

# Market Development

MARKET BRIEF ON  
STRAW HATS

OVERVIEW OF THE EUROPEAN COMMUNITY  
1992

*ITC*



INTERNATIONAL TRADE CENTRE UNCTAD/WTO

## Straw hats - EEC Overview

### Product description

HS 6502.00 Hat shapes, plaited or made by description assembling strips of any material, neither blocked to shape nor with made brims, nor lined, nor trimmed.

HS 6504.00 Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed.

There are no specific headings for straw hats in the HS classification. However, the above two categories cover, almost exclusively, hats and hat shapes made of straw, raffia, sisal and other natural fibres, excluding those made of felt or fabric.

### EC trade in straw hats

Q: '000 units		1989		1990		1991	
V: ECU '000)		Q	V	Q	V	Q	V
HS 650200	Imports	11,110	10,123	12,755	8,003	11,845	6,890
	Exports	360	1,029	591	1,285	466	1,134
HS 650400	Imports	8,366	11,601	9,768	13,566	11,119	15,502
	Exports	5,004	14,464	4,656	17,056	4,673	17,657

Source: Eurostat.

### Main origins of imports (ECU '000, 1991)

HS 650200 Total imports 6,890, of which: China 4,702, Italy 456, Brazil 188, Indonesia 160 and Ecuador 152. Also: Vietnam, Hong Kong, Philippines and Yugoslavia.

HS 650400 Total imports 15,502, of which: Italy 6,486, China 2,869, United Kingdom 1,570, Philippines 587 and Mexico 582. Also: Taiwan (China), Hong Kong, Ecuador and Vietnam.

### Market characteristics

Seasonal sales and price sensitivity are the two major features of the market for straw hats in the EEC. Germany is the largest EEC importer, followed by France and the United Kingdom. There is a significant volume of imports of semi-finished products into Italy, which remains the most significant producer of straw hats. Imports from developing countries, owing to their improved quality and competitiveness, are steadily increasing.

Straw hats are traditionally worn by farmers in Southern Europe, in order to protect them from the sun during the warmer months (June to September). These "traditional" sales account for 10-15% of the market, whereas the largest share of sales (80%) is represented by straw hats worn for leisure and fashion (see Straw hats - Italy for details).

Only a small proportion of the market is covered by high-fashion items; Italy and France play a predominant role in creating fashion trends, which are increasingly influencing this sector of the clothing industry.

## Market access

The following duty rates, under the EEC Common External Tariff (CET), are levied on imports in % ad valorem:

	<u>Autonomous</u>	<u>Conventional</u>
HS 650200	8%	Free
HS 650400	11%	Free

Under the GSP scheme of the EEC, items originating from developing countries enter duty-free (Official Journal of the European Communities L 341, 12 Dec. 1991 and L 370, 31 Dec. 1990).

## Distribution channels

Large buying groups, department stores and hat manufacturers are the major importers/wholesalers of straw hats in the EEC. Retail sales are made through clothing and clothing accessory stores, boutiques (for high-fashion articles) and, for the most part, through open-air sales during the summer, especially in Southern Europe.

## Market opportunities

During the period under review, imports of finished straw hats into the EEC steadily increased by 12% per year (in terms of quantity and value). Imports of hat shapes have remained stable in terms of quantity, but imports have decreased in terms of value as a result of the new economies of scale achieved by exporters from China, the largest suppliers to the EEC.

Good prospects are foreseeable, especially for exporters from developing countries. Not only at the level of standard quality products which already account for 90% of the demand within the EEC, but also at the top levels, provided that suppliers continue to improve the quality of their products and keep up to date with the ever-changing fashion trends.

## List of manufacturers/wholesalers/importers (non-exhaustive)

### France

Crambes ETS  
BP 14  
82300 Caussade  
Tel: 63 65 07 07  
Tlx: 531734

Loste Andre SA  
19, Av.E.Billard  
69590 St.Symphorien  
Tel: 78 48 40 19

Createx Diffusion  
BP 48  
07103 Annonay  
Tel: 75 33 48 98  
Tlx: 34523

Merlet et Fils ETS  
26, Rue Valenton  
94702 Maisons Alfort  
Tel: 48 99 09 92  
Tlx: 211798

Segaud ETS  
BP 120  
01003 Bourg en Bresse  
Tel: 74 21 01 70  
Fax: 74 21 39 66

Les Successeurs de Rene Mignot  
29, Av.Jean Jaures  
82300 Caussade  
Tel: 63 93 10 39  
Fax: 63 65 09 80

