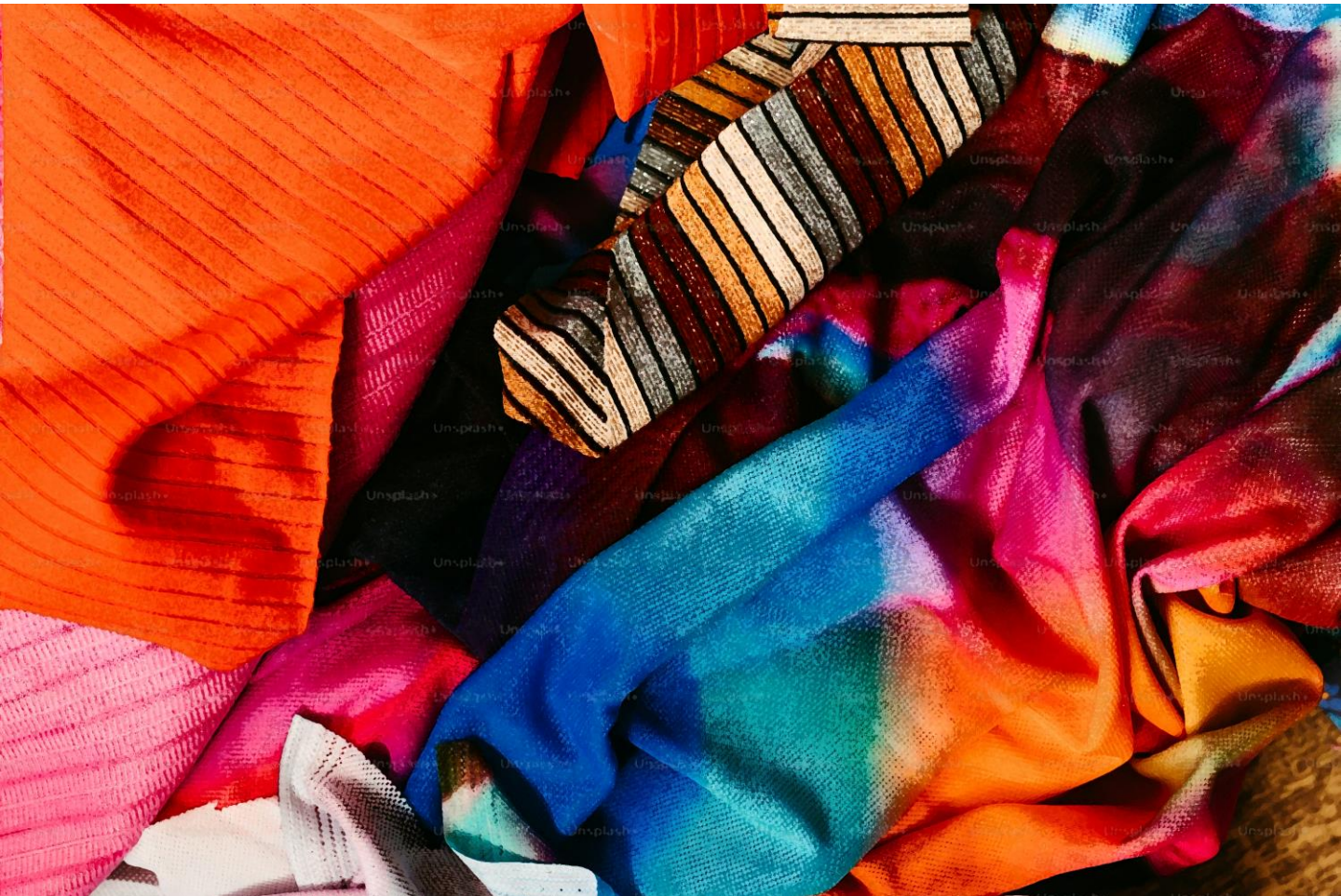




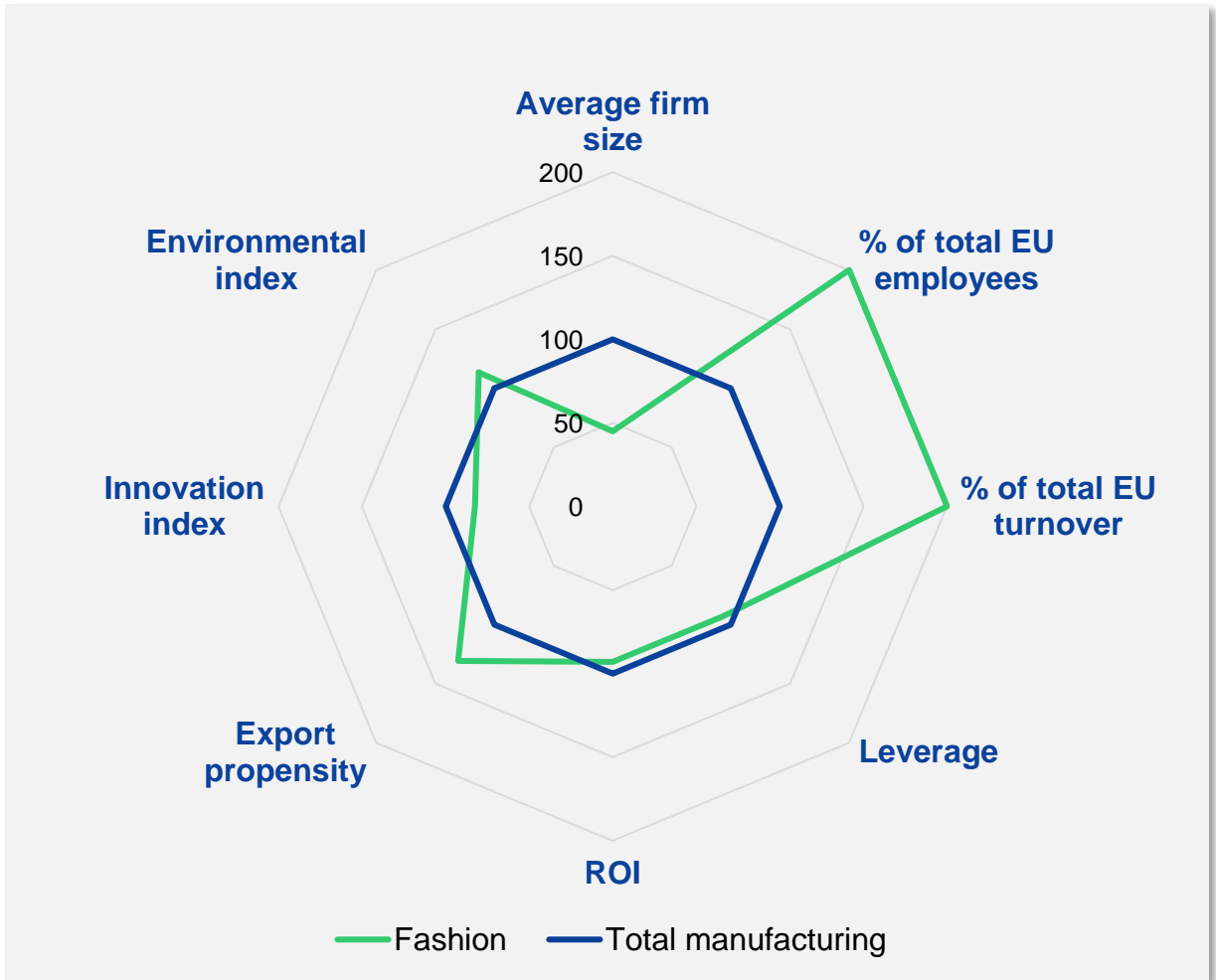
# The Fashion industry in Italy

## Sector Kit 2024



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# Overview



Source: Eurostat, Prometeia

## Key Insights

- The **Italian Fashion industry** constitutes a **substantial** segment of the European market in terms of both **turnover** and **employment**, positioning Italy as one of the leading players in the sector.
- On average, Italian Fashion **companies are smaller** compared to the manufacturing benchmark. They exhibit a **higher propensity for exporting** but are slightly **less engaged in innovation activities**. Regarding debt ratios and profitability, Fashion enterprises demonstrate marginally lower levels compared to the broader manufacturing industry.
- The industry **performs well in terms of sustainability**, limiting emissions of GHG when compared to both the manufacturing sector and EU benchmarks.

