3.1 GENERAL ECONOMIC SITUATION

The situation of the German economy in 2000 and the first half of 2001 could be characterised as reasonably dynamic for an EU member country. The growth rate of the Gross National Product (GNP) in 2000 was + 2.6% compared with 1999, and + 2.1% in the first half of 2001 compared with the first half of 2000.

However, in the second half of 2001, a dramatic change took place: the German economic research institutes were basically competing amongst one another to lower the previously optimistic economic forecasts for 2001 to a final GNP growth rate of + 0.6%. In fact, the economy slowed down in summer 2001 and massive lay-offs by some large companies "depressed" the 'mood' among the population.

A second aspect was the increase in the cost of living for private households in the second half of 2001 by 2.8% compared with the previous year. This comparatively high rate was mainly due to the increase of energy costs, food, ecological taxes and administrative fees which practically absorbed the planned tax reductions of approximately 25 billion DM in 2001.

The economic policy in 2002 has been rather slow in overcoming these structural economic problems in Germany, and this slow economic development is expected to continue at least until the third quarter of 2002. The introduction of the € (EURO) on the 1st January 2002, which has lead at least partially to price increases, has not really 'boost' the economy as expected.

3.2 THE MARKET FOR OUTERWEAR

3.2.1 Market size

Although the general economic situation at the beginning of 2002 was disappointing, Germany still represents by far the largest single market within the EU, with an estimated total sales volume in clothing of 84.6 billion DM in 2000 (Statistics BTE Cologne 2001) (amounts at retail prices including VAT).

In 2000, annual clothing sales (including outerwear) shrank in comparison with other consumer expenditures for the eighth consecutive time. Also, the accumulated turnover in clothing up to August 2001 fell by 3%. The real sales figures for outerwear were in fact approximately 5% higher, since this figure does not include sales through open markets and direct sales from clothing manufacturer to consumers.

3.2.2 Market characteristics

The present situation of the outerwear market in Germany, also based on the interviews made for this market survey, can be characterised by the following brief statements:

Clothing items from the outerwear segment can be characterised by a permanent price decrease. The main reason for this is the production of garments from low-wage countries. There are no innovative products that will not be sold at a much cheaper price level six months later, and said products will be very similar to the 'original'. Product imitation has become easier through global production, easy communication by Internet/e-mail and liberalised trade.

Renowned market research institutes have stated that the 'middle market segment', (which is characterised by quality consciousness and 'brand orientation') has become much smaller in recent years. The outerwear and clothing market are moving in two directions: (a) value/price and (b) trend/fashion, whilst the middle segment is decreasing.

Clothing sales through the Internet have not proved to be very successful (due to problems with logistics, payment and returning goods, as it is not possible to either try on or feel the quality of the goods). Since the beginning of 2002, all companies selling clothing over the Internet have spent a great deal of money with only limited profits.

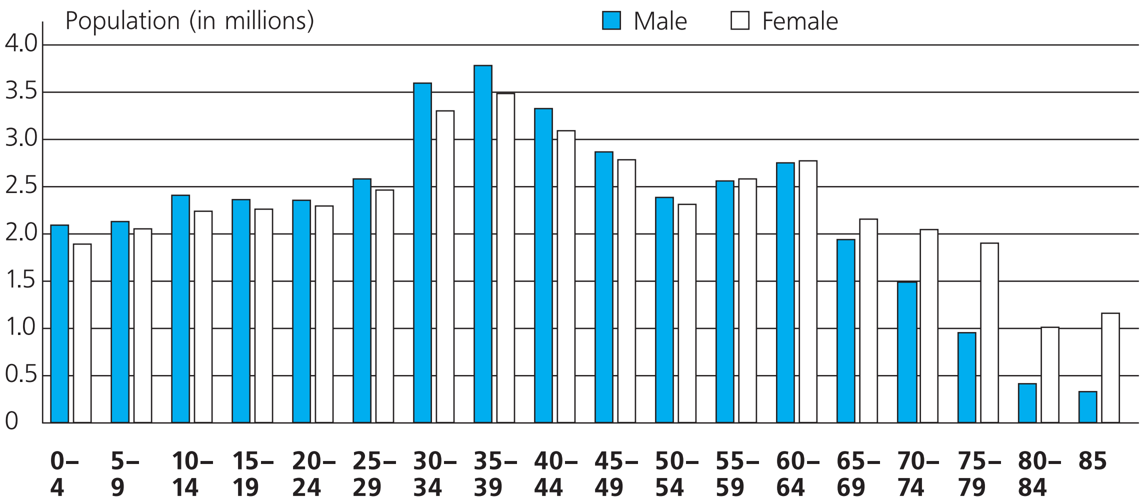
There is a lack of clear fashion impulses. For example, only experts can distinguish between a suit that is new or one that is five years old in terms of material, cut and colour. Today's winter coats look like they were five or ten years old. Everything is in fashion, so even last year's outfit is acceptable.

3.2.3 Demographic characteristics

Figure 3-1 shows that – according to age groups – the major population segment is between 35 and 39 years of age (approximately 7.5 million – male and female), followed by those in the 30–34 bracket (approximately 7 million people). In other words, Germans in their thirties represent the largest target group (in numbers only).

The younger generation under 25 is comparatively small, e.g. the age group between 20 and 24 represents only approx. 4.5 million Germans (= 5.5% of the whole population). The smallest potential 'target group', apart from those over 70, is the segment under 10 years of age. The consequences of this for clothing manufacturers from foreign countries are evident.

Figure 3-1: Age structure of the German population by sex, 2000



Source: U.S. Bureau of the Census, International Data Base.

3.4.4 Retail sales by product category

Table 3–1 shows that in 2000, the ladieswear market, with 59.8% of all clothing sales represented almost double the menswear market with a share of 33.5%. The kidswear market represented only 6.7% of all clothing sales. In terms of sales volume, the ladieswear market increased by 3.2% between 1998 and 2000, while the menswear market increased by 2.8% and the kidswear market increased by 9.7%.

There are several ways of segmenting the clothing market. Table 3–1 provides an overview of the sales development in the major product segments, in absolute figures at retail level as well as percentages, covering the main items of ladies', men's and kid's outerwear analysed by this survey.

The market for ladies' outerwear showed a plus of 3.5% in 2000 and a stagnation in the 1st half of 2001. According to a poll by the Federal German Textile and Clothing Retailers Association (BTE) in spring/summer 2001 among their ladies' wear retailers 62 % indicated an increase in turn-over whereas 15% achieved the same results as in 2000.

The market for men's outerwear, after the 'boom years' in 1998 and 1999 and an increase of 2.9% in 2000 rose by 3.6% in the first half of 2001 and, in general, performed worse than the ladieswear market. There was even a fall in sales of suits, one of the 'best seller items' over the last years. New real 'fashion trends' have been missing. The menswear market had been too 'basics orientated' in the last years with black and grey as the main colours. In the second half of 2001, jeanswear and, to a lesser extent corduroy, sold very well and will help to boost the menswear market.

The market for children's outerwear generally suffers from the decreasing birth rates. With 767,000 births in 2000, the number decreased by 0.5% compared with 1999. Nevertheless, the market tendency according to 'HML Modemarketing' Frankfurt shows the opposite development. After increases of 4.2% in 1999 and 5.3% in 2000, sales fell again by 2.1% in the first half of 2001.

Table 3-1: Outerwear turnover by sex and product categories, 1998–2000

in bn. DM	1998	1999	2000	+/– from previous year
Ladieswear of which:	42.89	42.77	44.27	+ 3.5%
Coats	2.56	2.43	2.53	+ 4.1%
Suits	3.56	3.33	3.14	– 5.7%
Blazers	5.24	4.92	5.23	+ 6.3%
Dresses	3.85	4.44	4.53	+ 2.0%
Skirts	3.17	3.56	3.82	+ 7.3%
Blouses	6.38	5.49	5.34	– 2.7%
Trousers/jeans	7.82	8.00	8.80	+ 1.0%
Cardigans	6.42	6.78	7.06	+ 4.1%
Knitwear	3.90	3.81	3.82	+ 0.3%
Menswear of which:	24.15	24.15	24.84	+ 2.9%
Coats	0.70	0.66	0.69	+ 4.5%
Suits	2.59	2.96	3.19	+ 7.8%
Blazer/jackets	4.61	4.37	4.25	– 2.8%
Trousers/jeans	6.95	7.10	7.38	+ 3.9%
Pullovers	2.49	2.29	2.37	+ 3.5%
Shirts	3.75	3.69	3.83	+ 3.8%
Knitwear	3.06	3.10	3.12	+ 0.7%
Kidswear	4.52	4.71	4.96	+ 5.3%

Source: HML Market Research Frankfurt, 2001

3.2.5 Consumer behaviour

The latest observations on consumer behaviour based on interviews for this marketing handbook show that consumers of 2001/2002:

- react very sensibly to economic changes and moods
- tends to buy less as all wardrobes are full and basic needs can be fulfilled less expensively
- are highly sensitive to price – the former belief that 'cheap things' are bad and expensive is good no longer applies
- were concerned about the introduction of the Euro (€) in the beginning of 2002 – and assume hidden price increases

3.2.5.1 Consumer preferences

There have been tremendous shifts in consumer preferences with regard to the most popular shops in recent years. Market leaders confirm that this development corresponds directly to more incalculable consumer buying patterns towards much cheaper goods, closer to the actual demand (not in advance) and in shops with more 'event character'.
A survey of the ladieswear segment, the largest clothing market segment, shows that more than one third of women buy from clothing chains (+ 0.5%). Department stores are just behind in second position at 69% and are still very strong, although they have lost some importance by 1.7%. New concepts reinforced the position of department stores in 2000 and 2001. Smaller specialised clothing retailers are less important and it is expected that this distribution channel will lose further market shares in coming years.
The most preferred shops among all female consumers between the ages of 14 and 64 years are C & A (67%) in the number one position, followed by H&M (36%) and P&C (35%). They also mentioned Esprit, Adler, Benetton, Wöhrl, Jean Pascale and S. Oliver. All other retailers are below 5% of all responses (Source: Kommunikationsanalyse 2000, Brigitte Magazine, Gruner + Jahr, Hamburg, 2000).

