

# ***DENIM WARS:***

**THE BATTLE FOR US DENIM APPAREL IMPORT MARKET**



**BOOTCUT**



**STRAIGHT**



**SKINNY**



**SUPER-  
SKINNY**



**BOYFRIEND**



**FLARE**

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## **DENIM WARS: *THE BATTLE FOR US DENIM APPAREL IMPORT MARKET***

### **Summary:**

- The US import market for denim apparel is extremely tough and competitive. This market is characterized by extremely competitive pricing structures and is dominated by China, Mexico and Bangladesh.
- During 2011, China has started losing 3% average share of this market but its position in women's categories is improving. Latin American countries are benefiting from this and are increasing their share. Most of the Asian suppliers including Pakistan do not seem to be taking benefit from this scenario.
- Pakistan currently holds 3% market share of total US denim apparel imports in terms of value and quantity. Pakistan's denim apparel exports to US seem to be stagnant over the years in study.
- Although Pakistan's share of ladies trousers category improved during 2011 but overall, Pakistan's average prices are rising faster than global prices. This is a serious cause for concern as the US market is extremely sensitive to price hikes.
- Pakistan does not export denim fabric to USA.
- Suppliers of denim apparel from Pakistan are now faced with a dual challenge. On one hand they need to compete in fabrication and designing, while on the other, they need to keep their prices in check.
- Pakistani suppliers need to come up with a proactive and coherent strategy if they want to achieve a considerable gain in this market.
- Alternatively, Pakistani suppliers should also look to export denim fabric to Mexico, Nicaragua and Indonesia in order to fill their idle capacities.

**Denim Apparel:**

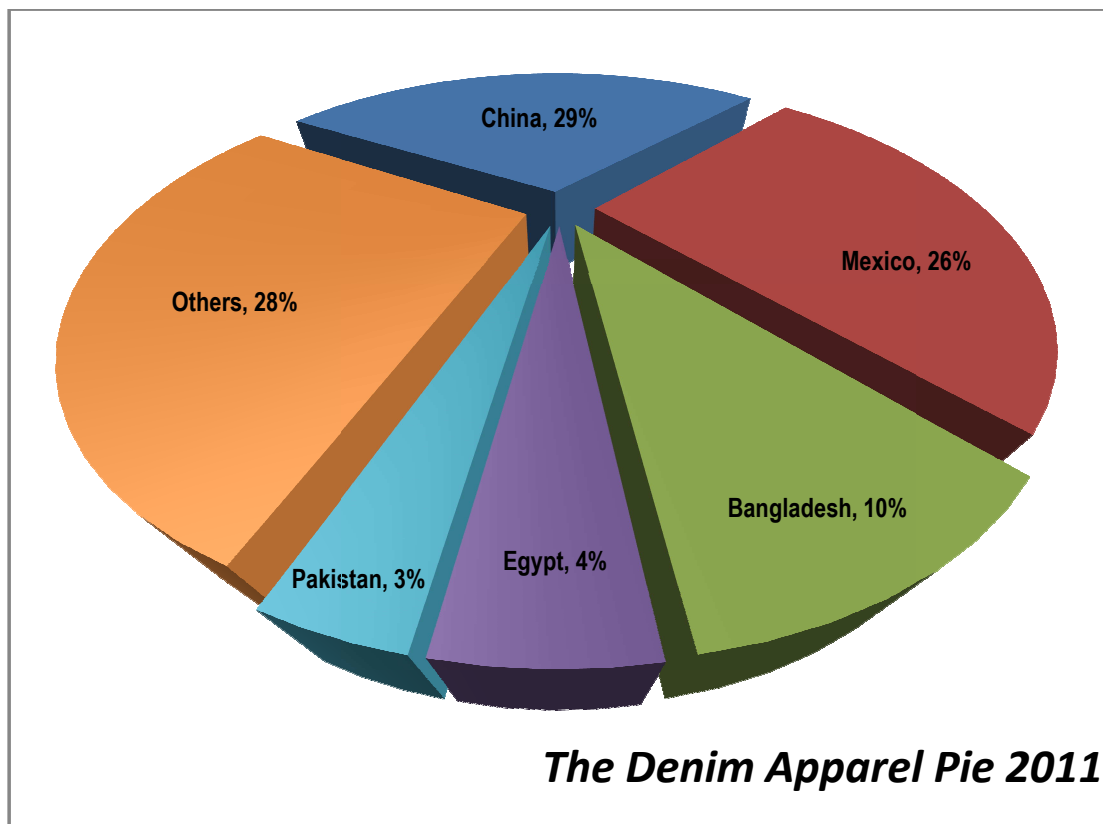
The US import market for denim apparel is worth approximately \$4.25 billion, in 2011 the market is expected to increase by only 1% in value while the quantity is expected to drop by 14% to 44 million dozen.

