

# **Textile Per Capita Consumption**

## **2005 - 2022**

**Part 1: Lower Middle-Income Countries**

**Part 2: Upper Middle-Income Countries**

**Part 3: High-Income Countries**

**Preface**

A decelerated growth at retail stage has continued in the fourth consecutive year, marking a growth rate of 1.4% in 2016. That is significantly lower than the average annual growth rate of 3.6% since beginning of the century and the long-term growth rate of 3.1% since 1970.

Slowing dynamics necessitate a survey on world fiber and retail markets, their status, latest trends and outlook to explore opportunities. Hence, an intense appraisal along the textile value chain is required as globalization further advances.

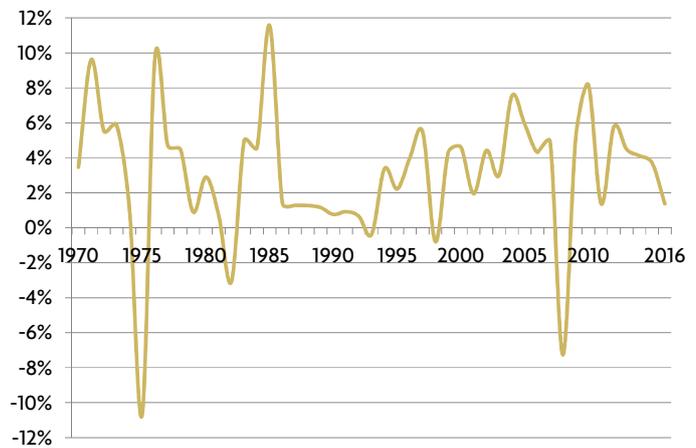
The new service „Textile Per Capita Consumption 2005 - 2022“ analyzes 25 markets with a joint population of 4.8 billion in 2017 that is predicted to grow to 5.0 billion by 2022. It is structured in three parts according to the 2016 gross national income (GNI). Different countries around the world in terms of climatic conditions, income and population growth as well as vehicles in use equivalent for degree of industrialization have been analyzed.

**Part 1:** lower middle income (Bolivia, Egypt, India, Indonesia and Philippines)

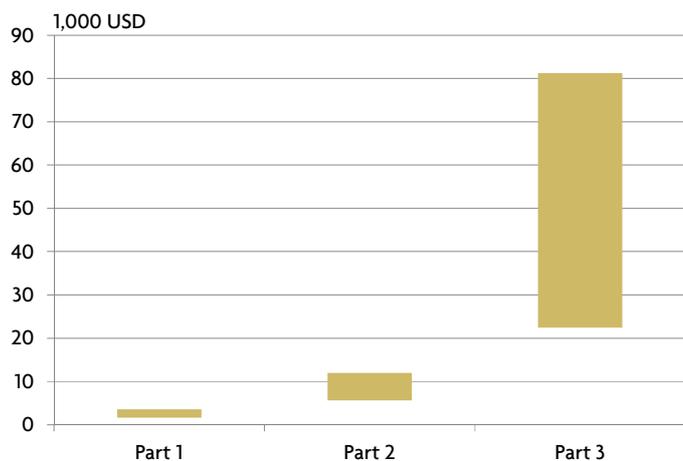
**Part 2:** upper middle income (Argentina, Brazil, PR China, Colombia, Mexico, Peru, Russia and Thailand)

**Part 3:** high income (Australia, Canada, France, Germany, Italy, Japan, Korea, Spain, Switzerland, Taiwan, United Kingdom and the United States)

**Annual Dynamics in Fiber Consumption**



**Income Categories - GNI 2016 per capita, Atlas method (current U.S. Dollar)**



## Summary

The first part covers lower middle-income countries like Bolivia, Egypt, India, Indonesia and Philippines with a per capita demand in 2016 ranging from 4 to 8 kg per head. This selection comprises diversity in climatic terms from Egypt, one of the hottest, sunniest and driest countries in the world, to Indonesia, one of the rainiest places on earth. They all have a young population in common with median age below the world average. The projected average annual growth rate of textile per capita consumption until 2022 amounts to more than 5% for each of these countries.

The second part includes upper middle-income countries like Argentina, Brazil, PR China, Colombia, Mexico, Peru, Russia and Thailand with a joint population of around two billion ranging from young in Peru with a median age of 28 years to 39 years in Russia that is confronted with shrinking population. Climatic conditions in this group also vary from Russia, notorious for being very cold, to Thailand where temperatures do not vary much throughout the year with an average annual value of 27° C. These eight nations hold an almost 30% share in global textile consumption, in particular due to the largest single market PR China with the highest per capita demand of 18 kg in this group.