Table 3-2: Most preferred types of clothing retail channels by region, sex and age, 1999/2000

'I personally buy clothing mainly in…'

Type of shop	Whole Population	West* East*	Women Men	14 to 29 years Women Men	30 to 49 years Women Men	> 50 years Women Men
Clothing store	56.8%	60.8% 41.4%	58.5% 54.9%	57.0% 48.9%	61.4% 56.7%	57.2% 56.6%
Department store	52.3%	51.0% 50.3%	57.2% 53.9%	53.5% 51.2%	51.0% 52.1%	55.7% 51.2%
Specialised shop	36.1%	39.2% 36.1%	24.1% 44.6%	40.2% 31.9%	31.6% 36.5%	41.4% 28.7%
Mail order	30.0%	25.3% 25.7%	48.1% 42.8%	36.2% 23.8%	23.2% 29.0%	41.9% 21.2%
Jeans shop	29.4%	29.4% 59.0%	29.2% 34.6%	26.7% 39.8%	33.4% 7.6%	53.2% 13.1%
Super + hyper-markets	15.8%	13.6% 12.6%	24.4% 18.1%	15.9% 15.3%	15.6% 16.1%	12.0% 17.6%
Sports shops	14.8%	15.0% 36.2%	14.1% 15.0%	11.2% 20.1%	18.9% 4.5%	20.4% 8.0%
Ex-factory sales	4.0%	4.7% 5.8%	1.6% 5.0%	4.2% 4.6%	3.8% 2.1%	7.7% 2.0%
Other shops	9.0%	8.3% 9.9%	11.7% 9.2%	9.1% 7.7%	9.0% 7.2%	13.2% 9.6%

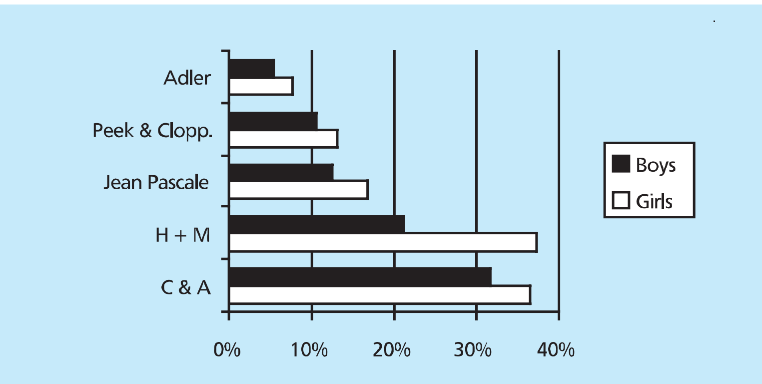
Source: Intermedia – Typologie der Wünsche 1999/2000

* West refers to the 'old' counties (Länder') and East to the 'new' German counties

Table 3–2 shows that men and women have a similar 'shop preference' when buying in large clothing stores and department stores with percentages way above 50%. There are significant differences between men and women when buying in specialised shops, with only 31% of men and 41% of women preferring to buy from these retailers. Women tend to buy more from mail order companies (36% to 23%), whereas men predominantly buy from sports shops (19% to 11%).

The analysis of the most preferred shops for kids in Figure 3–2 shows that H&M is mainly preferred by girls, whereas C&A attracts both sexes. It is interesting to look at customers' budgets; whereas young C&A customers can spend only €65, customers of Adler, H&M and Jean Pascale customer have a budget of €85, and P&C customers have almost €100 available to spend.

Figure 3-2: Where kids shop for clothing, 2001



Source: ‚Kids Verbraucheranalyse' – kids at 6–19 years – Lübbe, Bauer und Axel Springer Verlag, 2001

Looking at consumer patterns, market research by Intermedia in 2001 on behalf of Burda Verlag, Hamburg shows interesting results, summarized in Table 3–3. The key fact is that women have a much greater interest in the latest fashion trends (29%) than men (11%). Even when it comes to special offers, ladies are more interested (48%) than men (42%). Approximately 60% would like to buy at fixed prices. Only one third like to bargain on prices. The timing of sales does not seem to be in line with consumer needs: only 19% of women and 12% of men buy at the beginning of the season. Brand awareness is low among consumers, only every sixth German is concerned about the brand.

Table 3-3: Consumer patterns with regard to interest in fashion, purchase timing brand awareness and bargains by sex, 2001

	Ladies	Men
Interest in Fashion		
I am interested in the latest fashion trends	29%	11%
I often talk about fashion	21%	6%
Purchase Timing		
I buy fashion clothing often at the beginning of the season, when the new range comes into the shops	19%	12%
I buy fashion clothing often at the end of the season, when prices already have been reduced already in many places	44%	38%
Brand Awareness and Bargains		
I am very concerned about buying the right brand	17%	15%
I often buy special offers	48%	42%

Source: Typologie der Wünsche, Intermedia-Burda Verlag, 2001/2002

3.2.5.2 Consumer expenditure

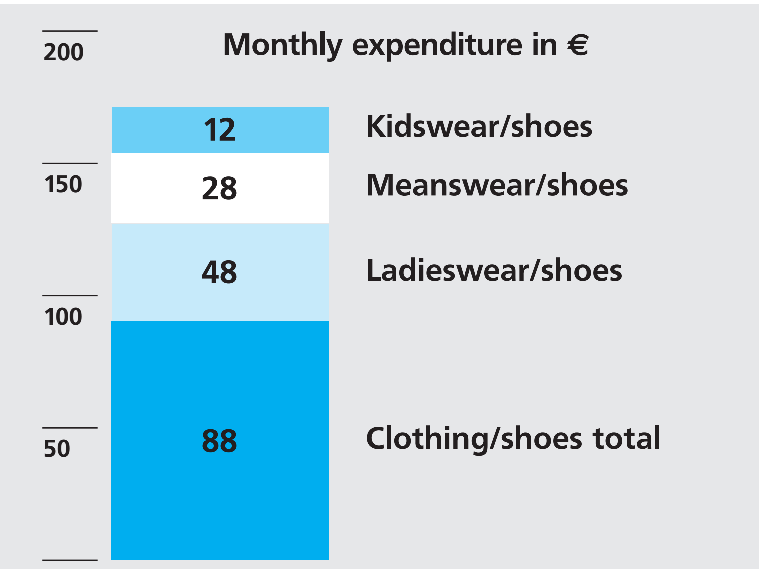
The overall disposable income of all private German households increased by 2.8% to DM 2.544 billion in 2000 compared with 1999. In the first half of 2001, income even increased by 3.7%. At the same time, private household consumption increased by 3.2% in the first half of

2001 and was in line with the developments of recent years.

The latest detailed analysis of expenditure structures of German households by the German Federal Statistical Office in 1998 shows that an average household can spend €2,061.00 (= 100%) monthly. Of this, €98.00 was spent on clothing (= 4.73%). Single males have a relatively higher disposable income (€ 1,334.00) but save most on textiles and clothing. Couples with kids spend the most on textiles. The self-employed and employees tend to spend the most on clothing.

Figure 3–3 gives an overview of the share of the clothing segments in German household expenditure (based on an average German household with four persons). A general tendency is for consumers to spend less on clothing, especially since the beginning of 2002 and the introduction of the Euro. Also a large part of their income is spent on services, travel, education, fitness/ health and rent for houses.

Figure 3–3: Monthly household spending on clothing and shoes, 1998



Source: Federal Statistical Office Germany, Research in 2000 with data of 1998

A different analysis on consumer expenditure by the BTE in 2000 proved that the per capita consumption for clothing amounted to € 752.00 per year. Table 3–4 shows the annual consumption in different product groups. The figures given only indicate tendencies, as not all purchases are collected in the official statistical data (sales in open markets are not included, for example). A clear fact is that the per capita consumption has decreased in value in recent years, as the turnover in the clothing market has reduced whilst, the population has increased.