Together, China and Mexico holds 55% of this market followed by Bangladesh with 10% share, while suppliers from 26 countries compete for balance 35% of the market. Pakistan currently holds 3% share with exports around \$140 million. In 2011, Pakistan’s exports are set to increase by 7% in value, while quantities may decrease by 15%.

Interestingly, market share of China decreased by 3%, in 2011 while Mexico, Nicaragua, Lesotho and Indonesia improved their respective shares.

**Average Prices:**

During 2011, prices increased by approximately 17% globally. While the highest average increase of 26% was recorded in exports from Pakistan. Average price from Bangladesh increased by 25% and from Egypt by 22%. Price increase of 17% and 16% were recorded in average prices from China and Mexico respectively.

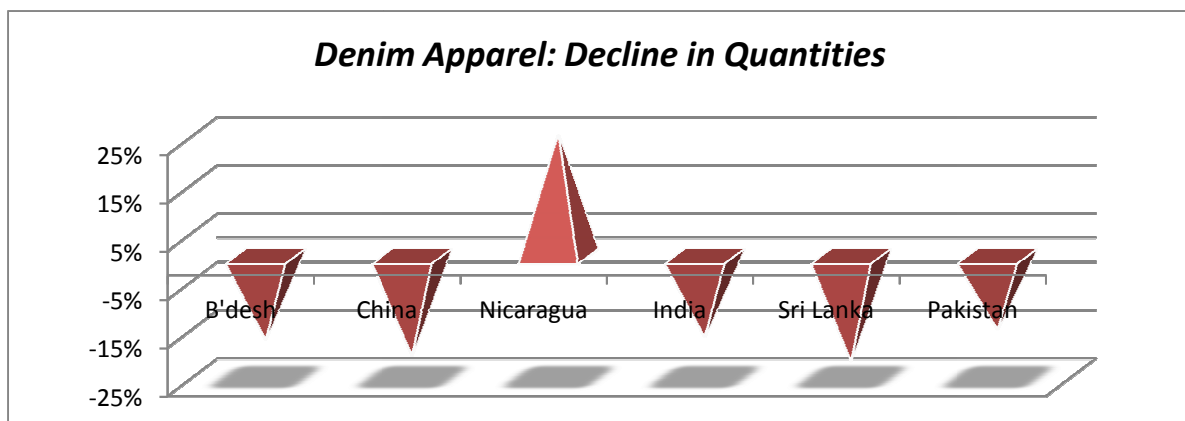


## Blue Denim Apparel

*Value in US\$ and Quantity in Dozen*

Country		Nov-11	2010	2009
World	Value in US\$	100% 3,948,120,000	100% 4,250,480,000	100% 4,059,190,000
	Qty in Doz	100% 40,680,409	100% 51,451,479	100% 48,814,984
	US\$ / Dozen	97.05	82.61	83.15
China	Value in US\$	29% 1,143,840,000	32% 1,348,370,000	30% 1,201,260,000
	Qty in Doz	29% 11,713,335	31% 16,054,723	29% 14,010,672
	US\$ / Dozen	97.65	83.99	85.74
Mexico	Value in US\$	26% 1,025,300,000	24% 1,017,890,000	25% 1,017,260,000
	Qty in Doz	24% 9,850,381	22% 11,362,881	22% 10,754,120
	US\$ / Dozen	104.09	89.58	94.59
B'desh	Value in US\$	10% 384,375,362	10% 404,676,054	9% 359,206,754
