The logo may be used after a thorough examination and certification process, on a number of different organic products including textiles. The label is awarded by independent Competent Bodies responsible for this seal at national level.

Distribution Channels

The most cost-effective way of entering the German textile market is to hire a commercial agent or representative. Commercial agents are normally paid

on a commission basis and are specialized by branch. Textile companies interested in finding a qualified commercial agent or representative can contact the **National Association of German Commercial Agencies and Distribution e. V. (CDH)**.

Another way for foreign manufacturers to introduce their textiles into Germany is by contacting textile wholesalers or importers. These wholesalers/importers are generally experts in the field and have in-depth knowledge of the different segments in the textile industry. Furthermore, they also take care of all the necessary importing procedures, paperwork, product warehousing and distribution activities.

Foreign textile manufacturers

also have the possibility to sell their products to central buying groups in Germany. These purchasing associations are formed by mostly small and mid-sized businesses that have organized together in order to increase their purchasing power and become more competitive by ordering large volumes.

Mail order catalogs are also a way of distributing textile products in Germany, since they are widely used by consumers throughout the country. Especially nowadays, mail order activities complement the extensive usage of e-commerce for the sales of textiles and clothing very well.

Supporting Institutions

Many organizations support foreign

manufactures in entering the market and establishing themselves successfully in Germany. The most important associations of the textile industry are:

The
Organization of the German Textile and Fashion Industry

(Gesamtextil) is an umbrella organization for a group of regional organizations and trade associations. Interested importers can obtain information about all the members of the confederation, the European textile associations and other important organizations for the textile and clothing industry.

Textination is the official website of the entire textile industry in Germany. Its main goal is to act as a vertical platform in order to provide comprehensive information on

the German textile and clothing industry and its retail market.

The **Institute of German Textile Retail Traders** (BTE) offers an extensive database with contact information for the textile retail sector.

This site also offers an online "Trade Handbook for the Textile Retail Trade in Germany" which contains useful information on companies that cover 85% of the textile retail demand in the country. Detailed data on wholesalers and organizations specialized in the branch can be found in this useful directory.

The **German Federation of Buying and Marketing Groups** (ZGV) is the umbrella organization for midsize trade, service and skilled trades and crafts companies in

Germany. The
ZGV
represents
230,000
member
companies
and 320
purchasing
cooperatives.

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Promoted by Federal Ministry for Economic Affairs and Energy in accordance with a German Parliament resolution.