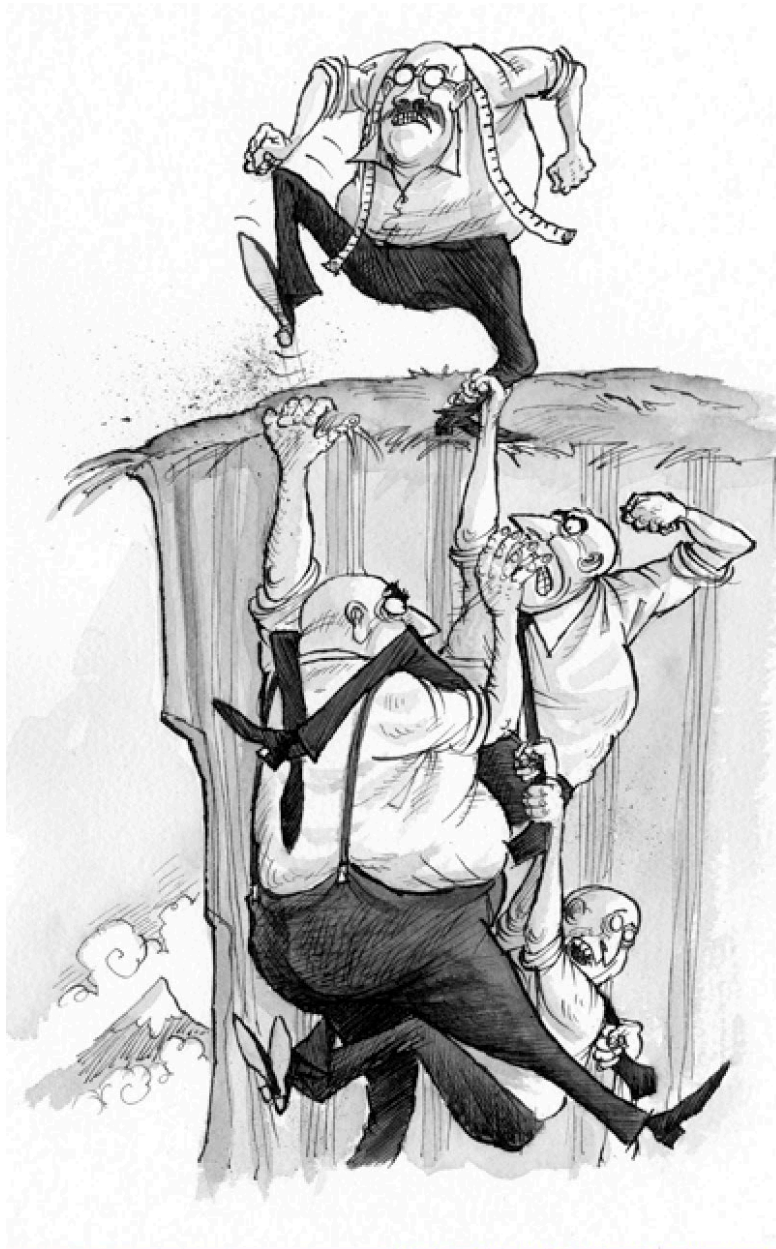


Latest U.S. Garment Import Data: February 2024

The latest data is out and once again we have the struggle between the winners and losers.



The new data shows how much the industry has changed. We are finally past the disruptions of the Covid-19 Lockdown as well as the excesses of the ups-and-downs of 2022, when the first half of the year showed import massive increases of 40% followed the collapse of the second half.

The three year decline of US garment imports is finally moderating. It is important to recognize that in hanging times success and failure are relative. When imports are falling the successful garment exporting countries are those with the smallest decline. When imports are

rising, as in the case of February 2024, the successful suppliers are those with the largest increase.

The good news is that the 10 year debate "Who will become the next China?" – is finally at an end. The winner of the next China debate is CHINA, the world's largest garment exporter, and growing. Customers have finally recognized that currently there is no China replacement.

The new debate – who will be the next Bangladesh? – is just beginning. This is more reasonable. The old China debate came to an end when importers finally recognized that nobody else can deliver China's special product. Bangladesh is different. For the most part, they are in the basic commodity business, a sector where just about anybody can compete.

Furthermore, Bangladesh faces an even more serious problem. Not only are their products ubiquitous, but demand for commodities are in a state of decline. The global market has changed leaving Bangladesh in an uncompetitive position.

THE FOLLOWING IS THE IS DATA AS OF FEBRUARY 2024

World		
	2023 v 2022	YTD 02 24 v YTD 02 23
Value	-22.0%	-7.8%
Units	-21.7%	1.7%
FOB Price	-0.5%	-9.4%

February brought great improvement.

Garment import declines as measured by value are moderating.