# Number of firms and sector characteristics

Year 2022		Number of enterprises	Turnover mln €	Number of employees
Fashion	Value	53 654	89 025	426 587
	% on total sector	14.6%	6.6%	11.1%

## Breakdown by subsector

Apparel	Value	28 464	31 300	180 326
	% on total sector	53.1%	35.2%	42.3%
Leather products and footwear	Value	13 517	31 861	134 168
	% on total sector	25.2%	35.8%	31.5%
Textiles	Value	11 673	25 864	112 093
	% on total sector	21.8%	29.1%	26.3%

## Breakdown by firm size class<sup>1</sup>

Micro	Value	47 474	19 112	176 233
	% on total sector	88.5%	21.5%	41.3%
Small	Value	4 758	18 830	111 970
	% on total sector	8.9%	21.2%	26.2%
Medium	Value	1 202	24 573	77 767
	% on total sector	2.2%	27.6%	18.2%
Large	Value	220	26 510	60 617
	% on total sector	0.4%	29.8%	14.2%

Source: Prometeia Structural Database

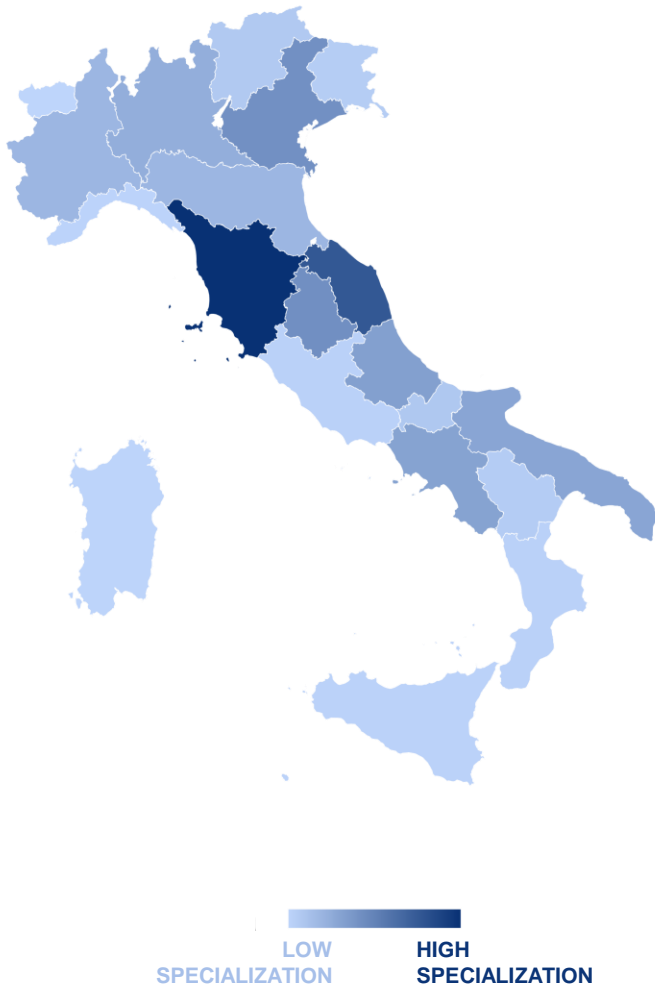
## Key Insights

- With **over 53 thousand companies** employing approximately **427 thousand individuals** and generating a **turnover exceeding 89 billion euros** in 2022, the Fashion industry is a significant sector in the Italian economy, contributing **6.6%** to the total **manufacturing turnover**.
- The industry's turnover is nearly evenly distributed among apparel, leather products and footwear, and textiles**, with apparel companies comprising 52.1% of total enterprises.
- Micro companies constitute 88.5% of all enterprises, generating 21.5% of the total turnover**, while 220 large companies account for 29.8% of the sector's turnover.