Table 3-4: Expenditures on clothing per capita by product categories, 2000

Total (average)	**752 € /per head**
of which:	
Ladies outerwear	713 €/head
Under-, night- and swimwear	128 €/head
Ladieswear	775 €/head
Men's outerwear	374 €/head
Underwear/shirts/socks	142 €/head
Menswear	448 €/head
Kids- and Teenager Wear	238 €/head

Source: BTE – Basis: Demographic structure as of 31. 12. 1999 (not including consumers **>85 years – kids and youngsters below 15 years of age respectively)**

The share of clothing expenditure in all household expenses has fallen permanently: from 1995 to 2000 by 0.6% points. According to Table 3–5 published by the BTE (German Association of Textile Retailers), German consumers currently spend on average 5.47% only fashion goods.

Table 3-5: Household spending on clothing (in % of total spending), 1994–2000

1994	1995	1996	1997	1998	1999	2000
6.34%	6.13%	5.97%	5.85%	5.69%	5.57%	5.47%

Source: German Federal Association of Textile Retailers (BTE), Cologne, 2001

The analysis of consumer expenditure per clothing article illustrated in Table 3–6 and Table 3–7 shows that the amount for many items has decreased from 1997 to 2001. The analysis of those clothing items from the ladieswear and menswear segments analysed for this study give an interesting indication on sales prices for manufacturers wishing to sell to Germany. It can be assumed that the amounts indicated (amount spent per clothing item) are too high, since customers were asked 'How much do you usually spend?', meaning that price reductions – which are almost the rule – have not been taken into consideration for this analysis. One other practical example: only 5% of consumers pay more than € 70.00 for a pair of jeans. 40% of ladies jeans are sold between € 10.00 and € 30.00.

Table 3-6: Womenswear: Average retail prices by product categories, 1997/2001

Womenswear	1997 (DM)	2001 (DM)	+/- from previous year
Polo/sweater	51	55	+7.8 %
Suit	253	272	+7.5 %
T-shirt	41	43	+4.8 %
Coat	334	348	+4.2 %
Trousers	112	115	+2.7 %
Blouse	77	76	–1.3 %
Jacket, blouson	161	158	–1.9 %
Pullover/knitwear	105	103	–1.9 %
Blazer	166	159	–4.2 %
Skirt	103	100	–3.0 %
Suit	288	278	–3.5 %
Jeans	115	109	–5.2 %
Dress	165	156	–5.5 %
Leather jacket	412	386	–6.3 %

Source: Spiegel Outfit Studie No. 5, Gruner+Jahr Hamburg, 2001

Table 3-7: Menswear: Average retail prices by product categories, 1997/2001

Menswear	1997 (DM)	2001 (DM)	+/- from previous year
Sweatshirt	57	63	+ 11.1 %
Polo shirt	49	54	+ 11 %
T-shirt	34	36	+ 5.8 %
Tie	36	38	+ 5.5 %
Jacket, blouson	168	176	+ 4.8 %
Trouser	120	125	+ 4.2 %
Shirt	67	69	+ 2.9 %
Pullover/knitwear	101	104	+ 2.9 %
Jeans	111	113	+ 1.2 %
Suit	365	366	+ 0.2 %
Blazer	186	185	–0.5 %
Coat	360	354	–1.7 %
Leather jacket	450	412	–8.4 %

Source: Spiegel Outfit Studie No. 5, Gruner+Jahr Hamburg, 2001

A look at the kidswear market shows that 'kids' income' increased by 6.5% in 2000. This high potential target group (all kids from 6–19 years) disposes of more than €10 billion per year. On average, 6–9 year olds have more than €11.00, 10–12 year olds over €18.00, 13–15 year olds have €40.00 and 16–19 year old kids have more than €140 per month to spend.

The older boys spend approximately 16% of this reasonable income on clothing (after discos, concerts, 'going out', the cinema, sweets, CDs and food). Girls show a much different buying pattern for clothing: 34% of girls older than 13 spend their money on clothing and this represents the top position for all expenditures.

3.2.6 Price developments of clothing

Between 1998 and 2000, the prices for all product segments in the clothing sector have increased only slightly, whilst the total cost of living has increased to a much larger extent. As price reductions at a retail level have not been considered in the table below, it can be assumed that in practical terms, the price level for clothing has decreased. For more details, see Table 3–8.

Table 3-8: Clothing price index relative to national consumer price index, 1998– 2000

(Index: 1995 = 100)	1998	1999	2000
Price index clothing	101.2	101.4	101.5
Price index total cost of living	104.3	104.9	106.9

Source: German Federal Association of Textile Retailers (BTE), Cologne, 2001
Base: all private households in Germany

3.3 IMPORTS

3.3.1 Total imports

Table 3-9 gives an overview of import volume in terms of value and volume of the respective product groups into Germany. The tendency is that imports have slightly increased overall, both in terms of value and volume. The figures for 2001 are preliminary only, since they were extrapolated based on import figures that include August 2001.

Looking at the total import increases per product segment from 1999 to 2000, active sportswear has increased by 9.2%, men's and boys outerwear by + 10.2% and girls' or ladies' outerwear (representing the largest outerwear product segment) by + 10.4% (all figures in value terms). The importance of imports from non-EU countries has increased from 1999 to 2001. Whilst in 1999 the share of the non-EU countries in total imports of men's or boys' outerwear was 57.0%, the share increased to 65.3% (value) in 2001. The same analysis of the product segment ladies' and girls' outerwear from 1999 to 2001 proves that the share increase of non-EU countries in all imports has been less, namely from 64.9% to 68.3% (value terms).

By far the largest product category are jerseys, pullovers, cardigans and waistcoats (HS code 61.10), followed by T-shirts and singlets (HS code 61.09). As a result, price competition is fiercest in these product segments, especially for T-shirts. In general, imports from non – EU countries have increased in most product segments, thus indicating more sales opportunities for manufacturers abroad. (including, to a large extent, developing countries.)

Table 3-9: Imports of knitted outerwear by sex and product categories, 1999–2001

	1999		2000		2001	
	tons	1000 €	tons	1000 €	tons	1000 €
For men or boys						
Coats, raincoats, anoraks etc. (61.01)	1 079	27 328	877	23 390	835	20 567
Suits, jackets, ensembles, trousers, shorts etc. (61.03)	4 896	88 460	4 918	95 224	4 293	81 530
Shirts (61.05)	11 891	230 821	12 313	235 743	11 760	232 576
Total	**17 866**	**346 610**	**18 108**	**354 357**	**16 887**	**334 674**
Total extra EU	**13 144**	**197 606**	**12 929**	**200 007**	**13 509**	**218 826**
For women or girls						
Coats, raincoats, anoraks etc. (61.02)	2 284	51 106	2 773	67 261	1 867	48 330
Suits, ensembles, jackets, dresses, skirts, trousers (6104)	39 285	749 465	40 448	782 980	33 587	623 585
Blouses and shirt blouses (6106)	12 514	276 233	11 915	265 663	10 567	246 596
Total	**54 083**	**1 076 804**	**55 136**	**1 115 904**	**46 021**	**918 510**
Total extra EU	**41 468**	**691 536**	**42 071**	**723 693**	**36 654**	**627 536**
For both sexes						
T-shirts, singlets etc. (61.09)	95 555	1 590 689	112 590	1 986 170	123 620	2 174 067
Jerseys, pullovers, cardigans, waistcoats etc. (61.10)	130 069	2 882 528	136 186	3 199 605	109 032	2 657 520
Baby garments (61.11)	9 479	194 885	9 978	214 424	9 401	216 175
Impregnated clothing (61.13)	2 459	56 572	3 434	78 103	3 271	74 190
Total	**237 561**	**4 724 674**	**262 188**	**5 478 301**	**245 325**	**5 121 951**
Total extra EU	**177 149**	**2 874 786**	**194 846**	**3 390 153**	**191 080**	**3 401 453**
Active Sportswear						
Tracksuits, ski suits and swimwear (61.12)	9 317	226 318	8 857	247 070	7 979	253 532
Other sportswear (61.14)	4 569	130 919	4 831	143 169	3 739	116 029
Total	**13 886**	**357 237**	**13 688**	**390 239**	**11 717**	**369 561**
Total extra EU	**10 303**	**221 232**	**10 179**	**250 310**	**9 208**	**246 915**

Source: Eurostat March 2002/Year 2001 based on Jan. to Aug. 2001 and extrapolated to Dec. 2001

Table 3–10 shows that the share of non-EU countries in total imports for woven outerwear items is even higher than for knitted items. 79.4% of men's and boys' outerwear in 2000, for example, originated from non-EU countries. For women's or girls' outerwear the share of non-EU countries was also at a very high level of 80.5% (year 2000 – value terms).

As for knitted outerwear, there was a general upswing in imports of woven outerwear between 1999 and 2001. It is remarkable that the increase in volume was less than in value terms; between 1999 and 2000 imports of women's and girls' outerwear increased by only 1.95% in volume but 3.6% in value terms. These figures underline that imported clothing items are not always 'cheaper' products, since in this case the import value has grown faster than the import volume.