	Qty in Doz	13% 5,209,545	13% 6,860,094	12% 6,037,713
	US\$ / Dozen	73.78	58.99	59.49
Egypt	Value in US\$	5% 177,924,643	5% 191,351,173	5% 195,949,864
	Qty in Doz	4% 1,761,606	4% 2,312,507	5% 2,486,980
	US\$ / Dozen	101.00	82.75	78.79
Pakistan	Value in US\$	3% 130,594,602	3% 132,601,543	3% 124,368,852
	Qty in Doz	3% 1,405,117	4% 1,804,327	4% 1,833,705
	US\$ / Dozen	92.94	73.49	67.82

Country		2011 (YoY)	2010 (YoY)
World	Increase / decrease in Value	1%	5%
	Increase / decrease in Quantity	-14%	5%
Pakistan	Increase / decrease in Value	7%	7%
	Increase / decrease in Quantity	-15%	-2%



### **Men's Jeans:**

Import market for men's jeans accounts for 53% or \$2.3 billion of total denim apparels into the US. Mexico leads in this segment with 39% share followed by China (13%) and Bangladesh (12%). Pakistan's share is around 4% in value and quantity.

During 2011, imports in this segment increased by 7% in value and the quantities declined by 10%, in contrast Pakistan's exports decreased 2% in value and 21% in quantity.

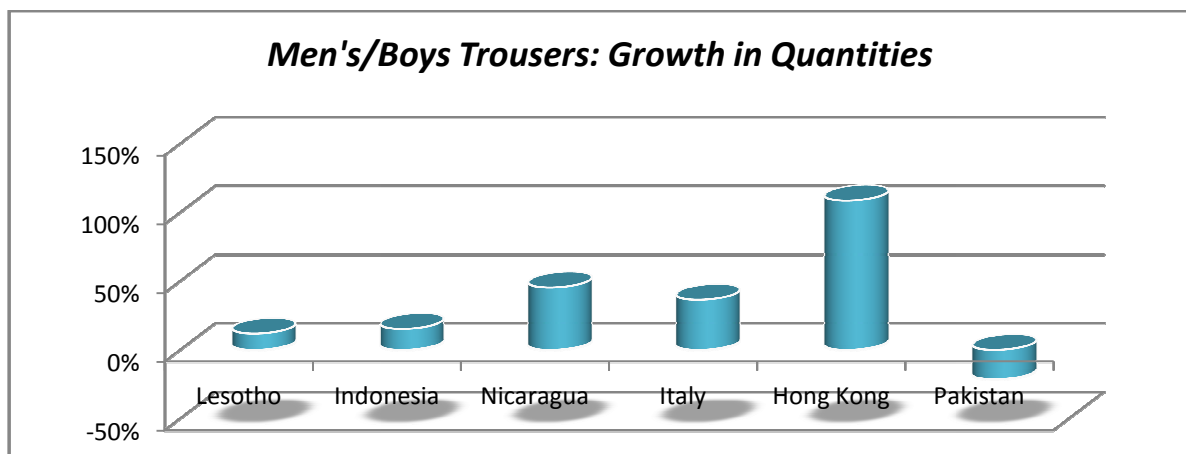
Countries which improved their share in this segment include Nicaragua, Lesotho, Mexico, Indonesia, Italy and Romania.

While the average global price increased by 18%, average price from Pakistan increased by 25%. Bangladesh 27%. Average price from Mexico increased by 16% and from Bangladesh by 27%. Despite this price increase, Bangladesh's average price is approximately 15% lower than prices from Pakistan.