Les Successeurs de  
C. Riviere  
26, Rue P.Chenavard  
69001 Lyon  
Tel: 78 28 25 53

Dupuy Cauvis  
12, Rue Pre de la Pie  
65100 Lourdes  
Tel: 62 94 31 25  
Fax: 62 42 01 10

### **Germany**

Bergmann GmbH  
Postfach 120  
7958 Laupheim 1  
Tel: 07392-2975  
Fax: 07392-18484

Solida GmbH  
Postfach 12 20  
3330 Helmstadt  
Tel: 05351-3950  
Fax: 05351-39516

Heldt & Co. GmbH  
Brendel 20  
4980 Bünde 12  
Tel: 05223-4037  
Fax: 05223-44325

Eulit Werk Staüde  
Josef Staüde Strasse  
8922 Peiting  
Tel: 08861-6044

Herzig Gustav  
Postfach 14 40  
6830 Schwetzingen  
Tel: 06202-20990  
Fax: 06202-209969

Mauch's GmbH  
Hauptstrasse 33  
7213 Dunningen  
Tel: 07406-291

Hock GmbH  
Daimlerstrasse 9  
7320 Göppingen-Ursenwag  
Tel: 07161-82024

Mayser GmbH  
Postfach 13 62  
8998 Lindenberg  
Tel: 08381-5070  
Fax: 08380-507101

Jünemann GmbH  
Postfach 11 60  
3582 Felsberg  
Tel: 05662-811  
Fax: 05662-4512

Reich GmbH  
Postfach 15 29  
8998 Lindenberg  
Tel: 08381-8010  
Fax: 08381-80111

### **Spain**

Flaquer SA  
C/Mayor 40  
07580 Capdepera  
Tel: 971-563051

Mulet Pedro SL  
Apartado 64  
07340 Gata de Gorgos  
Tel: 96-5760953  
Fax: 96-5761067

Sirer Garau  
Pza. Oriente 5  
07580 Capdepera  
Tel: 971-563061

Miralles SA  
Avda. A.Gilavert 5  
03750 Pedreguer  
Tel: 96-5760300  
Fax: 96-5760571

Casa Barrera SL  
C/Mayor 19  
03740 Gata de Gorgos  
Tel: 96-5756131  
Fax: 96-5756501

Peyma SA  
C/Valencia 17  
03750 Pedreguer  
Tel: 96-5761710  
Fax: 96-5761710

## **United Kingdom**

Christy & Co. Ltd  
27 Higher Hillgate  
Stockport SK1 3EU  
Tel: 061-480 8731  
Fax: 061-480 6502

Failsworth Hats Ltd  
Claremont Street  
Failsworth  
Manchester M35 9PH  
Tel: 061-681 3131  
Fax: 061-683 4754

Marida Ltd  
1-5 Dudley Street  
Luton Beds. LU2 0NP  
Tel: 0582-27181  
Fax: 0582 400166

Princess Hats  
Ladies Hat Manufacturers  
26-28 Reginald Street  
Luton, Beds. LU2 7QZ  
Tel: 0582-400488  
Fax: 0582-404286

Burgess Hats Ltd  
311 Linen Hall  
162-168, Regent Street  
London W1  
Tel: 071-734 0130

Tay & Lilly Ltd  
63 Kempston Street  
Liverpool L3 8HE  
Tel: 051-207 2001  
Fax: 051-207 4878

BRB Industrial Services Ltd  
Douro Place  
Edge Lane  
Liverpool L13 1AG  
Tel: 051-259 6161  
Fax: 051-220 4410

Headways  
Ladies Millinery Manufacturers  
39-40 John Street  
Luton, Beds. LU1 2JE  
Tel: 0582-21731  
Fax: 0582-22460

Pal International  
Sandhurst Street  
Oadby, Leicester LE2 5LW  
Tel: 0533-720820  
Fax: 0533-720543

Henbrandt Ltd  
70 Willoughby Lane  
London N17 0SP  
Tel: 081-801 7441  
Fax: 081-855 3334

(See market brief "Straw hats - Italy" for Italian manufacturers, wholesalers and importers.)

## **Sources of information**

- ◆ Eurostat: Statistics of the European Communities.
- ◆ International Custom Journal - International Customs Tariffs Bureau.
- ◆ Kompas France, 1991.
- ◆ Kompas Spain, 1991.
- ◆ CD-Export, compiled by Telexport/France, Cerved/Italy and ICEX/Spain.
- ◆ Contacts with traders and market experts.

