UNITED STATES
FASHION INDUSTRY ASSOCIATION

Sourcing Trends & Outlook 2022

– March 4, 2022 –

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INTRODUCTION: Textile and Apparel Imports Recover from COVID

This Sourcing Report looks at the sourcing trends for textiles and apparel during 2021. The high-level trend is clear – imports bounced back from the economic slowdown created by COVID-19. They did not just bounce back – the quantity of total textile and apparel imports surged by 35 percent when compared to the 2019 levels. Today total imports are at a level substantially higher than if trade had remained on the same trajectory as before the pandemic.

The import data suggests that COVID-19 has not permanently changed sourcing practices and sourcing trends. The sourcing trends have not changed as much as you might expect. China remains the top supplier of textiles and apparel to the U.S. market, even with the concerns about forced labor in the XUAR region and supply chain disruptions to trans-Pacific trade.

In addition to China, Asian suppliers remain the dominant suppliers of apparel. As you will see in the report, the top seven suppliers of apparel (by quantity) ship more than seventy percent of U.S. apparel imports, and all these suppliers are located in Asia and South Asia. What I think is especially interesting is that among the other top suppliers (defined as any country that ships more than one percent of U.S. apparel imports) there is a clear preference for duty-free options. Every year we focus on the fact that there are duty-free sourcing opportunities that are under-utilized. Could 2022 be the year that we see a substantial shift to more sourcing from free trade agreements and preference programs?

Also in this report, we share a snapshot of the apparel sourcing trends for the EU during 2021. Don't miss the new insights about sourcing from Turkey which is one of the fastest-growing textile and apparel suppliers. We are pleased to share this information from IHKIB, the Istanbul Apparel Exporters' Association, USFIA's 2022 Sourcing Partner.

As always, we hope the information in this USFIA report will help with your strategic planning and sourcing strategies. If you have questions or want more information, please email us at info@usfashionindustry.com.

With best regards,

Julia K. Hughes

Julia K. Hughes
President
United States Fashion Industry Association

OVERVIEW: Sourcing Trends in 2021

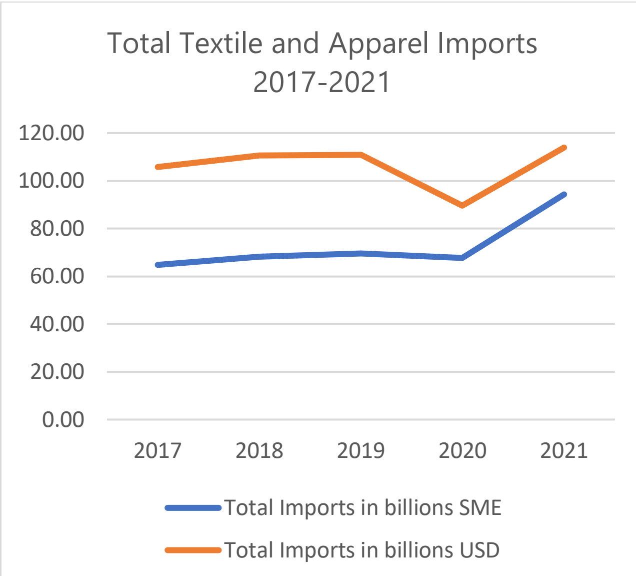
After declining trade during 2020, U.S. textile and apparel imports jumped by double digits during 2021. This is not a surprise since the U.S. economy rebounded throughout the year. Total textile and apparel imports surged by 39% for quantity and by 27% for value. In 2021 apparel imports grew by 27% for both quantity and value.