1. As a reference, manufacturing in Italy has the following structure:

- Number of enterprises: Mic. 84.9%, Sm. 10.8%, Med. 3.3%, Large 1%
- Turnover: Micro 8.6%, Small 12.4%, Medium 18.7%, Large 60.3%
- Number of employees: Mic. 26.7%, Sm. 21.7%, Med. 19.7%, L. 31.9%

# Specialized districts or regions



Top 5 region by specialization, 2021	Specializ. index <sup>1</sup>
Toscana	3.5
Marche	2.7
Umbria	1.5
Veneto	1.5
Abruzzo	1.2

Top 5 region by number of empl., 2021	Number of employees
Toscana	104 516
Lombardia	81 586
Veneto	65 446
Campania	33 013
Marche	32 719

Source: Istat

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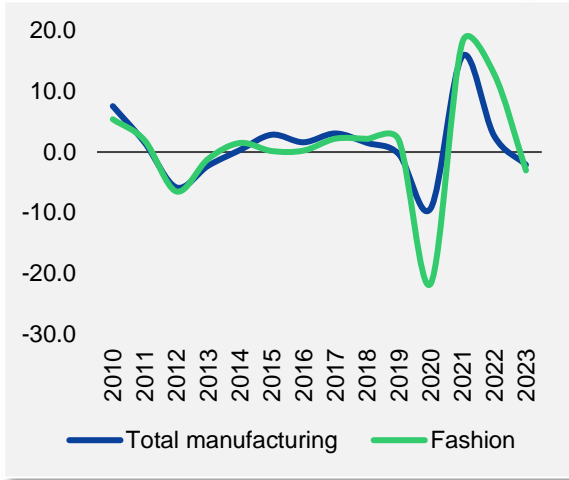
## Key Insights

- The Fashion industry is marked by **highly specialized regions** throughout Italy. **Toscana leads the ranking** with a specialization index of 3.5, thanks to the numerous **districts** specialized in **textiles, apparel and footwear**, the largest being **Prato and Firenze**. The top 5 is completed by **Marche** (2.7), with its Fermo **footwear district**, and Umbria, Veneto, and Abruzzo.
- **Toscana also employs the largest number of workers in the Fashion industry**, exceeding 104 thousand employees, approximately **25%** of Italian workers in the sector. Lombardia ranks second with more than 81 thousand employees, followed by Veneto, Campania, and Marche.

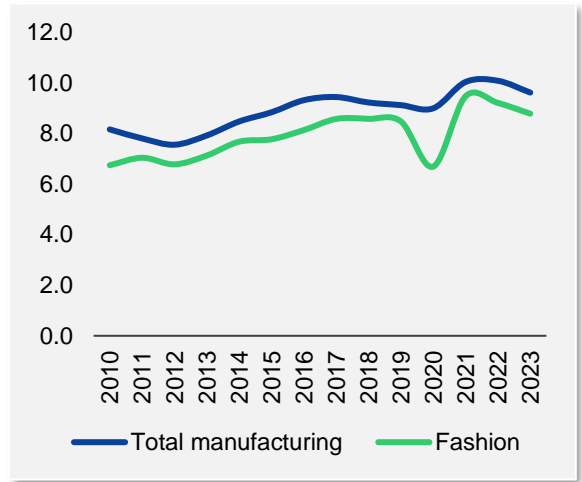
1. Here, the Specialization Index is calculated as the ratio between a region's sector-specific number of employees as a percentage of total regional number of employees and the same ratio at the national level. A region is considered specialized when the index value exceeds 1.