**Category 347-D: Blue Denim Trousers, Men's/Boys**  
*Value in US\$ and Quantity in Dozen (14.90 Sqm per dozen)*

Country		Nov-11	2010	2009
World	Value in US\$	100% 2,101,456,000	100% 2,152,394,000	100% 2,006,020,000
	Qty in Doz	100% 21,447,686	100% 26,022,970	100% 24,198,795
	US\$ / Dozen	97.98	82.71	82.90
Mexico	Value in US\$	39% 823,690,000	37% 786,342,000	38% 752,333,000
	Qty in Doz	39% 8,339,097	36% 9,266,848	35% 8,469,202
	US\$ / Dozen	98.77	84.86	88.83
China	Value in US\$	13% 278,157,000	17% 374,103,000	17% 339,007,000
	Qty in Doz	12% 2,534,181	16% 4,134,457	15% 3,692,027
	US\$ / Dozen	109.76	90.48	91.82
B'desh	Value in US\$	12% 260,190,000	12% 263,966,000	11% 223,724,000
	Qty in Doz	16% 3,413,992	17% 4,406,366	16% 3,796,037
	US\$ / Dozen	76.21	59.91	58.94
Nicaragua	Value in US\$	6% 119,459,000	4% 76,017,000	3% 50,301,000
	Qty in Doz	6% 1,381,422	4% 1,036,829	3% 690,998
	US\$ / Dozen	86.48	73.32	72.79
Pakistan	Value in US\$	4% 75,558,000	4% 84,207,000	4% 79,685,000
	Qty in Doz	4% 860,967	5% 1,194,820	5% 1,224,955
	US\$ / Dozen	87.76	70.48	65.05

Country		2011 (YoY)	2010 (YoY)
World	Increase / decrease in Value	7%	7%
	Increase / decrease in Quantity	-10%	8%
Pakistan	Increase / decrease in Value	-2%	6%
	Increase / decrease in Quantity	-21%	-2%



**Ladies Jeans:**

This is also one of major categories of US denim apparel imports with 45% share of the total market. China currently holds about 47% share of this segment. Despite Chinese imports losing ground in 2011 in other segments, the Chinese were able to enhance their share in this segment.

Surprisingly, Pakistan managed to gain an additional 1% market share in this segment during 2011. Other countries which also managed to do well are Guatemala, Turkey and Swaziland.

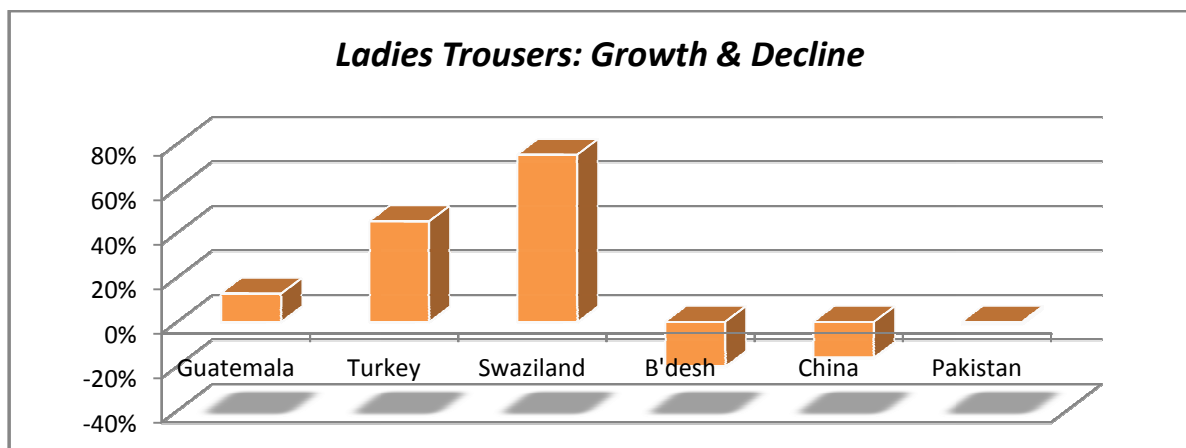
During 2011, average price from Pakistan increased by 27% compared to 17% increase globally. Due to this price rise, goods from Pakistan became 5% dearer in comparison to the average global price.