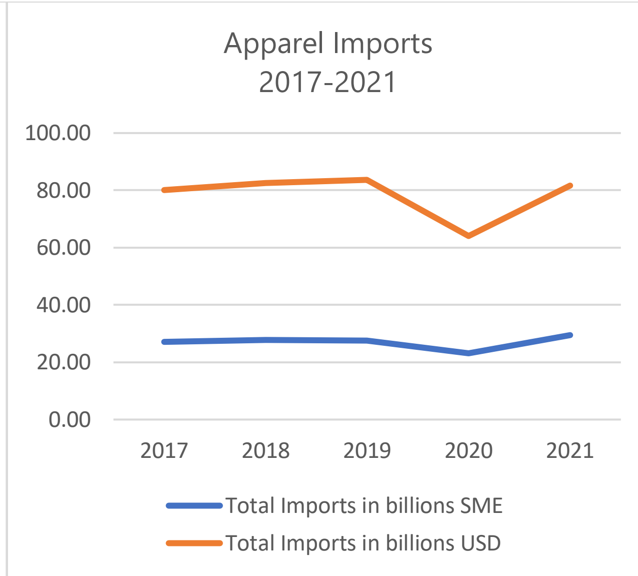
The trend for non-apparel imports is different. These imports are up by 45% in quantity and up by 27% in value. U.S. imports of fabrics show the greatest volatility – by quantity these imports exploded by 90%, with the value growing by only 16% compared to one year ago. U.S. imports of yarn and made-ups both grew by double digits, and for both, the value of 2021 imports grew at a higher rate. Yarn imports grew by 13% in quantity and by 23% in value. Imports of made-ups and home textiles grew by 23% and the value grew by 30%.

U.S. Textile and Apparel Imports (In Millions) 2021 vs. 2020

	Square Meter Equivalents (SMEs)			U.S. Customs Value		
	2021	2020	% CHANGE	2021	2020	% CHANGE
TOTAL	94,315.93	67,652.82	39.41	113,940.78	89,596.49	27.17
Apparel	29,471.79	23,128.84	27.42	81,589.92	64,062.05	27.36
Non-Apparel	64,844.14	44,523.98	45.64	32,350.86	25,534.44	26.70
Yarns	3,451.75	3,031.08	13.88	1,457.40	1,177.04	23.82
Fabrics	28,863.80	15,135.14	90.71	7,121.54	6,130.16	16.17
Made-Ups	32,528.59	26,357.77	23.41	23,771.92	18,227.24	30.42

In addition to looking back at 2021, we were really interested to see the trend in overall imports over the past five years. The two following graphs show that reduction in imports during the worst of the COVID shutdown. But they also highlight a tremendous surge in the quantity of total textile and apparel imports, so the 2021 quantity is far higher than just a return to pre-COVID trade levels.





If we dig deeper into the data, five key trends emerge:

1) China remains the top supplier.
2) Asian apparel suppliers continue to dominate sourcing.
3) Average unit values remain steady for apparel and fall sharply for fabrics.
4) Apparel imports surge during economic recovery.
5) Despite high duty rates, FTAs and preference programs remain underutilized.