# Industry financials

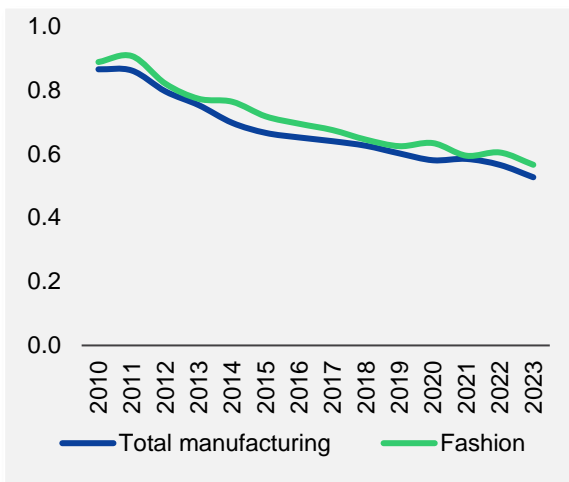
**Turnover** (Constant Prices, YoY change %)



**EBITDA**



**Leverage**



**ROI**

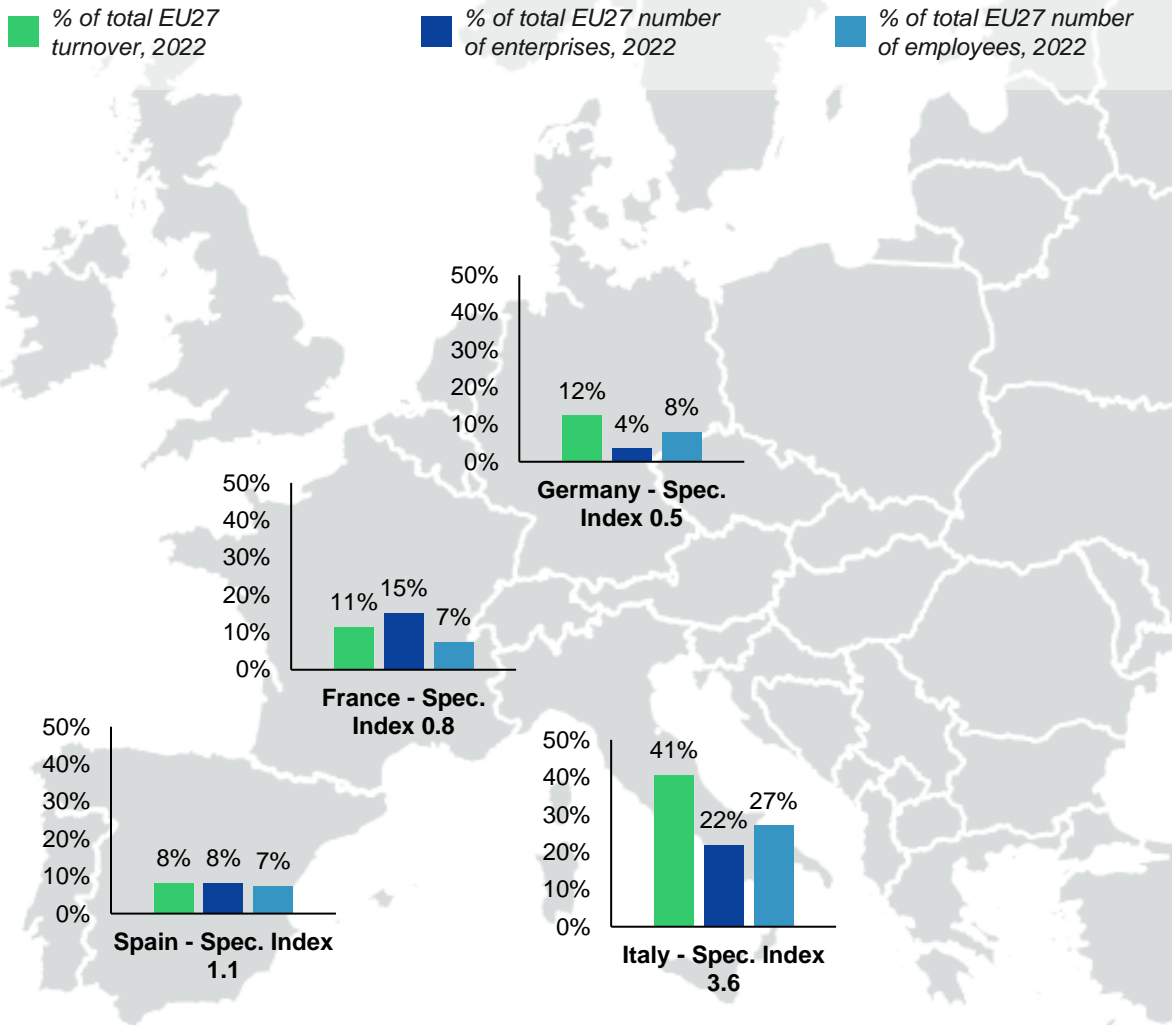


Source: Prometeia Financials Database

## Key Insights

- The Fashion industry was **significantly impacted by the COVID-19 crisis**, experiencing a 21.8% decline in turnover in 2020. This downturn was followed by **two years of sustained double-digit growth**, although a moderate decline was registered in 2023 - more pronounced than the manufacturing benchmark.
- **Financial stability has shown a positive trend** with a decreasing debt-to-equity ratio, though it remains slightly less favorable compared to the manufacturing sector.