**Category 348-D: Blue Denim Trousers, Women's/Girls**  
*Value in US\$ and Quantity in Dozen (14.90 Sqm per dozen)*

Country		Nov-11	2010	2009
World	Value in US\$	100% 1,785,575,000	100% 2,023,896,000	100% 1,961,758,000
	Qty in Doz	100% 18,433,699	100% 24,385,710	100% 23,242,935
	US\$ / Dozen	96.86	83.00	84.40
China	Value in US\$	47% 836,679,000	46% 938,663,000	42% 817,075,000
	Qty in Doz	48% 8,808,916	47% 11,451,006	42% 9,649,614
	US\$ / Dozen	94.98	81.97	84.67
Mexico	Value in US\$	11% 199,049,000	11% 228,821,000	13% 261,291,000
	Qty in Doz	8% 1,496,764	9% 2,072,918	10% 2,258,474
	US\$ / Dozen	132.99	110.39	115.69
B'desh	Value in US\$	6% 113,801,000	6% 128,302,000	6% 118,782,000
	Qty in Doz	9% 1,627,210	9% 2,220,628	8% 1,928,039
	US\$ / Dozen	69.94	57.78	61.61
Vietnam	Value in US\$	5% 94,900,000	5% 102,044,000	5% 91,878,000
	Qty in Doz	5% 1,007,781	5% 1,271,675	6% 1,360,158
	US\$ / Dozen	94.17	80.24	67.55
Pakistan	Value in US\$	3% 54,355,000	2% 47,077,000	2% 43,050,000
	Qty in Doz	3% 534,412	2% 588,379	2% 576,802
	US\$ / Dozen	101.71	80.01	74.64

Country		2011 (YoY)	2010 (YoY)
World	Increase / decrease in Value	-4%	3%
	Increase / decrease in Quantity	-18%	5%
Pakistan	Increase / decrease in Value	26%	9%
	Increase / decrease in Quantity	-1%	2%



**Denim Skirts:**

Denim skirts account for approximately 1% of total denim apparel imports of USA. In this category also, China managed to retain its market share but overall, global imports declined by 15% in value and 16% in terms of quantity from the preceding year.

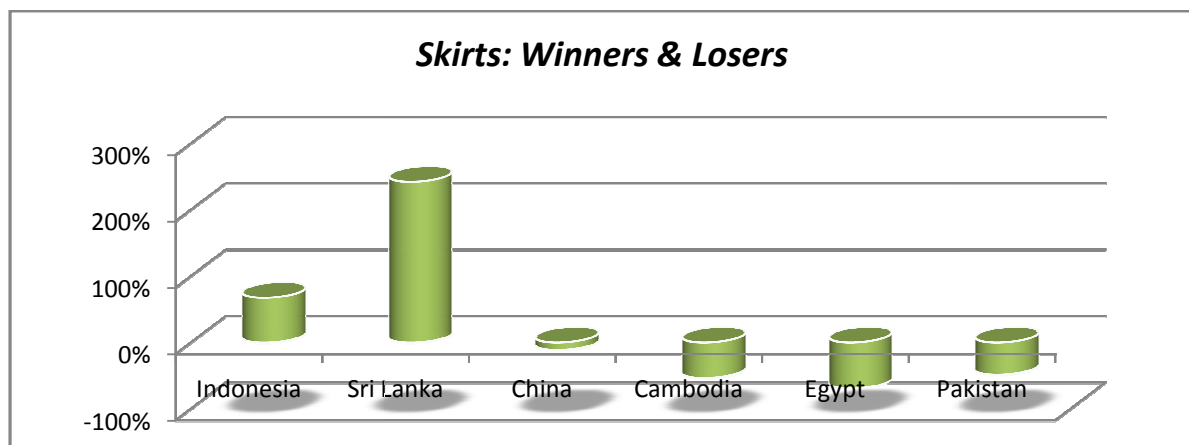
Pakistan's performance in this segment remained dismal during 2011. Pakistan's denim exports to US declined 36% in value and 48% in quantity. Pakistan also lost 1% of market share both in value and quantity.