Table 3-10: Imports of woven outerwear by sex and product categories, 1999–2001

	1999		2000		2001	
	tons	1000 €	tons	1000 €	tons	1000 €
For men or boys						
Coats, anoraks, wind-cheaters etc. (62.01)	24 649	628 544	24 601	660 748	20 771	569 517
Suits, jackets, ensembles, trousers, shorts etc. (62.03)	120 889	2 527 241	122 254	2 662 307	130 839	2 915 036
Shirts (62.05)	44 205	839 111	40 665	871 909	39 609	864 866
Total	**189 742**	**3 994 896**	**187 520**	**4 194 964**	**191 220**	**4 349 419**
Total extra EU	**158 830**	**3 099 362**	**155 810**	**3 234 578**	**160 507**	**3 452 790**
For women or girls						
Coats, capes, anoraks, wind jackets etc. (62.02)	29 979	799 350	30 030	826 418	26 279	738 583
Suits, ensembles, jackets, dresses, skirts, trousers (6204)	119 239	3 252 174	131 207	3 509 878	143 343	3 814 244
Blouses and shirt blouses (6206)	31 024	945 773	30 298	922 259	33 479	1 049 443
Total	**180 242**	**4 997 297**	**191 535**	**5 258 555**	**203 102**	**5 602 270**
Total extra EU	**151 500**	**3 862 706**	**158 171**	**4 026 417**	**173 012**	**4 498 930**
For both sexes						
Baby garments (62.09)	3 463	70 658	3 531	74 379	3 450	76 038
Other incl. impregnated (62.10)	n. a.	421 872	n. a.	n. a.	n. a.	n. a.
Total	**3 463**	**492 530**	**3 531**	**74 379**	**3 450**	**76 038**
Total extra EU	**2 533**	**382 640**	**2 548**	**52 199**	**2 715**	**58 365**

Source: Eurostat March 2002/Year 2001 based on Jan. to Aug. 2001 and extrapolated till Dec. 2001

3.3.2 Outward Processing Trade (OPT)

A brief analysis of the OPT imports of outerwear into Germany shows that most of the countries seem to have lost market shares in 2001, except Serbia with + 53.8%, Ukraine with + 10.6% and Bosnia with + 1.7%. This positive development can be mainly explained by the fact that these countries are more or less new on the 'sourcing list', and profit from the so called 'basis effect'. Ukraine made the biggest leap into position No. 4 and is now in a similar position to Tunisia.

The main 'losers' are Russia (–37.8%, Hungary (–36.4%, Macedonia –34.3%, Czech Republic –30.9%), Slovakia (–30.1%), Morocco (–23.4%) and Romania with –17.5%. The latter has retained the first position, and it is not surprising that Romania has lost some ground compared with the other countries given that increases there have been tremendous in the last 2–3 years. For more details, see Table 3–11.

Table 3-11: Largest supplying countries of OPT outerwear, 1999–2001

Position in 1000 €	Country	1999 in 1000 €	+/- from 1999	2000	+/- from 2000	2001 in 1000 €
1	Romania	86 478	27.3%	110 058	–17.5%	90 818
2	Poland	112 790	–13.8%	97 249	–9.9%	87 654
3	Tunisia	86 444	–0.9%	85 637	–10.2%	76 869
4	Ukraine	51 753	31.8%	68 216	10.6%	75 445
5	Croatia	47 259	–9.2%	42 890	–9.7%	38 713
6	Slovenia	43 998	6.1%	46 673	–17.4%	38 538
7	Hungary	51 133	10.4%	56 448	–36.4%	35 906
8	Bulgaria	32 843	–0.9%	32 553	–17.1%	27 001
9	Serb.Monten.	9 216	56.2%	14 396	53.8%	22 148
10	For.JRep.Mac	32 482	–4.7%	30 951	–34.3%	20 337
11	Slovakia	18 062	27.1%	22 951	–30.1%	16 032
12	Czech Rep.	27 030	–21.8%	21 128	–30.9%	14 593
13	Lithuania	16 176	1.2%	16 366	–16.4%	13 676
14	Russia	24 194	–24.5%	18 264	–37.8%	11 353
15	Bosnia and Herzegovina	11 797	–18.8%	9 581	1.7%	9 743
16	Morocco	10 754	–5.6%	10 155	–23.4%	7 783
17	Turkey	13 310	–43.0%	7 585	–16.0%	6 368
18	Belarus	3 500	34.1%	4 694	–18.6%	3 823
19	Albania	1 798	27.9%	2 300	19.3%	2 744
20	Latria	3 060	12.6%	3 444	–32.2%	2 335
	Extra EU	689 202	2.6%	707 396	–14.3%	605 993

Source: Eurostat March 2002/Year 2001 based on Jan. to Aug. 2001 and extrapolated till Dec. 2001

3.3.3 Largest suppliers of outerwear

Table 3–12 shows the imports of finished products from major supplying countries into Germany between 1999 and 2001. By far the leading import country is Turkey, followed by China and Italy. The three leading supplying countries stand for 34.3% of all clothing imports in 2001. Not less than 70.6% of all imports originate from non-EU countries. These countries also increased their share in total imports by +6.3%, whereas EU clothing manufacturers exporting to Germany sold 14.3% less (all calculation on value basis – change from 1999 to 2000).

The "winners" in terms of sales increases are Bulgaria (+ 50.8%), India (+24.9%), Romania (23.5%), Tunisia (14.2%), Belgium (14.7%), Poland (+13.4%) and Bangladesh (13.3%). Turkey, as the number one supplying country and China in second position were even able to stabilise their positions with +1.1% and +12.3% respectively.

The "losers" are all from Europe: United Kingdom, Denmark, France, Portugal, Italy and The Netherlands with an average decrease of more than 10% in 2001 compared to 2000.

Table 3-12: Largest supplying countries of outerwear, 1999–2001

Position in 1000 €	Country	1999 in 1000 €	+/- from 1999	2000	+/- from 2000	2001 in 1000 €
1	Turkey	2 091 303	12.5%	2 352 646	1.1%	2 378 261
2	China	1 147 835	5.5%	1 210 418	12.3%	1 358 838
3	Italy	1 492 263	2.4%	1 527 774	–11.6%	1 350 493
4	Netherlands	769 750	30.2%	1 001 933	–16.5%	836 487
5	Bangladesh	427 102	54.3%	658 914	13.3%	746 592
6	Poland	533 470	6.8%	569 502	13.4%	645 963
7	Hong Kong	651 522	4.8%	682 618	-7.2%	633 671
8	Romania	277 453	48.7%	412 680	23.5%	509 624
9	India	314 037	6.3%	333 845	24.9%	416 815
10	Greece	443 380	–6.1%	416 499	-3.2%	403 032
11	Belgium	352 569	–3.0%	342 068	14.7%	392 296
12	France	356 180	18.7%	422 739	–18.9%	342 995
13	Indonesia	301 716	14.6%	345 785	-3.9%	332 303
14	Portugal	386 810	–2.1%	378 684	–16.7%	315 295
15	Tunisia	214 557	1.4%	217 522	17.2%	254 896
16	Denmark	222 231	53.2%	340 351	–26.3%	250 921
17	Vietnam	197 432	17.3%	231 537	-6.7%	216 087
18	Utd. Kingdom	383 752	–4.4%	366 955	–41.7%	214 037
19	Czech Rep.	176 170	15.5%	203 513	5.1%	213 801
20	Bulgaria	90 138	52.3%	137 301	50.8%	207 091
	EU	4 660 181	9.1%	5 086 287	–14.3%	4 357 359
	Extra EU	8 660 372	13.6%	9 839 288	6.3%	10 463 155

Source: Eurostat March 2002/Year 2001 based on Jan. to Aug. 2001 and extrapolated to Dec. 2001

3.4 TRADE STRUCTURE

3.4.1 Developments in the retail trade

German retailers were affected by a general slow down in sales in 2001/2002 and were unable to achieve the annual growth rates of 3% to 8% of the 1980s. This development has been confirmed by the retailers interviewed for this survey. The main reasons for these rather dramatic changes at retail level are:

The clothing retailers were more or less forced to continue their 'trading down policy', or in other words have not managed to increase prices. Known brands are sold at reduced prices and 'cheap' trade brands have been created. The higher segment shows price increases but this is of absolutely minor importance.
Expansion of price aggressive retail outlets – in the clothing sector mainly represented by 'vertical chains' such H&M, MANGO, ZARA etc. An analysis from the Management Consulting Company KSA shows that between 1993 and 2000, the turnover of clothing at retail level increased by 1.6% only, whilst the sales area in m^2 expanded by 17.1%.

Increased 'TV shopping', which is still dominated by jewellery, hobby articles, kitchen devices as well as fashion and accessories. The expected sales volume in the near future is approximately DM 2 billion.
A poll of 1,000 German consumers in November 2001 gave quite a positive outlook for clothing sales in 2002: more than half (53%) want to spend less money on larger purchases, but only 25% want to spend less on clothing (58% want to spend the same as previously and 16% want to spend more on clothes [Research by HML, Frankfurt]).

The major problems at German clothing retail level in 2001, similar to previous years, are more of a 'structural nature'. According to an analysis from the German Federal Association of Textile Retailers (BTE) in September 2001 of members with a turnover of more than 1 million DM, retailers mainly suffer from decreasing turnover, less profit, lower frequency in the shops and increased costs. Only 22% of the retailers interviewed reported an increase in sales in 2001 (43% in the previous year).