- Following the low point in 2020, the **sector's profitability began to recover**, with ROI and EBIT remaining below the manufacturing benchmark but at historically notable levels.

# International benchmarking



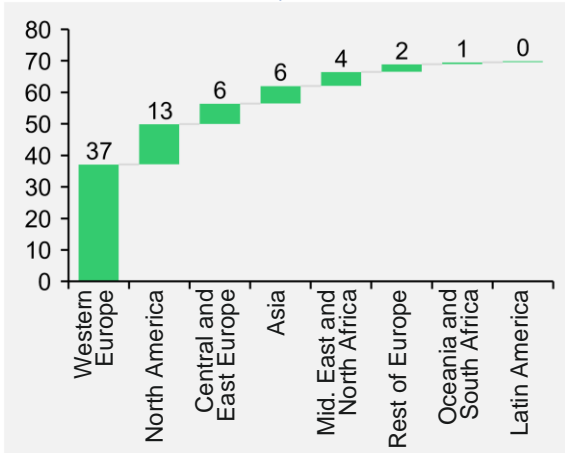
Source: Eurostat, Prometeia Structural Database

## Key Insights

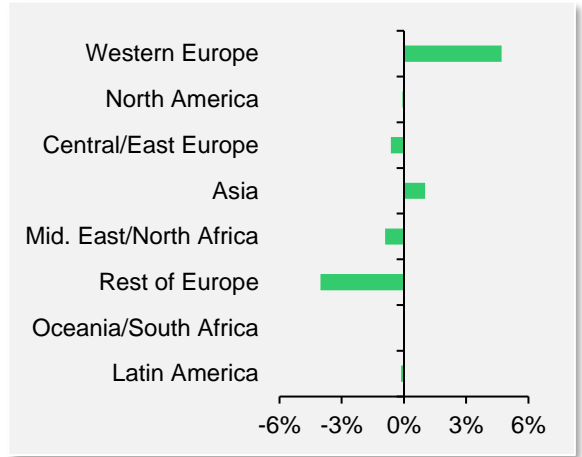
- The **Italian Fashion industry** holds a pivotal position at the European level, **leading the top five EU27 countries in terms of employees, enterprises, and turnover within the sector.**
- Italy accounts for **41% of the total EU turnover, 22% of the total number of companies, and 27% of the total number of workers** in the EU Fashion industry.
- The **country specialization index** reveals that **Italy is highly specialized in the Fashion sector**, with an index of 3.6, significantly outperforming Germany and France.