While average global prices of denim skirts only increased by 3%, average price from Pakistan recorded 24% increase. Due to this price rise, Pakistan became 14% dearer than the average global price.

**Category 342-D: Blue Denim Skirts**  
*Value in US\$ and Quantity in Dozen (14.90 Sqm per dozen)*

Country		Nov-11	2010	2009
World	Value in US\$	100% 45,369,000	100% 57,898,000	100% 76,689,000
	Qty in Doz	100% 684,064	100% 891,686	100% 1,218,615
	US\$ / Dozen	66.32	64.93	62.93
China	Value in US\$	48% 21,595,000	47% 27,425,000	50% 38,569,000
	Qty in Doz	47% 324,555	45% 398,842	50% 612,219
	US\$ / Dozen	66.54	68.76	63.00
B'desh	Value in US\$	16% 7,397,000	16% 9,094,000	16% 12,242,000
	Qty in Doz	18% 121,562	21% 185,132	21% 251,314
	US\$ / Dozen	60.85	49.12	48.71
C'odia	Value in US\$	6% 2,775,000	11% 6,118,000	7% 5,518,000
	Qty in Doz	6% 43,085	11% 100,622	6% 78,553
	US\$ / Dozen	64.41	60.80	70.25
Vietnam	Value in US\$	6% 2,667,000	5% 2,985,000	4% 2,716,000
	Qty in Doz	6% 39,348	6% 50,909	4% 43,946
	US\$ / Dozen	67.78	58.63	61.80
Pakistan	Value in US\$	1% 532,000	2% 909,000	1% 856,000
	Qty in Doz	1% 7,019	2% 14,849	2% 18,799
	US\$ / Dozen	75.79	61.22	45.53

Country		2011 (YoY)	2010 (YoY)
World	Increase / decrease in Value	-15%	-25%
	Increase / decrease in Quantity	-16%	-27%
Pakistan	Increase / decrease in Value	-36%	6%
	Increase / decrease in Quantity	-48%	-21%



**Denim Jackets & Coats:**

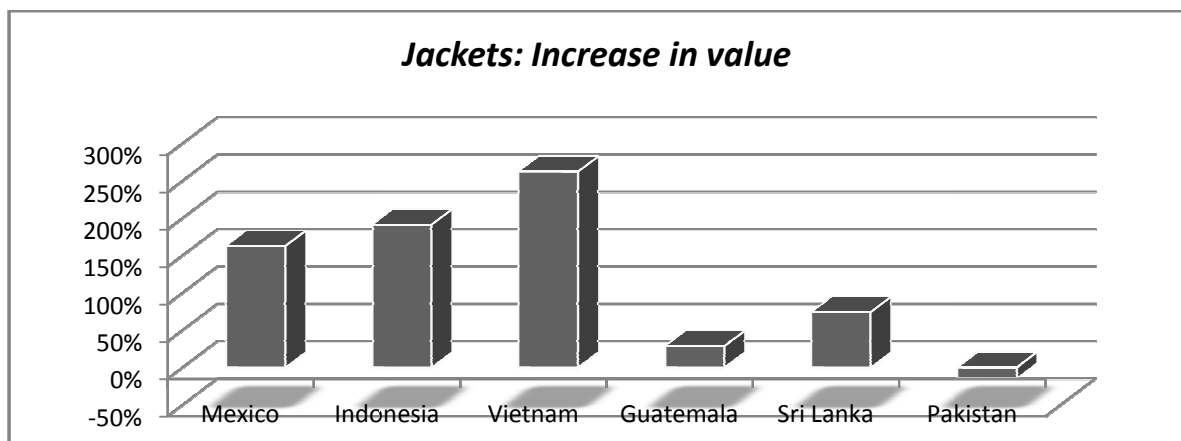
These two categories account for 0.38% of total denim apparel imports of USA. China remains the largest supplier with 47% and 58% share of jackets and suit-type denim coats respectively, by value.