The major developments in German clothing retail structure are as follows:
Changes in the size structure of outlets – the tendency for larger units has decreased. Even larger clothing retailers have lost their market share or had to leave the market (such as BOECKER, C&A). In all size categories of clothing retailers, there was a decrease in their number as well as their turnover (1997 to 2000).
The tendency for more outlets continues – the so called 'vertical retailers', who manage the whole scale from collection development, production (outsourcing) and sales via their own shops, dominate the best shopping areas beyond Germany's largest cities.
The great boom of out-of-town 'shopping centres' is over-new centres are only opened in city locations or in suburbs of larger cities.

New outlets whose main business is not clothing, such as Tchibo (coffee sales with 850 own shops and 21,700 POS at retail level and mail order catalogues) and Aldi (supermarkets) have gained importance and become the 'winners' over the last 2–3 years. Large cash & carry markets have extended their sales area (+33% from 1990 to 2000) including the textile range, and also have gained importance.

Retailers tend to work with less but more efficient clothing suppliers with faster deliveries and EDP support. Four out of five companies want to collaborate with fewer suppliers. 69% of all retailers want to buy on a more short-term basis.

The internationalisation on the German market with increasing market shares by chains such as H&M Sweden, GAP USA, Auchan (ORSAY, PIMKE) France, Inditex (ZARA) and MANGO Spain etc. continued in 2001/2002, and it can be expected that the vertical chains with their fast delivery rhythms will continue their expansion strategy in 2002/2003.

In future, textiles and clothing shopping will be more combined with lifestyle and entertainment in the German cities, e.g. in the form of 'Urban Entertainment Centers' such as Stilwerk or SEVENS in Düsseldorf.

The 'death' of the smaller specialised clothing retailers has continued in recent years – their market share has fallen from 60.8% in 1992 to 53.7% in 2000 (see also Table 3–13). Between 1994 and 1999, 13,500 clothing retailers closed down (decrease by 26.7%) and turn-over has decreased by DM 9.5 billion (16.1%) simultaneously.

Table 3-13: Nominal development in clothing turnover according to retail size, 1999–2000

Annual turn-over	< 1 m. DM		1–5 m. DM		5–10 m. DM		> 10 m. DM	
	1999	2000	1999	2000	1999	2000	1999	2000
Percentage change from previous year	–8.4	–6.1	–5.4	–4.0	–3.3	+2.5	+1.5	–1.2

Source: Federal Statistical Office, Wiesbaden/Germany 2002

3.4.2 Leading retailers

Table 3-14 gives an excellent overview of the structure and the development of the largest German textile retailers (> € 50 million per annum). This analysis was carried out by the renowned trade magazine Textilwirtschaft/Frankfurt on an annual basis. In 1995, 82 companies stood for 55% of the total market volume. In 1999, some DM 70 billion were sold by 85 clothing retailers representing 59.8% of the market.

Table 3-14: Leading textiles retailers by turnover, 1999–2000

Company Group	Number of outlets	Turnover in Textiles in Million DM 1900	Turnover in Textiles in Million DM 2000
1. **Karstadt/Quelle AG, Essen** (Karstadt, Hertie, KaDeWe, Alsterhaus, Runners Point, Wertheim, Neckermann, Hahn, Madekeine, Atelier Goldener Schnitt, Mercatura, Elégance, Walz, Krähe Fox, Wehmeyer, Clinic & Jo Dress)	389	12.650	12.745
2. **Otto Versand, Hamburg** (Schwab, Witt, Heine, Sport Scheck, Alba Moda, Eddi Bauer)	82	7.850	7.850
3. **C & A, Düsseldorf**	184	5.300	5.665
4. **Metro AG, Düsseldorf** (Kaufhof, Real)	378	4.258	4.584
5. **P & C + Anson's, Düsseldorf**	79	2.670	2.686
6. **Hennes & Mauritz, Hamburg**	188	2.585	2.350
7. **Divaco, Frankfurt/Main** (formerly Metro; Kaufhalle, Adler, Mode + Sport, Kerber)	257	2.280	2.307
8. **Edeka/AVA, Hamburg** (supermarkets)	10.899	1.960	984
9. **Aldi, Mülheim/Ruhr** (supermarkets)	3.450	1.888	1.820
10. **Klingel, Pforzheim** (incl. Wenz)	5	1.500	1.500
11. **SinnLeffers, Hagen**	43	1.354	1.487
12. **Takko, Telgte** (Takko + Ingrid S.)	600	1.314	2.225
13. **Tchibo, Hamburg** (coffee roaster)	850/39.000*	1.300	1.215
14. **Schwarz Holding, Neckarsulm** (discounter)	2.334	1.061	1.017
15. **Woolworth, Frankfurt**	338	1.005	1.020
16. **Rewe, Köln** (supermarket)	6.000	820	750
17. **K+L Ruppert, Weilheim** (discounter)	37	780	776
18. **Bader, Pforzheim** (mail order)	1	778	778
19. **Vögele, Lehrte/Sigmaringen**	291	774	548
20. **New Yorker, Braunschweig** (Jeanswear chain)	242	758	721
21. **NKD, Bindlach**** (discounter)			

Company Group	Number of outlets	Turnover in Textiles in Million DM 1900	Turnover in Textiles in Million DM 2000
22. **Douglas, Hagen** (Biba, Werdin, Sport Voswinkel, Appelrath-Küpper)	888	750	928
23. **P & C, Hamburg**	210	741	689
24. **Breuninger, Stuttgart** (clothing department store)	27	733	733
25. **Orsay, Willstätt** (ladieswear chain – young fashion)	235	688	626

Source: Textilwirtschaft Frankfurt/Main, Edition No Nr. 98/2001

* number of outlets

** bankrupt since 1st June 2001

Table 3–15 and Table 3–16 give a good overview of the "winners" and "losers" among clothing retailers in Germany. It may be a good idea for clothing exporters from abroad to include the best-performing retailers in their list of target customers. For the members of the losers list, it can be assumed that they are not really looking for new suppliers as they are trying to manage the decrease in sales and perhaps even cut down the list of suppliers.

Table 3-15: The winners in clothing retail, 2000

Name of Retailer	(in Mio. DM) 1999	2000	Increase in sales
Vögele, Sigmaringen	548	774	+41%
Hirmer, München	180	225	+25%
Pimkie, Willstätt	340	420	+24%
Bonita, Hamminkeln	393	483	+23%
Takko, Telgte	1.115	1.314	+18%
Strauss, Langenfeld	380	441	+16%
Esprit, Düsseldorf	230	260	+13%
Eurobike, Düsseldorf	149	166	+11%

Source: Textilwirtschaft, Frankfurt/Main, 20. 9. 2001, edition no. 38

Table 3-16: The losers in clothing retail, 2000

Name of Retailer	(in Mio. DM) 1999	2000	Increase in sales
Kaufring, Düsseldorf	170	129	–24%
Konen, München	240	200	–17%
Boecker, Essen	460	400	–13%
Ulla Popken, Rastede	372	330	–11%
Sinn/Leffers, Hagen	1.487	1.354	–9%
Jean Pascale, Norderstedt	415	387	–7%
C & A, Düsseldorf	5.665	5.300	–6%
Globus, St. Wendel	342	324	–5%

Source: Textilwirtschaft, Frankfurt/Main, 20. 9. 2001, edition no. 38

3.4.3 Distribution channels

This described structure of the textile/clothing retail market can also be split into two major groups: 'specialised retailers' and 'larger forms of textile retail'. For more details, see Table 3–17.

Table 3-17: Structure of the textile/clothing retail market, 2000

	in Billion DM	%
Specialised Retailers		
Below 250,000 DM turnover p.a. (24,3000 companies)	2	2
Between 250,000 and 1 million DM (24,900 companies)	39	33
'Non-textile' retailers	6	5
Total specialised retailers	**47**	**40**
Larger forms of clothing retailers		
Chains, outlet stores (58 companies)	29	25
Department-stores (9 companies)	16	14
Mail order houses (8 companies)	17	14
'Non textile' retailers	8	7
Total 'larger forms of clothing/textile retailers'	**70**	**60**

Source: Textilwirtschaft Frankfurt/Main, 2001

3.4.3.1 Retailers

3.4.3.1.1 Independent specialised retailers

Independent retailers do not usually buy directly from developing countries. With approximately 45,000 textile and clothing shops all over Germany, they still play an important role in the market. Approximately 55% of the retailers are members of a buying association that takes over certain functions from the members such as purchasing, marketing, logistics etc.

Market share: 29% in 1999 (BBI and BTE Cologne)
Trend: Strongly decreasing (1995 = 32%)

3.4.3.1.2 Clothing multiples

The most important clothing multiples are C&A (184)*, H&M (188)*, P&C West and Anson's Menswear(79)* and P&C North (27)*, Sinn Leffers (43)*, K+L Ruppert (37)*, C. Vögele (205)*, Wöhrl (35)*, Boecker (15)* and Hettlage (39)*. New Yorker with 242 outlets is the largest jeans- and sportswear chain, followed by Western Store Beran (202)* and Werdin with 70 shops.