# International trade

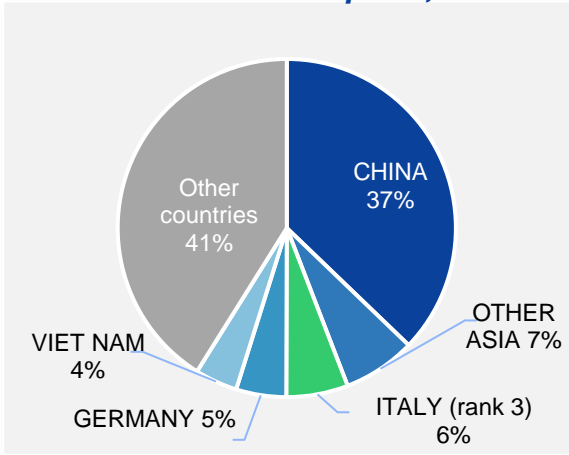
**Italian export by area of destination**  
Bln \$, 2022



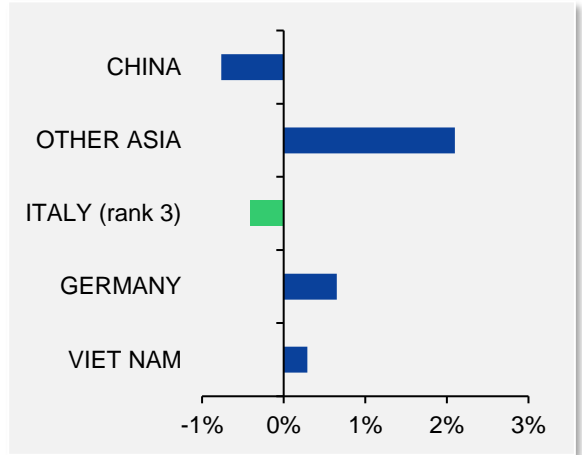
**Italian export by area of destination**  
Var 2013-2022 of the share



**World main exporters**  
% on total world exports, 2022



**World main exporters**  
Var 2013-2022 of the share



Source: Prometeia Fipice Database

## Key Insights

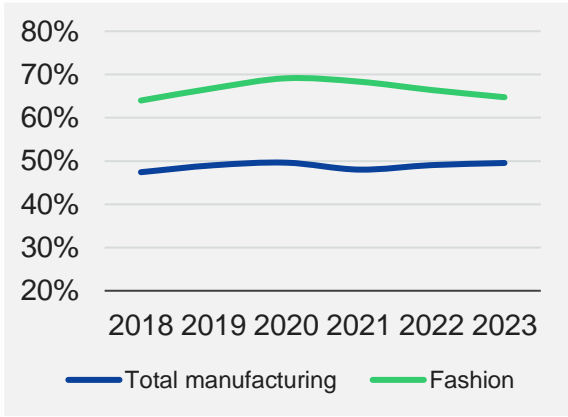
- In 2022, **Western Europe was the primary destination for Italian exports** in the Fashion industry, showing a 5% increase in export share compared to 2013. Asia ranked second in 2022, with its share rising by 1% over the past decade. Conversely, the Rest of Europe has diminished as a destination region, with a 4% decline in export share over the same period.
- Globally, **Italy ranked as the third-largest exporter of Fashion products** in 2022, holding a 6% share. However, over the last ten years, Italy's export share **decreased by 0.4% from its 2013 level**, primarily losing ground to Other Asia, which increased by 2%, and Germany, which saw a 0.7% increase.



# Competitive advantages of Italian firms

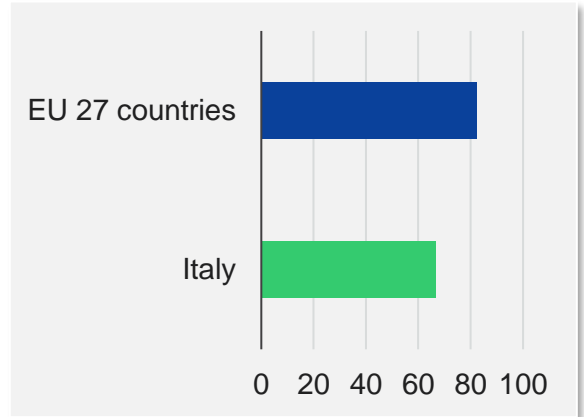
## Export propensity

(ratio between exports and production value)