## **Exchange rates**

**1989** US\$ 1 = ECU 0.90, **1990** US\$ 1 = ECU 0.78, **1991** US\$ 1 = ECU 0.80.

ITC/MBDBS - June 1992

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## Straw hats - Italy

### Production

These are estimates obtained from market experts, and cover imports of semi-finished hats:

(thousands of units)	1989	5,500
	1990	6,500
	1991	7,000

### EC trade in straw hats

Q: '000 units		1989		1990		1991	
V: ECU '000)		Q	V	Q	V	Q	V
HS 650200	Imports	3,687	4,437	5,792	3,690	6,735	3,300
	Exports	107	449	121	464	109	409
HS 650400	Imports	639	391	351	274	1,153	729
	Exports	1,674	8,137	2,691	9,372	3,100	9,580

**Source:** Eurostat.

### Main origins of imports (in ECU '000, 1991)

**HS 650200** Total imports 3,300, of which: China 2,996, Philippines 101, Ecuador 89, Indonesia 48, Vietnam 26 and Province of Taiwan (China) 16.

**HS 650400** Total imports 729, of which: China 475, France 69, Philippines 38, United Kingdom 35 and Germany 21. Also: Province of Taiwan (China), Indonesia, Morocco, Vietnam, Ecuador, Syria, Guatemala and Colombia.

Italy is the largest EEC producer and exporter of straw hats. The ever-increasing labor costs and the lack of skilled workers have contributed to convert the vertically integrated Italian straw hat industry into a horizontally integrated one. Therefore, Italy is also the largest importer of semi-finished straw hats in the EEC.

Of the annual sales 5% are straw hats entirely produced in Italy; 80% are imports of semi-finished straw hats (unshaped or shaped and untrimmed) and the remaining 15% are imports of finished straw hats.

Wide brimmed, round hats, which are usually worn at the beach, children's hats and other styles, such as "Stetsons" (western style hats), baseball caps and hats worn by rice-pickers, account for 85% of the market. Another 10% of the sales are straw hats, traditionally shaped in the "Borsalino" style (a small, triangular hat with a narrow brim which is slightly extended at the front) generally worn by farmers to protect them from the sun. The remaining 5% of sales is of fashionable women's hats of a high quality, which are worn at weddings and other such occasions.

Straw is, of course, the most popular material, but other natural fibres are also widely used (raffia and sisal). Only a small proportion of this market sector is represented by hats made of synthetic fibres (polypropylene).

Although there is an increasing demand for colored items (especially bright colors) straw hats in their natural color are still the most in demand. Some higher quality products, such as the "Panama" variety, are usually processed with accurate bleaching techniques. Sales are seasonal, mostly during June-August.

## **Market access**

Italy applies the EEC Common External Tariff. For details see EEC Overview.

## **Prices**

Prices vary considerably, depending on the quality and on the market segment. Import prices differ, depending on whether the product is semi-finished, shaped and untrimmed or finished. Margins for importers of finished products range from 60 to 80%. At the retail level, the type of outlet can have a significant influence on the price and mark-ups may range from 80 to 150%.

### **Average retail prices in Italy in 1992 were as follows:**

Men's straw hats	ITL 12,000 to 25,000
Men's straw hats ("Panama")	ITL 50,000 to 150,000
Ladies/Children's straw hats	ITL 10,000 to 35,000
High fashion ladies' hats	ITL 100,000 to 300,000

## **Distribution channels**

A number of Italian manufacturers import hats directly from suppliers. There are a number of wholesalers (who usually deal with other clothing accessories as well) acting as intermediaries between the importers/producers and the retail market. Large department stores normally deal with foreign exporters/producers and, in some cases, they import directly.

## **Commercial practices**

Orders are usually placed six months in advance, depending on the scheduled production (semi-finished products) or on the sales period (summer, for finished products) and they are based on samples, especially for unfinished hats. Some specialized suppliers of high quality, finished hats send detailed and well-presented catalogues to potential importers. Personal contacts are also very important and Italian importers often visit exporters' factories.

Payment of imports is by letter of credit, although other, more flexible means are adopted once a good commercial relationship has been established. Since retail sales are mostly seasonal, suppliers are advised to adhere to the agreed delivery schedules.

## **Transport and packaging**

Semi-finished hats, or "Cloches", are normally stacked (25 or 50 dozen) and packed in jute, while finished products are packed by the dozen in cartons. Transport from distant exporting countries is almost exclusively effected by sea; air freight is normally used for sending samples.