The major ladieswear multiples are BiBa (97)* and Appelrath_Cüpper (13)*, both part of the Douglas Group, Orsay from France (235)*, Jeans Pascale (169)*, Bonita (307)* and Ulla Popken for large sizes (265)*.

Menswear multiples are Nicolas Scholz (35)*, Pohland (12)* and Wormland (15)*.

* number of outlets

Market share: 11% in 1998
Trend: Increasing very strongly (1980 = 2%)

3.4.3.1.3 Department stores

The major department stores are Karstadt with 178 outlets (as a part of the Karstadt/Quelle group) and Kaufhof with 74 stores, belonging to the Metro group. Kaufhof has been very successful with their trading up concept to 'Galleria Kaufhof'. Other examples are Woolworth with 14 outlets, Woolworth (338 stores) and Oviesse (previously Kaufhalle –143 outlets – owned by the Italian group Divaco).

Market share: 12% in 1998
Trend: Constant (1980 = 10%)

3.4.3.1.4 Mail order houses

The German mail order business is, after the US, the largest market in the world. The biggest mail order house in the world is the Hamburg-based Otto Versand with many investments/subsidiary companies abroad. They also own the German mail order companies Schwab, Witt, Heine, Alba Moda and Sport Scheck. Quelle and Neckermann, the number two and three in the market, are part of the Karstadt Group. Quelle, as the second largest mail order house, also holds major shares in other mail order houses covering different market segments like Schöpflin, Peter Hahn and Madeleine. Other larger mail order houses are Bader and Klingel. Smaller, more niche market-orientated mail order companies retailing clothing are Atelier Goldener Schnitt, Elégance, Bon Prix and Drei Pagen Versand.

Based on interviews carried out for this market survey, the success of the mail order companies is highlighted here as one of the most successful distribution channels for clothing. The study has gained market shares in recent years. Mail order companies increased their turnover in clothing by + 3.8% in 1999. The year 2000 was also quite successful. The prospects of clothing sales through mail order are very good and have been underlined by the managers interviewed. A recent figure concerning the buying volume per mail order customer might underline the importance: more than two thirds of mail order customers spend € 100.00 to € 450.00 annually.

Market share: 18% in 1998
Trend: Increasing (1980=10%)

3.4.3.1.5 Textile discounters

Leading discounters are NKD (888 outlets), Tengelmann (770 clothing outlets), Lidl & Schwartz (1,900 Lidl stores), Ensting's family (786 outlets) and Takko (600 outlets). Their buying policy is very much price oriented. The buying managers often buy from European based importers/wholesalers who have access to the cheapest sourcing countries worldwide.

Market share: 6% in 1998
Trend: Slightly increasing (1995 = 5%)

3.4.3.1.6 Grocery super- and hypermarkets

Some examples are: Metro, Aldi, Edeka/AVA, Tengelmann, Rewe and Plus markets. The clothing they sell is mainly restricted to clothing accessories such as socks, caps, scarves and so on, but increasingly includes T-shirts, shirts, jeans etc.

Market share: 4% in 1998
Trend: Slightly increasing (1995 = 2%)

3.4.3.1.7 Others

Apart from 'street markets' and 'ex-factory sales' directly from the fashion manufacturer the clothing distribution via 'non textile related retailers' has gained importance. The most prominent example is the 'Tchibo/Eduscho Group. This Hamburg based company originally is a 'coffee roaster' selling coffee in more than 3,000 outlets all over Germany. Since the beginning of the nineties, Tchibo/Eduscho also sells other items, among which clothing plays a very important role. The company mainly buys from importers/wholesalers according to their own specifications. 37% of all Germans have bought garments from Tchibo/Eduscho from the end of 2000 to the end of 2001, and the market forecast for this form of 'textile distribution' is excellent.

Market share: 20% in 1999
Trend: Increasing (1995 = 8%)

3.4.3.2 Sales intermediaries

3.4.3.2.1 Clothing manufacturers

Manufacturing companies play a pivotal role in the clothing distribution system in Germany. Most of the German clothing brands work in a dual way: On the one hand they buy directly from developing countries in the Far and Middle East on a full import basis (finished products). On the other hand, Germany is by far the largest European buyer of clothing on outsourcing basis (OPT business).

Due to its proximity to Eastern European countries, Germany was the 'pioneer' country in outsourcing production in the Eastern neighbouring countries. The clothing industry shrunk since the beginning of the nineties, until now only the 'fittest' have survived. There are over 500 reputable clothing companies in Germany; and they can be contacted through the German Clothing Manufacturers Association (BBI) in Cologne.

Larger companies such as TOM TAILOR, CARLO COLUCCI, S. OLIVER, STREET ONE and so on (also) sell through their own outlets. These brands are normally positioned in the middle to upper market segment. The tendency towards self retailing by clothing brands/manufacturers has increased and taken on different forms such as concessions, shop-within-the-shop, sales corners in department stores and own mono-brand shops.

3.4.3.2.2 Central buying associations

55% of all independent clothing retailers in Germany are members of a buying association. These figures underline the significant role of buying associations for the majority of specialized independent retailers. The buying policy is similar to that of multiple stores (buying directly or through buying agents abroad). They operate in the medium to upper market segment.

Some buying associations had to close down or had serious problems (such as Sütex, Kaufring). The leading associations are Katag/abz in Bielefeld, KMT in Cologne and WHG in Hagen. Some like Ardek in Hofheim/Wallau specialise in kidswear, or Intersport in Munich specialising in active sports- and hardware. The German buying associations also have members from the Netherlands, Belgium, Austria and Switzerland. Their market share is approximately 35% and is – together with their main members of specialised independent retailers-decreasing.

3.4.3.2.3 Sales agents

Sales agents for clothing in Germany play a major role in the market, especially for the renowned clothing brands. The more reputable agents are members of the Central Association of German Sales Agents (CDH) in Cologne. They often have their own showrooms in fashion centres of major German cities such as Neuss/Düsseldorf, Frankfurt, Hamburg, Munich and so on. Only strong manufacturers from non-European countries with a market oriented range and an excellent service might find the right partner in the CDH News published monthly.

3.4.3.2.4 Importers/wholesalers

It is estimated that there are over 1,000 importers/wholesalers for clothing in Germany. They range from very small units run by the owner, up to larger companies with more than 100 employees worldwide such as Miles, Jebsen & Jessen, Nickel etc. They often operate through their buying offices in Far East, which take over the order and control function on the 'sourcing spot'. The importers/wholesalers have an important role, they have excellent know-how about worldwide sourcing and supply directly to all kinds of retailers in Germany and the neighbouring countries. The most reputable importers are members of the Association of non-food importers (VFI) in Hamburg.

3.5 GERMAN FASHION TRADE FAIRS

For ladieswear, the main event not only for Europe but also worldwide is the CPD Fashion Fair in Düsseldorf, which is organised twice per year (February and August) by the IGEDO company. More than 50,000 visitors and approximately 1,600 international exhibitors are counted per event. Since 1999, the fair organisers have grouped the fair in different 'theme worlds' (Essentials, New Womenswear, Modern Woman, Fashion Gallery, Country Life, Glamour and Wedding, Fashion Accessories) and the new 'cpdxsite' for trend fashion and newcomer in February 2002.

This grouping in 'sub fairs' is welcomed by 52% of the 'Textilwirtschaft' Test – Club members and makes it easier for buyers visiting the fair to find the appropriate supplier among the large number of exhibitors.

Some seasons ago the IGEDO company created an additional attraction, the CPD Fabrics show, that runs parallel to the CPD clothing fair and is appreciated as a preview event among all fabric fairs in Europe. Manufacturers from developing countries should not miss this fair when visiting Europe as it gives a superb overview of upcoming fabric trends, which can be used for fabric sourcing and collection development.

Looking at the German menswear fairs, tremendous changes have taken place in 2001/20002. In August 2002, the 'CPD man' took place for the first time with more than 200 new exhibitors after the 'International Men's Wear Fair' in Cologne was cancelled in June 2002 due to insufficient applications. Further developments among the German fashion fairs need to be observed very closely before participating.

In the younger and trendy market segment of (casual, leisure, street and clubwear, the relaunched 'VIBES 4you – The New Inter-Jeans in Cologne in August 2002 tried to underline it's leading role for the younger fashion segment in Europe. Some people were talking about a 'war' for market shares between the fashion fairs in Cologne and Düsseldorf, especially in times of shrinking markets.

Parallel to the 'Vibes 4you – The New Inter-Jeans' in Cologne, a new fair called 'Bread and Butter', presenting the latest trend labels, began with great success in August 2001. This fair has been incorporated into 'Vibes 4you' and will give an additional incentive for trend labels to come to Cologne. Since August 2002, the CPD in Düsseldorf and the Vibes 4you/Inter-Jeansfair in nearby Cologne were combined again into one 'International Fashion Weekend'. Visitors from all over the world take this opportunity to contact men's and ladies' wear suppliers from more than 50 countries during both events.