Sourcing Trend #1: China Remains the Top Supplier

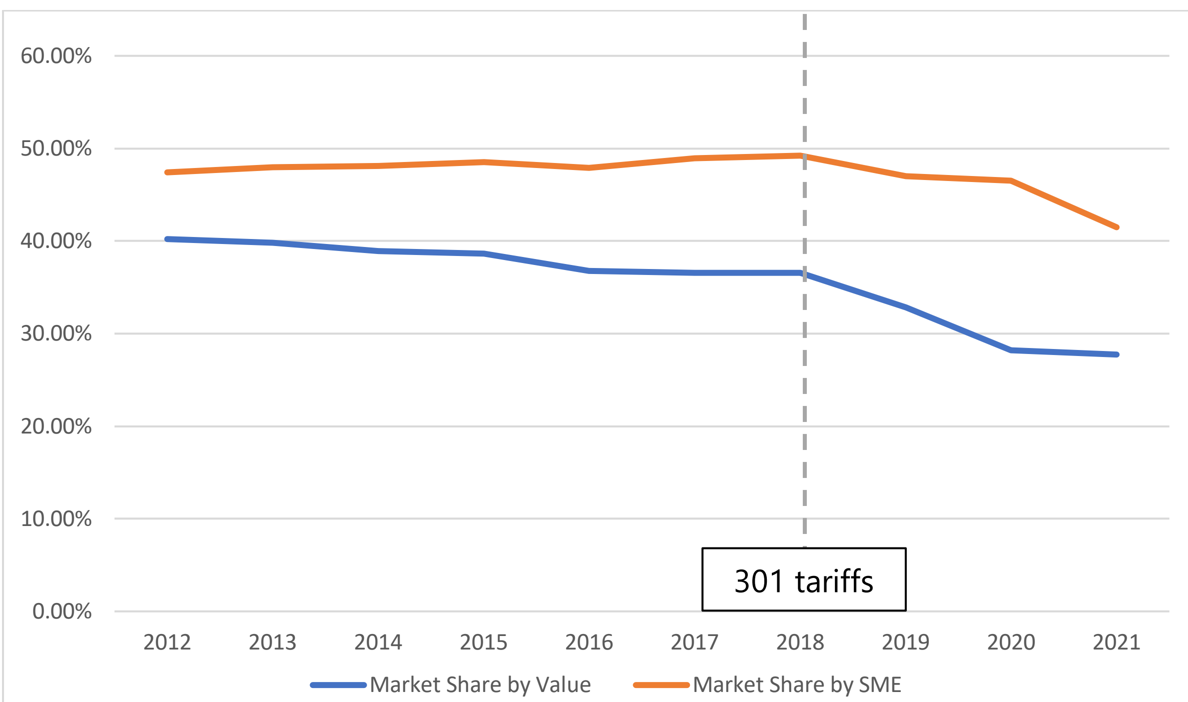
The number one trend for sourcing in 2021 repeats what we have seen since we first started tracking sourcing trends for USFIA members: China remains the dominant supplier. This remains true even with the continuing issues affecting sourcing as the world struggles with supply chain disruptions and the impact of the COVID pandemic.

For the past two years we have been reporting on disruption and decreases in the total U.S. imports of textiles and apparel from China. During 2021, imports from China surged by quantity, and China holds a lower share of the U.S. imports by value.

For the foreseeable future China remains an important sourcing destination. So, let's look at the numbers in 2021.

- By quantity, China supplies 41% of total textile and apparel imports. India ranks second with 9%.
- By value China supplies 27% of U.S. textile and apparel imports. Vietnam ranks second for value, supplying 13%.
- China remains the top supplier of apparel, of fabric, and of home textiles. China supplies 37% of apparel imported to the U.S. China supplies 19% of fabric imports. China supplies 66% of made-ups and home textiles.
- Korea remains the top supplier of U.S. yarn imports, with a 19% share by quantity. China ranks as the number two supplier, shipping 17% of U.S. yarn imports by quantity. By value, China is the largest supplier of yarns (with 11.58% of imports), and Turkey ranks second with 11.55% of imports.

U.S. Textile & Apparel Imports from China by Market Share



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Sourcing Trend #2: Asian Apparel Suppliers Continue to Dominate Sourcing

When it comes to apparel, Asian suppliers continue to dominate the U.S. imports. The top seven suppliers ship more than 70% of total apparel imports.

There are more than 190 countries that supplied apparel imports to the U.S. market during 2021. However, by quantity there are only 16 countries with a market share of more than one percent. While details about **all** apparel suppliers are available in the Addendum of this report, following is a table that shows the market share for these 16 apparel suppliers.

Top U.S. Apparel Suppliers in 2021 by Quantity

Rank	Country	% Share
1	China	37.7
2	Vietnam	14.8
3	Bangladesh	8.8
4	India	4.3
5	Cambodia	4.2
6	Indonesia	3.7
7	Pakistan	3.0
8	Honduras	2.9
9	Mexico	2.8
10	El Salvador	2.2
11	Nicaragua	2.0
12	Sri Lanka	1.5
13	Haiti	1.4
14	Guatemala	1.3
15	Egypt	1.2
16	Jordan	1.0

By value, China is the top supplier of U.S. apparel imports, but China does not dominate the import data. There are 18 suppliers that ship one percent or more of apparel imports. While the trend one year ago was a drop in the value of apparel imports, during 2021, not surprisingly, many of the top suppliers are shipping higher-value apparel to the U.S.