## **Market opportunities**

During the period under review, imports (in terms of quantity) have steadily increased although, as a result of new economies of scale achieved by suppliers and as a consequence of improved competitiveness, unit prices and the total value of imports, particularly of semi-finished hats have declined.

Prospects for the short and medium terms, however, are favorable for those suppliers, especially from developing countries, who can ensure quality products at competitive prices: Italian manufacturers will increasingly need to supplement their product ranges with imported, semi-finished and finished hats, owing to domestic production costs, which are continuing to increase.



**Importers**  
(non-exhaustive)

EUROCAP  
Fraz. Ponte a Moriano  
55029 Lucca  
Tel: (0583) 57584

FEDERICI A.& C. Spa  
Viale Belfiore, 14  
50144 Florence  
Tel: (055) 359609  
Fax: (055) 357682

MORETTI D. e FIGLIO  
Via B. Buozi, 1  
50058 Signa (FI)  
Tel: (055) 874085  
Tlx: 572184

DITTA EMILIO PAOLI Snc  
Via Vigna Nuova, 24  
50123 Florence  
Tel: (055) 214596  
Fax: (055) 289185

REALI F. LLI Spa  
Via P. da Palestrina, 33  
50144 Florence  
Tel: (055) 354665  
Fax: (055) 268294

SORBATTI Srl  
Via Leopardi, 14  
63020 Montappone (AP)  
Tel: (0734) 760982  
Fax: (0734) 760991

TESI LUIGI & GUIDO  
Via S. Paolo, 149  
50017 Campi Bisenzio (FI)  
Tel: (055) 899019  
Fax: (055) 8999852

TIRABASSO Srl  
S. S. 78, Km 33  
62028 Sarnano (MC)  
Tel: (0733) 657196  
Fax: (0733) 667322

TIRABASSO SERAFINO  
Zona Artigianale  
63020 Massa Fermana (AP)  
Tel: (0734) 760348  
Fax: (0734) 760589

GORI GENNARO Spa  
Via Torricella  
50017 Campi Bisenzio (FI)  
Tel: 055-896 0341

**Trade fair**

MIAS (summer/winter) - International Sport Articles Trade Fair (held twice a year)  
Via Petitti, 16  
20149 Milan  
Tel: (02) 33001135  
Fax: (02) 311182

**Department stores**

COIN  
Via Terraglio, 17  
30170 Mestre (VE)  
Tel: (041) 661000  
Fax: (041) 661727

LA RINASCENTE Spa  
Strada 8, Palazzo n  
20089 Rozzano (MI)  
Tel: (02) 57581  
Fax: (02) 8242926

STANDA Spa  
Strada 4, Palazzo Q1  
Milanofiori  
20089 Rozzano (MI)  
Tel: (02) 892121  
Fax: (02) 82495686

## Mail-order houses

POSTAL MARKET  
Via Trieste  
S. Bovio  
20068 Peschiera Borromeo (MI)  
Tel: (02) 75251  
Fax: (02) 7532014

VESTRO Spa  
Via Roma, 8  
24040 Madone (BG)  
Tel: (035) 991262  
Fax: (035) 995515

## Sources of information

- ◆EUROSTAT: Statistics of the European Communities, 1992.
- ◆KOMPASS: Repertorio generale dell'economia Italiana, 1991.
- ◆CERVED: The Information Services Company of the Italian Chambers of Commerce.
- ◆Interviews held with Italian producers and market experts.

## Exchange rates

**1989** US\$ = ECU 0.90, **1990** US\$ = ECU 0.78, **1991** US\$ = ECU 0.80.

ITC/MBDBS - June 1992

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## Straw hats - USA

### Product description

SITC (3) 657.62 Hat shapes, plaited or made by assembling strips of any material, neither blocked to shape nor with made brims, nor lined, nor trimmed (corresponds to HS 6502.00).

SITC (3) 848.42 Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed. (Corresponding to HS 6504.00.)

There are no specific headings for straw hats in the Standard International Trade Classification (SITC). The two categories, however, cover (almost exclusively) hats and hat shapes made of straw, raffia, sisal and other natural fibres, excluding those made of felt or fabric.

### US trade in straw hats

US\$ '000		1989	1990	1991
SITC 657.62	Imports	17,079	13,598	12,281
	Exports	3,880	1,957	1,155
SITC 848.42	Imports	9,665	13,818	14,269
	Exports	5,984	4,384	7,309

Source: UNSO/ Comtrade.

### Main origins of imports (US\$ '000, 1991)

SITC 657.62 Total imports 12,281, of which: China 9,116, Ecuador 1,034, Hong Kong 724, Japan 284, Czechoslovakia 165, Mexico 143, Philippines 124.