However, both leading fashion fairs have suffered from the market developments: some well-known companies such as Boss, Strellson or Windsor had left Cologne and show their collection on the Pitti Uomo in Florence/Italy, a small but absolutely trend-setting menswear fair. Nevertheless, for 'main stream' fashion manufacturers from developing countries, the German clothing fairs are still a very good choice (from a commercial point of view) for introductory purposes on the 'Subcontracting Forum', which runs alongside the Vibes 4you – Inter Jeans' in Cologne

For children's wear, the Kind + Jugend – International Baby to Teenager Fair in Cologne is the largest fair for this product segment in Europe, although it too has lost some shares to the more fashion orientated Pitti Bimbo in Florence/Italy in the last 2-3 years. But with the connection of the Kind + Jugend to the Inter-Jeans/Menswear Fair in February 2002, the position of this leading children's fair has been strengthened. In July 2002, more than 550 exhibitors offering more than 1,000 collections participated. 350 companies came from abroad, mainly from Italy, UK, France, Austria, Denmark, Sweden and Norway. 180 exhibitors originated from the clothing sector.

For the active sportswear market (including footwear and sport equipment), which is partially covered by the products specified for this study, the ISPO Fair in Munich plays a leading role for Germany and Europe. Approximately 1,600 exhibitors from more than 40 countries show their products in February and August each year. In August 2001 the ISPO management has split up the fair into 14 'special fairs' such as Teamsport ISPO, Fitness ISPO etc.

There has been a very strong tendency towards 'fashion' being presented at the ISPO; in August 2001 the share of exhibitors with a textile range reached its peak. Brands like Esprit, Mexx and S. Oliver have developed their own 'sports fashion lines', and large manufacturers like Puma, adidas and Luhta have increased the share of 'sports textiles' in their ranges. There are good opportunities for manufacturers from developing countries to follow this trend towards sports fashion, such as with their jogging dresses, T-shirts, polo shirts and tracksuits.

There have been tremendous changes and challenges for the German textile and clothing fairs since 2000 and this trend can be expected in the next few years. The shift in the 'classical' menswear segment from Cologne to Düsseldorf is the initial reason in this respect. The fair organisers are permanently working on developing the fair structure and services: the visitor should have the most efficient and convenient way to become informed about fashion trends and to buy the clothing they require.

In most clothing segments, from a commercial point of view, the German fairs still have the leading position within Europe although some other fairs (particularly in Italy) have taken over the 'fashion leadership'. Among German retailers the fairs mentioned above are appreciated as 'information platform No. 1' to a very large extent (99% – Textilwirtschaft Frankfurt/Main, 2001). Even 90% of the German retailers interviewed by Textilwirtschaft for the same study appreciate the advantages of fairs to contact many new suppliers (also from developing countries) in a very short time.

3.6 LIST OF MAYOR BUYERS OF MEN'S, LADIES' AND CHILDRENS WEAR IN GERMANY

Clothing chains

Boecker GmbH & Co.KG
Zentralverwaltung
Hülsenbruchstr. 30
D-45326 Essen
Tel. +49 – 201 – 8125-0
Fax +49 – 201 – 83 55 381
www.boecker-mode.de

Product range: Ladies' and menswear

Price segment: Middle to upper level

Number of outlets: 16

Bonita Modehandels GmbH
Kesseldorfer Rott 39
D-46499 Hamminkeln
Tel. +49 – 2852 – 9500
Fax. +49 – 2852 – 950100
www.bonita.de

Product range: Ladieswear

Price segment: Lower to middle level

Number of outlets: 325

Breuninger GmbH & Co.
Marktstr. 1–3
D-70173 Stuttgart
Tel. +49 – 711 – 211-0
Fax. +49 – 711 – 211-1819
www.breuninger.de

Product range: Ladies', men's and childrens-wear

Price segment: Upper level

Number of outlets: 14

C&A Mode AG
Bleichstr. 20
D-40211 Düsseldorf
Tel. +49 – 211 – 166-0
Fax. +49 – 211 – 1662748
www.cunda.de

Product range: Ladies', men's and childrens-wear

Price segment: Lower to middle level

Number of outlets: 184

Douglas Holding AG
Kabeler Str. 4
D-58099 Hagen
Tel. +49 – 2331 – 690-0
Fax. +49 – 2331 – 690-271
www.douglas.de

Product range: Ladies, men's and childrens-wear

Price segment: Middle to upper level

Number of outlets: 210

Esprit de Corp. GmbH
Vogelsanger Weg 49
D-40470 Düsseldorf
Tel. +49 – 211 – 61060
Fax. +49 – 211 – 6106100
www.esprit-europe.com

Product range: Ladies', men's and childrens-wear

Price segment: Upper market

Number of outlets: 56

Hettlage KgaA
Starnberger Str. 4
D-82061 Neuried
Tel. +49 – 89 – 74518-0
Fax. +49 – 89 – 74518-213
www.hettlage.de

Product range: Ladies and menswear

Price segment: Middle to upper level

Number of outlets: 46

Jean Pascale Warenhandelsges. mbH
Oststr. 73c
D-22844 Norderstedt
Tel. +49 – 526550
Fax. +49 – 52655-221
www.jpnet.de

Product range: Ladies and men's young fashion

Price segment: Lower to middle level

Number of outlets: 176

Orsay GmbH
Tannenstr. 20
D-77731 Willstätt
Tel. +49 – 7854 – 963-0
Fax +49 – 963 909
www.orsay.com

Product range: Ladieswear

Price segment: Lower to middle level

Number of outlets: 235

Peek & Cloppenburg KG
Berliner Allee 2
D-40212 Düsseldorf
Tel. +49 – 211 – 3662-0
Fax. +49 – 211 – 3662-782
www.peekundcloppenburg.de

Product range: Ladies' and menswear

Price segment: Upper level

Number of outlets: 79

SinnLeffers AG
Batheyer Str. 115 – 117
D-58099 Hagen-Bathey
Tel. +49 – 2331 – 620-0
Fax. +49 – 2331 – 620100
www.sinnleffers.de

Product range: Ladies' and menswear

Price segment: Middle to upper level

Number of outlets: 43

Takko Mode Markt GmbH & Co.KG
Alfred-Krupp-Str. 21
D-48291 Telgte
Tel. +49 – 2504 – 923-0
Fax. +49 – 2504 – 923-277
www.takko.de

Product range: Ladies, men's and childrens-wear

Price segment: Lower level

Number of outlets: 600

Tchibo Frisch-Röst-Kaffee GmbH
Überseering 18
D-22297 Hamburg
Tel. +49 – 40 – 6387-0
Fax. +49 – 40 – 6387-2600
www.tchibo.de

Product range: Ladies, men's and childrens-wear

Price segment: Lower level

Number of outlets: 850

Vögele Mode GmbH
Zeppelinstr. 2–8
D-72480 Sigmaringen
Tel. +49 – 7571 – 723-0
Fax. +49 – 7571 – 723-102
www.voegele-mode.de

Product range: Ladies, men's and childrens-wear

Price segment: Lower to middle level

Number of outlets: 291

Wöhrl Unternehmensgruppe
Lina-Amman-Str. 10
D-90471 Nürnberg
Tel. +49 – 911 – 8121-481
Fax. +49 – 911 – 8121-480
www.woehrl.de

Product range: Ladies, men's and childrens-wear

Price segment: Upper level (brands mainly)

Number of outlets: 39

Department Stores (selection):

Deutsche Woolworth GmbH & Co.KG
Lyoner Str. 52
D-60528 Frankfurt
Tel. +49 – 69 – 6601-1
Fax +49 – 69 – 6601-2399
www.woolworth.de

Product range: Ladies', men's and childrens-wear

Price segment: Lower level

Number of outlets: 338

DIVACO Beteiligungs AG & Co.KG
Hahnstr. 72
D-60528 Frankfurt
Tel. +49 – 69 – 6683-0
Fax . +49 – 69 – 66 83-01
www.divaco.com

Product range: Ladies' and menswear

Price segment: Middle level

Number of outlets: 257

Karstadt/Quelle AG
Theodor-Althoff-Str. 2
D-45133 Essen
Tel. +49 – 201 – 727-1
Fax. +49 – 201 – 727-4791
www.karstadtquelle.de

Product range: Ladies', men's, childrenswear and sportswear

Price segment: Middle to upper market

Number of outlets: 389

Kaufhof/Metro AG
Leonhard-Tietz-Str. 1
D-50676 Köln
Tel. +49 – 221 – 223-5594
Fax. +49 – 221 – 223-5599
www.metro-ag.de

Product range: Ladies', men's, childrenswear and sportswear

Price segment: Middle to upper level

Number of outlets: 378

Strauss Innovation GmbH & Co.
Raiffeisenstr. 15
D-40764 Langenfeld
Tel. +49 – 2173 – 99-0001
Fax +49 – 2173 – 99 23 90
www.strauss1902.de

Product range: Ladies', men's, childrenswear and sportswear

Price segment: Lower to middle level

Number of outlets: 69

Wal-Mart Germany GmbH & Co.KG
Durlacher Allee 109
D-76137 Karlsruhe
Tel. +49 – 721 – 6186-0
Fax. +49 – 721 – 6186-625
www.walmart.de