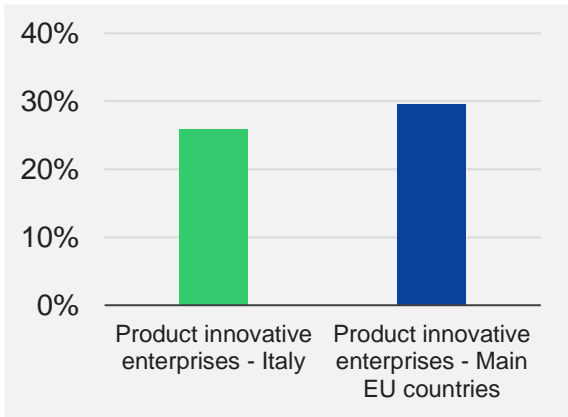
## Emission intensity

(GHG grams per € of value added)



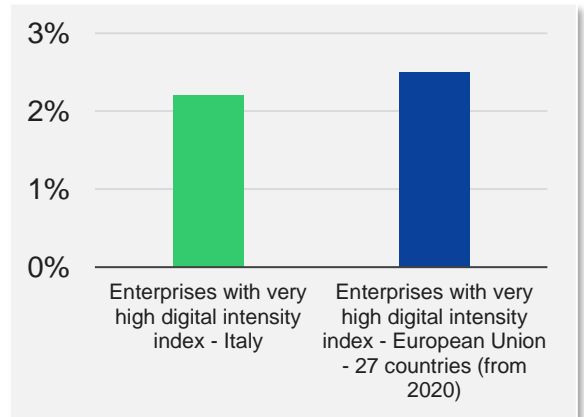
## Innovation propensity

(% of innovative firms on the total)



## Digital intensity

(% of digitally advanced firms on the total)



Source: Eurostat, Prometeia Economics Database

## Key Insights

- The Fashion industry demonstrates a **higher export propensity compared to the manufacturing benchmark**, with nearly 70% of the sector's turnover derived from exports.
- Italian companies in the Fashion sector have made strides in **innovation and digitalization**; however, there remains **room for improvement** as the shares of innovative and highly digital-intensive companies are slightly below the EU average.
- Finally, Italian companies in this sector exhibit **brilliant environmental performance**, producing fewer GHG emissions compared to the primary EU countries.

# Notes

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## Industry definition

- The analysis encompasses activities classified under NACE Rev.2 codes C13-C15.

## Data sources

- Information on the industry structure, characteristics, trade data, and financials are sourced from official statistics (Eurostat, ISTAT) and Prometeia Databases (Structural, Financials, Economics, Fipice).
- Financial data for the year 2023 are estimates based on currently available information.

## Overview

- The radar chart on page 3 illustrates the industry's positioning relative to the entire Italian manufacturing sector across various indicators. The manufacturing index is standardized to 100, and the index value for the specific sector indicates its performance against this benchmark. An upper limit of 200 is set to facilitate graphical representation.

## International Benchmarking

- The charts on page 7 present data for the top four countries in the European Union by sector turnover.
- Some EU countries do not provide complete information; however, this limitation is confined to smaller countries and does not affect the reported rankings.

## Competitive advantages of Italian firms

- *Export propensity* is calculated as the ratio of export value to production value within the sector.
- *Innovation propensity* is an index representing the percentage of “innovation-active enterprises” over the total number of respondents to the Eurostat Community Innovation Survey (CIS), referring to 2020.
- The *Digital Intensity Index (DII)* is a composite indicator, derived from the survey on ICT usage and e-commerce in enterprises. Here, the share of enterprises with high or very high digital intensity as of 2023 is represented.
- *Emission intensity* is calculated as the ratio between GHG emissions of the sector in grams and the industry's production value (or gross value added, depending on the most relevant indicator) at current prices, based on data from 2021.