SITC 848.42 Total imports 14,269, of which: Mexico 2,863, China 2,731, Italy 2,298, Philippines 893, Canada 544, Ecuador 444, United Kingdom 393, France 220, Rep. of Korea 200, Hong Kong 178, Guatemala 107.

### Market characteristics

The United States is the world's largest importer and consumer of straw hats. Demand for the product is based on the country's traditions, especially in the southern states where straw hats became popular among the workers in the cotton fields long ago, in order to protect them from the sun.

These traditions are still significantly influencing this market sector. "Stetsons" (western-style hats) and other hats with large brims are the most popular in the southern areas. Houston, Dallas and San Antonio are the major distribution areas of straw hats in the United States.

Only a small proportion of the market is covered by high-fashion straw hats, especially those made for women. This market segment, however, is becoming increasingly important and New York is the major distribution centre for fashionable straw hats.

## Market access

Heading/subheading		Duty rates General	Special
HS 65020020 (sewed)	dozen plus	3.4 cents 3.4%	Free (A,E,IL)
HS 65020040 (not sewed, bleached or coloured)		4%	Free (A,E,IL)
HS 65020060 (not sewed bleached or coloured)	dozen plus	2.4 cents 2%	Free (A,E,IL)
HS 65040030 (sewed)		6.4 cents	Free (A,E,IL)
HS 65040060 (not sewed)	dozen plus	\$1.02 5%	Free (A,E,IL)

A: Generalized System of Preferences.

E: Caribbean Basin Economic Recovery Act.

IL: United States - Israel Free Trade Act.

## Market opportunities

As shown in the above statistics, the decrease in imports of semi-finished hats is in balance with the growth of imports of finished products. The high labor costs in the United States and the improved quality of imported products have contributed to this radical change.

The total demand, however, is not likely to increase significantly in the short and middle term, whereas the share of imported finished products is likely to continue to increase. Export prospects are, therefore, promising, especially from developing countries once they are able to supply products of good quality at a competitive price.

Good opportunities are foreseeable at all levels and market segments, from the high-quality "Panama" hat, traditionally imported from Central and South America, to the cheaper hats, recently introduced into the US market from China and other Asian countries.

Hats made of paper yarn are strong competitors and potential exporters of straw hats should use the appropriate marketing policies in order to show the durability and quality of their products.

## List of importers

(non-exhaustive)

Aldo Hat Co., Inc.  
P.O. Box 267  
Beacon, NY 12508  
Tel: 914-831 5231  
Fax: 914-831 0481

Allaire, Inc.  
1440, Broadway Ste 1752  
New York, NY 10018  
Tel: 212-921 4960  
Fax: 212-302 0199

American Hat Co., Inc.  
P.O. Box 2468  
Houston, TX 77001  
Tel: 713-224 0123  
Fax: 713-228 2161

Atlas Co.  
2213, N 23rd St.  
Mc Allen, Tx 78501  
Tel: 512-687 4592

Bailey Hat Co.  
13245, Riverside  
Sherman Oaks, CA 91423  
Tel: 818-981 4287  
Fax: 818-981 4290

Bee Hat Co.  
1021, Washington Ave.  
St. Louis, MO 63101  
Tel: 314-231 6631

Dell Co.  
P.O. Box 1593  
Laredo, TX 78501  
Tel: 213-749 8247

Harden Enterprises Inc.  
P.O. Box 1031  
Brownsville, TX 78520  
Tel: 512-542 7301

International Hat Co.  
101, S. Hanley Rd.  
St. Louis, MO 63108  
Tel: 314-231 8666  
Fax: 314-771 0696

Jacobson Hat Co., Inc.  
P.O. Box 1429  
Scranton, PA 18501  
Tel: 717-342 7887  
Fax: 717-342 7545

Marshall & Sons, Inc.  
10621, Riggs Hill Rd.  
Jessup, MD 20794  
Tel: 301-498 1070  
Fax: 301-498 3189

Nu-Moon Fashions, Inc.  
37-05, 61st St.  
Woodside, NY 11377  
Tel: 718-429 6100  
Fax: 718-429 7236

### **Sources of information**

- ◆ International Custom Journal - International Custom Tariffs Bureau.
- ◆ Directory of US Importers and Exporters - Journal of Commerce, 1991.
- ◆ Comtrade - National Customs Statistics compiled by the UN Statistical Office, New York.
- ◆ Contacts with traders and market experts.

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