Top U.S. Apparel Suppliers in 2021 by Value

Rank	Country	% Share
1	China	24.0
2	Vietnam	17.6
3	Bangladesh	8.7
4	India	5.1
5	Indonesia	5.0
6	Cambodia	4.1
7	Mexico	3.4
8	Honduras	3.2
9	Pakistan	2.7
10	Nicaragua	2.4
11	El Salvador	2.1
12	Sri Lanka	2.1
13	Jordan	2.0
14	Guatemala	2.0
15	Italy	1.8
16	Egypt	1.4
17	Haiti	1.2
18	Turkey	1.0

Sourcing Trend #3: Average Unit Values Remain Steady for Apparel and Fall Sharply for Fabrics

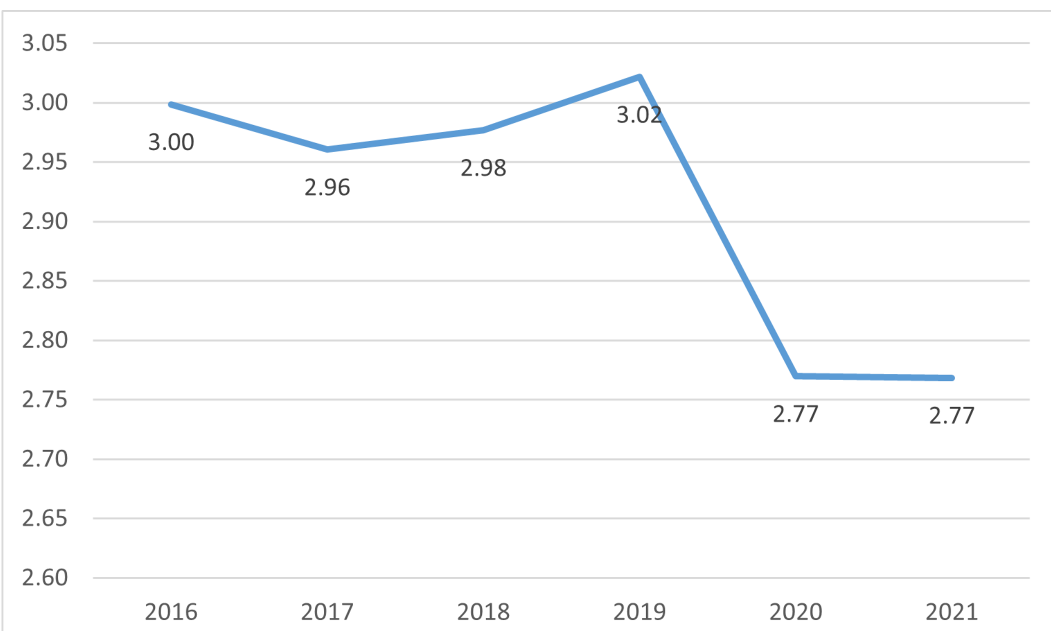
Inflation and rising costs remain a concern for sourcing executives as the U.S. economy rebounds from the impact of COVID-19. During 2021 there were mixed trends in the average unit value of key textile and apparel imports. As you can see in the table below, overall, the average unit value of U.S. imports continues to fall. That decrease is driven by the sharp reduction in the average unit value of fabric imports. The average unit value rose for imported yarns and for imported made-ups and home textiles. Apparel import unit values remain steady.