Product range: Ladies', men's, childrenswear and sportswear

Price segment: Lower level (for clothing)

Number of outlets: 93

Clothing Manufacturers (importing) and Wholesalers/Importers

Adolf Amman
Neuensteinstr. 12
D-76227 Karlsruhe
Tel: +49 – 721 – 41765
Fax: +49 – 721 – 404877

Wholesaler for sports- and leather wear

APRIORI Textilvertriebs GmbH
Harkortstr. 24
D-48163 Münster
Tel: +49 – 251 – 71350
Fax: +49 – 251 – 7135101

Wholesaler of ladieswear

ARA Moden GmbH & Co.KG
Arastr. 2
D-85579 Neubiberg
Tel: +49 – 89 – 600180
Fax: +49 – 89 – 60018128
www.ara-moden.de

Manufacturer of classical ladieswear
(CMT business mainly)

Bambino Dress Young Fashion GmbH
Hauptstr. 43
D-09496 Marienberg
Tel: +49 – 3735 – 91430
Fax: +49 – 3735 – 23181
www.stfi.de/bambino

Manufacturer/importer of childrenswear

Bay City GmbH
An'N Slagboom 7
D-22848 Norderstedt
Tel: +49 – 40 – 53413300
Fax: +49 – 40 – 53413301

Importer for jeans, casual and active
Sportswear

F.W. Brinkmann GmbH
Waltgeristr. 1-5
D – 32049 Herford
Tel. +49 – 5221 – 884-0
Fax. +49 – 5221 – 884-281
www.bugatti.de

Manufacturer of classical men's and
sportswear (mainly CMT business – brand
orientated)

Bültel Bekleidungswerke GmbH
Rheiner Str. 28
D-48499 Salzbergen
Tel: +49 – 5976 – 270
Fax: +49 – 5976 – 27419
www.bueltel.de

Manufacturer of men's sportswear

elho Brunner GmbH
münchner Sportbekleidung
Chiemgaustr. 148
D-81802 München
Tel. +49 – 89 – 680010
Fax. +49 – 89 – 688266
www.elho.de

Manufacturer of active and casual sportswear (full import and CMT)

F.F.T. International Fashion GmbH & Co.
Werkstraße 11
D-21218 Seevetal
Tel: +49 – 4105 – 6105-0
Fax: +49 – 4105 – 610564
www.frontline.de

Importer of garments of all kinds

Gardeur Dieter Janssen GmbH & Co.KG
Alsstraße 155
D-41063 Mönchengladbach
Tel. +49 – 2161 – 816-0
Fax. +49 – 2161 – 183833
www.gardeur.de

Note: Manufacturer of classical ladies' and menswear specialised in trousers (CMT business – brand oriented)

Happy Kids Kindermoden GmbH
Dammanstraße 57
D-45138 Essen
Tel: +49 – 201 – 27507-41
Fax: +49 – 201 – 2750744
e-mail: yk@import-hansa.de

Importer of kid's wear

Hucke AG
Ravensberger Str. 41
D-32312 Lübbecke
Tel. +49 – 5741 – 364-222
Fax. +49 – 5741 – 364-202
www.hucke.de

Multi Brand manufacturer of ladies', men's and childrenswear (full import and CMT)

Heinrich Nickel GmbH & Co.KG
Wilhelm-Bergner-Str. 10
D-21509 Glinde
Tel. +49 – 40 – 7270241
Fax. +49 – 40 – 7270224
e-mail: office@nickel-sportswear.com

Importer of mens, ladies and children's sportswear

Mail Order Companies

Alba Moda GmbH
Daimlerstr. 13
D-32108 Bad Salzuflen
Tel. +49 – 5222 – 920-0
Fax: +49 – 5222 – 920-899
www.albaModa.de

Product range: Ladies' and menswear

Price segment: Middle to upper level

Note: Fashion orientated (no young fashion)

Großversandhaus Bader
D-75170 Pforzheim
Tel: +49 – 7231 – 3030
Fax: +49 – 7231 – 303710
www.bader.de

Product range: all kinds of goods, ladies', men's, childrenswear

Price segment: Middle market level

Note: one of the larger mail-order companies

Cyrillius Deutschland GmbH
Limitenstr. 31
D-41236 Mönchengladbach
Tel: +49 – 2166 – 623977
Fax: +49 – 2166 – 623799

Product range: ladies', men's, childrenswear

Price segment: middle level

Note: Niche market mail-order house

Heinrich Heine GmbH
Windeckstr. 15
D-76135 Karlsruhe
Tel: +49 – 721 – 9910
Fax: +49 – 721 – 868595
www.heine.de

Products: home textiles, furniture, accessories, ladies', menswear

Price segment: middle to upper level

Note: more classical styles

Robert Klingel – Versandhaus
Sachsenstr. 23
D-75177 Pforzheim
Tel. +49 – 7231 – 90-1529
Fax. +49 – 7231 – 90-1847
www.klingel.de

Product range: all kinds of goods, ladies', men's and childrenswear

Price segment: Middle level

Otto Versand
Wandsbeker Str. 3–7
D-22179 Hamburg
Tel. +49 – 40 – 6461-0
Fax. +49 – 40 – 6461-449
www.otto.de

Product range: ladies', men's and childrenswear and other goods

Price segment: Lower to middle level

Note: Largest mail order house in the world selling worldwide

Western Store Beran
Sprottauer Str. 4–8
D-90475 Nürnberg
Tel. +49 – 911 – 98476-0
Fax. +49 – 911 – 9847623
www.wsberan.de

Product range: Jeans and sportswear

Price segment: Lower to middle level

Number of outlets: 209

Görgens Gruppe
J. P. Görgens GmbH
Schildergasse 52
D-50667 Köln
Tel. +49 – 221 – 27049-0
Fax. +49 – 221 – 27049

Product range: Jeans, young fashion

Price segment: middle to upper market

Number of outlets: 48

Jeans Fritz
Handelsges. für Mode
Poststr. 22
D-32584 Löhne
Tel. +49 – 5732 – 8940
Fax. +49 – 5732 – 894220
www.jeans-fritz.de

Product range: Jeans, leisure wear

Price segment: Middle level

Number of outlets: 201

New Yorker Simson & Hansen
Russeerweg 101–103
D-24109 Kiel
Tel. +49 – 431 – 53370
Fax. +49 – 431 – 5337177
www.newyorker.de

Product range: Jeans, leisure wear

Price segment: Middle level

Number of outlets: 242

h.i.s. sportswear GmbH
Daimler Str. 15
D-85748 Garching
Tel. +49 – 89 – 329070
Fax. +49 – 89 – 32907108
www.his-jeans.de

Product range: Jeans

Price segment : Middle to upper level

Note: Manufacturer + clothing chain

MUSTANG
Bekleidungswerke GmbH & Co
Austraße 10
D-74653 Künzelsau
Tel. +49 – 7940 – 125-0
Fax. +49 – 7940 – 125-102
www.mustang.de

Product range: Jeans and sportswear

Price segment : Middle to upper level

Note: Manufacturer + clothing chain

Gentle, Gerresheim & Lindgens
GmbH & Co.KG
Steinstr. 2
D-41363 Jüchen
Tel. +49 – 2165 – 846
Fax. +49 – 2165 – 7615

Product range: Jeans and sportswear

Price segment : Lower to middle level

Note: Manufacturer

Buying Associations

Ardek eG
Robert Bosch Str. 9
D-65719 Hofheim-Wallau
Tel. +49 – 6122 – 72-0
Fax. +49 – 6122 – 72247
www.ardek.de

Product range: Products for children, childrenswear

Price segment: middle to upper

Member companies: 408

Intersport Deutschland eG
Wannenäckerstr. 50
D-74078 Heilbronn
Tel. +49 – 7131 – 288-0
Fax. +49 – 7131 – 288-230
www.intersport.de

Product range: (Active) sportswear

Price segment: middle to upper

Member companies: 1.450

Note: Market leader for active sportswear

KATAG/abz AG
Stralsunder Str. 5
D-33605 Bielefeld
Tel. +49 – 521 – 292-0
Fax. +49 – 521 – 292-101
www.katag.de

Product range: Men's, ladies' and childrens-wear

Price segment: Middle to upper level

Member companies: 700

KMT Rheintextil
Sachsenring 67
D-50677 Köln
Tel. +49 – 221 – 3385-0
Fax. +49 – 221 – 324638
www.kmt-mode.de

Product range: Men's, ladies' and childrens-wear

Price segment: Middle level

Member companies: 250

Kurtenbach GmbH
Mode & Textil Einkaufsverband
Offheimer Weg 45
D-65549 Limburg
Tel. +49 – 6431 – 503-0
Fax. +49 – 6431 – 503-201

Product range: All kinds of garments

Price segment: Lower level

Member companies: 2000

Westdeutsche Handelsgesellschaft
Potthoffstr. 15–17
D-58095 Hagen
Tel. +49 – 2331 – 3960
Fax. +49 – 2331 – 396100
www.sinnleffers.de

Product range: Men's, ladies' and childrens-wear

Price segment: Middle level

Member companies: app. 380