The third part comprehends twelve high-income countries like Australia, Canada, France, Germany, Italy, Japan, Korea, Spain, Switzerland, Taiwan, United Kingdom and the United States. This group with about 900 million consumers in 2016 is characterized by textile consumption levels clearly above the world average. Slower dynamics projected for population and GDP growth compared to the both middle-income categories will continue to lessen their future share in the textile market at retail stage. The both leading countries in textile demand per capita, the United States and the United Kingdom, are anticipated to defend their top ranking even if future growth in the UK is expected to further decelerate due to uncertainties associated with Brexit.

In total, the twenty-five countries with a joint population of 4.7 billion consumed more than 70 million tonnes of textiles in 2016 while the remaining 2.6 billion consumers demanded about 35 million tonnes. The joint market size of the twenty-five countries witnessed an average annual growth rate of 1.5% between 2005 and 2016 which is expected to accelerate to about 3% until 2022.

## Summary

The accumulated market size of the group of lower middle-income countries is projected to experience strongest dynamics by lifting their market size 7-8% on annual basis each until 2022. Similarly, the eight upper middle-income nations are anticipated to see yearly growth rates between 1.5-3.5%. The high-income markets are believed to expand not faster than 2.5% per year with the five countries within the European Union at present to moderate at less than 1.0% and Japan even declining due to shrinking population.

The forecast for future textile demand levels refers to gross domestic product per capita projections in current prices in U.S. Dollar released by the International Monetary Fund in October 2017 and gives a brief gist about the economic status and development, status of the textile industry, trade performance, current topics making the headlines like renegotiation of NAFTA and Brexit as well as climatic conditions. The combination of such parameters is believed to deliver a well-grounded platform to predict future textile consumption levels.

The general scope at a glance for each country chapter comprises the following aspects:

- Overview
- GDP by Sector of Origin
- Climate
- Trade
- Textile and Clothing Trade
- Textile Chain
- Textile Per Capita Consumption

## Definitions

### Atlas Method:

The Atlas method is used by the World Bank to estimate the size of economies in terms of gross national income in U.S. dollars by utilizing the Atlas conversion factor instead of simple exchange rates. The purpose of the Atlas conversion factor is to reduce the impact of exchange rate fluctuations in the cross-country comparison of national incomes. The Atlas conversion factor for any year is the average of a country's exchange rate for that year and its exchange rates for the two preceding years, adjusted for the difference between the rate of inflation in the country and international inflation; the objective of the adjustment is to reduce any changes to the exchange rate caused by inflation.

### Fibers and Yarns:

The scope of natural fibers includes cotton, wool, bast fibers (jute, flax, ramie and hemp) and others (agave, abaca, coir, sisal, kapok and silk) as well as mainstream manmade fibers (acetate, cupro, viscose, modal and TENCEL® branded lyocell fibers, acrylics, nylon, polyester, polypropylene, aramid, carbon and spandex fibers).

### Gross Domestic Product (GDP):

It measures the monetary value of goods and services produced in a country for sale in the market and also includes nonmarket production, such as defense or education services provided by the government in a given period of time. Alternatively, gross national product (GNP) counts all the output of the residents of a country. So if a Swiss-owned company has a factory in the United States, the output of this factory would be included in U.S. GDP, but in Swiss GNP.

### Textile Per Capita Consumption: National cultivation and manufacturing of fibers and yarns

+ Spunbonded nonwovens

+ Imports of chapters 50 - 63 (income-related consideration of chapter 6309)

- Exports of chapters 50 - 63 (excluding of chapter 6309)

= National Market Size

/ Population

**= Textile Per Capita Consumption**

A special treatment was given to subchapter 6309 which comprises worn clothing and clothing accessories. Such exports have not taken into account anymore for high-income nations because it is believed that these quantities are generally clothes that are not needed any longer and, thus, reducing just the amount in the wardrobe but not lowering annual textile demand. Corresponding imports are being handled according to the income category. All high-income countries in the third part of the report with the exception of Canada have export surpluses. Hence, imports are considered to be a lucrative transit item without countable effect on the annual demand level and excluded from the calculation. In contrast, they do have an effect on textile demand in lower and upper middle income countries. Most middle-income nations have been net importing worn clothing.