

Press Release

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Sourcing Strategies of European Clothing Retailers are changing

In its report "**Sourcing Activities of leading Clothing Retailers in Europe 2012**", Hamburg-based secondary market research firm **yStats.com** has compiled general facts and sourcing information for **73 clothing retailers** headquartered in **Germany, Great Britain, France, the Netherlands, Spain, Italy, Sweden, Norway, Denmark, Poland, Russia, and Turkey**. For each player, the report provides a company profile, followed by sourcing information.

In addition to general information about the companies, including sales figures and the number of stores, the report focuses on showing where the products are sourced, with how many retailers each firm is doing business and which environmental goals are pursued.

Sourcing Activities often take place abroad

Many clothing companies source their products from outside of Europe, especially Asia. In 2011, nearly 1400 manufacturers in over 40 countries worldwide manufactured more than 800 million items of clothing for Spanish clothing company Inditex. The German Otto Group sources its products via trading and sourcing organization Hermes-OTTO International from more than 5000 suppliers in 70 countries. The French Etam Group has a sourcing company in Shanghai, Etam International Sourcing, which coordinates all suppliers in Asia. Danish clothing firm Bestseller sources its products largely from Asia - China, India and Bangladesh - as well as from Turkey and Italy. The production of Russian firm Oodji/August OOO is also largely based in Asia: 24 million clothing items are manufactured in Asia each year for this company.

China loses Manufacturing Clients

Increasing Chinese labor costs have prompted some firms to transfer their production to other countries, including their own. A large number of companies, especially in Turkey and Russia, now manufacture their goods in their home country. In Turkey, the government provides incentives for national manufacturers. Encouraged by this development, Turkish clothing company Akygit, operator of the Collezione shops, plans to move its clothing production to Turkey. In 2012, British clothing chain River Island also plans to move part of its production from China back to Great Britain due to increased costs.

Sustainable Production, Social Justice and Health Protection increasingly important

The report "Sourcing Activities of leading Clothing Retailers in Europe 2012" by yStats.com shows that more and more companies emphasize sustainable production of at least part of their goods. When sourcing products, OTTO-Group adheres to strict social standards and environmental regulations. British retail chain Marks&Spencer sources its products from Asia and Great Britain and aims to become the most sustainable clothing manufacturer in the world by 2015. Italian Benetton Group sources its products from Asia and Europe and also aims to ensure ethically-sound and sustainable production. Swedish company KappAhl sources all of its products from external partners and prioritizes protection of the environment: It aims to use as much organic cotton as possible.

Many clothing companies source their products internationally, but there is also an opposite trend towards sustainability and location loyalty.

For more information, please visit:

<http://ystats.com/en/reports/preview.php?reportId=994>

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