In the denim jackets category, Pakistan has steadily lost its market share since 2009 and currently holds 1% share in value. During 2011, Pakistan's jackets exports to US declined by 15% over the preceding year while the overall imports increased by 8%. Mexico and Indonesia substantially increased their share in 2011.

**Category 334-D: Blue Denim Jackets**  
*Value in US\$ and Quantity in Dozen (34.50 Sqm per dozen)*

Country		Nov-11		2010		2009	
World	Value in US\$	100%	14,654,000	100%	14,866,000	100%	12,296,000
	Qty in Doz	100%	100,513	100%	115,774	100%	117,223
	US\$ / Dozen		145.79		128.41		104.89
China	Value in US\$	47%	6,902,000	50%	7,486,000	49%	5,978,000
	Qty in Doz	40%	39,894	45%	52,043	39%	45,604
	US\$ / Dozen		173.01		143.84		131.08
B'desh	Value in US\$	19%	2,822,000	20%	3,023,000	31%	3,826,000
	Qty in Doz	31%	31,291	32%	36,853	44%	52,016
	US\$ / Dozen		90.19		82.03		73.55
Mexico	Value in US\$	13%	1,875,000	5%	779,000	7%	868,000
	Qty in Doz	9%	8,871	4%	5,196	5%	6,165
	US\$ / Dozen		211.36		149.92		140.79
Indonesia	Value in US\$	5%	774,000	2%	290,000	1%	122,000
	Qty in Doz	7%	7,119	2%	2,841	2%	1,939
	US\$ / Dozen		108.72		102.08		62.92
Pakistan	Value in US\$	1%	141,000	1%	180,000	3%	388,000
	Qty in Doz		N/A		N/A		N/A
	US\$ / Dozen		N/A		N/A		N/A

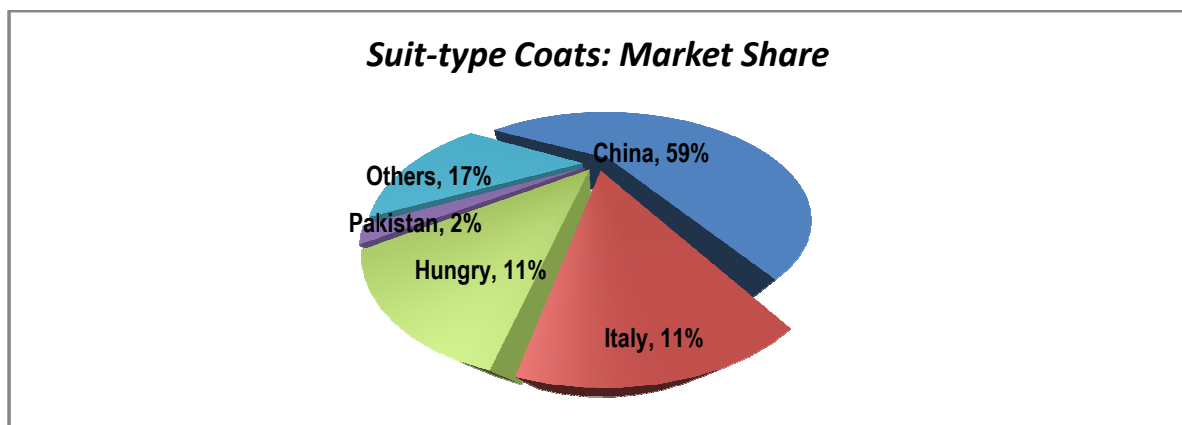
Country		2011 (YoY)	2010 (YoY)
World	Increase / decrease in Value	8%	21%
	Increase / decrease in Quantity	-5%	-1%
Pakistan	Increase / decrease in Value	-15%	-54%
	Increase / decrease in Quantity	N/A	N/A