Garment import declines as measure in units have completely reversed,

High FOB prices due to the old Covid-19 and the 2022 chaos has finally come to an end resulting in more reasonable FOB price reductions

The Winning Side

1. CHINA:

The big winner. The old debate – Who would be the next China? – was resolved when importers finally recognized that China is irreplicable. The better news: FOB prices dropped by -12.6%

	Quantity		Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-25.0%	0.5%	19.1%	20.9%	9.0%
Units	-18.5%	14.9%	31.7%	35.8%	12.9%
FOB Price	-7.9%	-12.6%			

2. CAMBODIA

As measured by increase, Cambodia should be the big winner, but as a second tier exporter (marketshare 4.4%-4.5%) it cannot eclipse China.

	Quantity		Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-23.6%	15.2%	3.6%	4.5%	24.9%
Units	-27.7%	27.1%	3.5%	4.4%	25.0%
FOB Price	5.7%	-9.4%			

3. VIETNAM

This country has returned to a strong second place marketshare, almost equaling China. Another example of reduced FOB price.

Vietnam					
	Quantity		Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-22.3%	0.1%	17.9%	19.4%	8.6%
Units	-22.5%	8.8%	16.3%	17.5%	6.9%
FOB Price	0.2%	-8.0%			

4. EU

Until recently, we did not include EU imports because its marketshare was trivial, but with 4.3% (measured by value) the EU has become an important supplier. Midmarket importers now recognize the EU as a potentially important garment supplier.

	Quantity		Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	2.6%	-0.8%	4.0%	4.3%	7.6%
Units	-9.6%	1.8%	0.6%	0.6%	0.1%
FOB Price	13.4%	-2.5%			

5. CAFTA-DR

The situation is improving. Marketshare is up both in units and in value. What we are seeing here is the shift of orders from South Asia..

	Quantity		Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-

Value	-23.3%	-3.5%	9.4%	9.9%	4.7%
Units	-18.5%	2.6%	8.7%	8.8%	0.8%
FOB Price	-5.9%	-5.9%			

6. THAILAND

This country has moved into the plus range only because of substantial FOB reduction

	Quantity		Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-23.8%	-5.8%	0.9%	0.9%	2.1%
Units	-27.0%	25.8%	0.8%	1.0%	23.7%
FOB Price	4.4%	-25.1%			

The Losing Side

7. PAKISTAN

This country has the same problem facing all South-Asian exporters. Low FOB price is no longer an advantage.

	Quantity		Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-26.6%	-14.9%	2.3%	2.0%	-13.0%
Units	-24.4%	-7.3%	2.8%	2.5%	-8.9%
FOB Price	-2.9%	-8.2%			

8. INDIA

Once again, this is the same problem facing all South Asian-Exporters. Low FOB price is no longer an advantage.

	Quantity		Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-21.4%	-17.3%	6.0%	5.4%	-10.3%
Units	-18.9%	-7.8%	5.5%	5.0%	-9.4%
FOB Price	-3.1%	-10.3%			

9. MEXICO

Surprisingly, this major woven cotton supplier did not do well.

Quantity			Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-11.0%	-11.8%	3.5%	3.3%	-4.3%
Units	-13.4%	-20.0%	2.9%	2.3%	-21.4%
FOB Price	2.8%	10.3%			

10. Indonesia

The country's garment exporting slump is the result of successful economic development. Indonesia just outgrew the garment industry. Yesterday's garment makers are today's mine owners, bankers, hoteliers, and property developers

Quantity			Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-25.2%	-17.3%	6.0%	5.4%	-10.3%
Units	-28.1%	-19.3%	5.1%	4.0%	-20.7%
FOB Price	4.1%	2.5%			

11. Sri Lanka

This country is yet another example of the problem facing all South-Asian garment exporters. Low FOB price is no longer an advantage.

Quantity			Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-24.2%	-19.8%	2.3%	2.0%	-13.0%
Units	-30.3%	-0.2%	1.7%	1.6%	-1.9%
FOB Price	8.7%	-19.7%			

12. Bangladesh

Bangladesh has the problem facing all South-Asian exporters. Low FOB price is no longer an advantage. As of February 2024, Bangladesh marketshare had dropped from second to third after China, Vietnam and the newcomer CAFTA-DR

Quantity			Market Share		
	2023 v 2022	YTD 02 24 v YTD 02 23	YTD 02-23	YTD 023-24	PCT +/-
Value	-25.1%	-19.2%	11.1%	9.7%	-12.4%
Units	-27.9%	-12.8%	11.5%	9.8%	-14.3%
FOB Price	4.0%	-7.4%			

Conclusion

February is showing us the new garment industry with its new methodology and rules. Low FOB price is no longer an advantage. South Asia, once the commodity garment winner is now firmly on the loser side. China has bounced back and is in first place again