**Category 333-D: Blue Denim Suit-Type Coats**  
*Value in US\$ and Quantity in Dozen (30.30 Sqm per dozen)*

Country		Nov-11	2010	2009
World	Value in US\$	100% 388,000	100% 467,000	100% 567,000
	Qty in Doz	100% 2,271	100% 3,352	100% 2,760
	US\$ / Dozen	170.85	139.32	205.43
China	Value in US\$	58% 226,000	59% 275,000	47% 268,000
	Qty in Doz	50% 1,137	70% 2,335	63% 1,730
	US\$ / Dozen	198.77	117.77	154.91
Italy	Value in US\$	10% 40,000	13% 62,000	21% 117,000
	Qty in Doz	2% 38	4% 140	4% 118
	US\$ / Dozen	1,052.63	442.86	991.53
Hungry	Value in US\$	7% 27,000	1% 6,000	0% -
	Qty in Doz	1% 23	0% 4	0% -
	US\$ / Dozen	1,173.91	1,500.00	-
Mexico	Value in US\$	6% 24,000	4% 20,000	0% -
	Qty in Doz	20% 457	5% 167	0% -
	US\$ / Dozen	52.52	119.76	-
Pakistan	Value in US\$	2% 9,000	0% -	4% 24,000
	Qty in Doz	13% 293	0% -	9% 243
	US\$ / Dozen	30.72	-	98.77

Country		2011 (YoY)	2010 (YoY)
World	Increase / decrease in Value	-9%	-18%
	Increase / decrease in Quantity	-26%	21%
Pakistan	Increase / decrease in Value	-	-100%
	Increase / decrease in Quantity	-	-100%



**Denim Fabric:**

Pakistan does not exports denim fabric to the US. The US denim fabric import market comprises of both low and high-end imports. China and Mexico hold a share of 25% and 13% respectively and are suppliers to the low-end market, while Japan, Italy and Turkey after to high-end market segments.

This segment has recorded 7% decrease in value and 25% decrease in quantity during 2011.

**Category 225: Blue Denim Fabric**  
*Value in US\$ and Quantity in Square Meters*

Country		Nov-11		2010		2009	
World	Value in US\$	100%	70,322,000	100%	82,233,000	100%	73,745,000
	Qty in Sqm	100%	21,071,969	100%	30,771,121	100%	31,004,208
	US\$ / Sqm		3.34		2.67		2.38
China	Value in US\$	25%	17,366,000	22%	18,362,000	21%	15,554,000
	Qty in Sqm	36%	7,529,037	36%	11,147,240	35%	10,967,241
	US\$ / Sqm		2.31		1.65		1.42
Japan	Value in US\$	21%	14,683,000	17%	14,365,000	18%	13,109,000
	Qty in Sqm	10%	2,204,372	8%	2,325,791	8%	2,392,954
	US\$ / Sqm		6.66		6.18		5.48
Italy	Value in US\$	25%	17,906,000	25%	20,417,000	18%	13,550,000
	Qty in Sqm	12%	2,622,448	15%	4,496,834	15%	4,680,831
	US\$ / Sqm		6.83		4.54		2.89
Mexico	Value in US\$	13%	8,889,000	8%	6,940,000	12%	9,001,000
	Qty in Sqm	18%	3,749,946	12%	3,711,119	16%	4,807,360
	US\$ / Sqm		2.37		1.87		1.87
Turkey	Value in US\$	10%	6,858,000	10%	8,507,000	9%	6,362,000
	Qty in Sqm	6%	1,167,831	6%	1,918,073	5%	1,438,365
	US\$ / Sqm		5.87		4.44		4.42

Country		2011 (YoY)	2010 (YoY)
World	Increase / decrease in Value	-7%	12%
	Increase / decrease in Quantity	-25%	-1%