Average Unit Value (Based on SMEs) 2021 vs. 2020

	Unit Value 2021	Unit Value 2020	% Change
TOTAL	1.21	1.32	-8.3
Apparel	2.77	2.77	--
All Non-Apparel	0.50	0.57	-12.3
Yarns	0.42	0.39	7.7
Fabrics	0.25	0.41	-39.0
Made-Ups	0.73	0.69	5.8

We continue to be surprised at the trade statistics that show the average unit value for apparel imports remain well below traditional levels. The following graph illustrates the shifts in the unit average unit value for U.S. imports of apparel since 2016. Following the precipitous decline in 2020, the average unit value for imported apparel remained steady during 2021.

Apparel Unit Value 2016 – 2021



In the following table we highlight the major apparel suppliers and the shifts in the average unit value of U.S. imports from these countries. The average unit value for total apparel imports remains at the same level as one year ago. However, we see more volatility among the top eight apparel suppliers to the U.S. market. Average unit values are down slightly from most of the top suppliers. However, there are sharp increases in the average unit value for apparel imports from Cambodia, Honduras, and Mexico.

Average Unit Value 2021 vs. 2022

	Unit Value 2021	Unit Value 2020	% Change
All Apparel	2.77	2.77	0.0
China	1.76	1.79	-1.7
Vietnam	3.28	3.32	-1.2
Bangladesh	2.74	2.77	-1.1
Cambodia	2.73	2.50	9.2
Indonesia	3.74	3.81	-1.8
India	3.27	3.34	-2.1
Honduras	3.05	2.68	13.8
Mexico	3.43	3.24	5.9

Sourcing Trend #4: Apparel Imports Surge During Economic Recovery

While the major Asian suppliers are certainly consolidating their role as key suppliers of apparel to the U.S. market, we also want to look at the fastest-growing sourcing destinations. U.S. apparel imports have rebounded from the uncertainty of 2020. All of the top 30 apparel suppliers shipped more apparel during 2021 than during the previous year.

Before we look at the 2021 superstars, let's take a quick look back. Two of the countries that grew quickest during COVID times are now losing market share, although for different reasons. Myanmar was the fastest-growing apparel supplier during 2019 and 2020, but the military coup and economic uncertainty mean the 2021 imports grew by only 1.5%. Ethiopia, which was the fastest-growing apparel supplier during 2018 and 2019, and one of the few suppliers that continued to grow during 2020, has lost AGOA benefits and growth is slowing.

So where are fashion brands and retailers finding new sourcing opportunities?

- **Peru** is the success story during 2021. Peru is the fastest-growing supplier, with imports up by 84%. Apparel made in Peru has the benefit of duty-free access to the U.S. market thanks to the free trade agreement. Sourcing executives have long looked to Peru for high-quality cotton apparel, but during 2021 U.S. imports jumped for all fiber types.
- **Turkey** is the second fastest-growing apparel supplier during 2021. U.S. imports grew by 56% and reflects the wide range of apparel available, and the experience working with European brands and retailers. See our special section on Sourcing in Turkey for more details.
- Readers may be surprised that **Italy** ranks among the fastest-growing suppliers. Italy is the only European supplier that ranks in the top 30 apparel suppliers, even with the higher unit value of these imports.
- Though initially hard-hit by COVID-19, **Madagascar**'s textile and apparel industry recovered to almost pre-pandemic levels by the end of 2020 and U.S. apparel imports continued to grow during 2021.
- **Pakistan** also was successful in weathering the challenges of COVID-19. With the hike in apparel exports to the U.S., the value of apparel imports from Pakistan crossed $2 billion in value for the first time.
- As the fourth-largest apparel supplier to the U.S. market, it's important to highlight that **India** is also one of the fastest-growing suppliers. Not surprisingly, the data shows substantial growth in cotton apparel.
- **Egypt** rounds out our list of fastest-growing apparel suppliers during the past year. The opportunity to ship duty-free to the U.S. market represents an important selling point for Egypt, especially with inflationary pressures on price.

Fastest Growing Apparel Suppliers in 2021

Rank	Country	% Increase
24	Peru	84.9
20	Turkey	56.4
25	Italy	51.2
26	Madagascar	42
7	Pakistan	41.8
4	India	41.6
15	Egypt	41.1

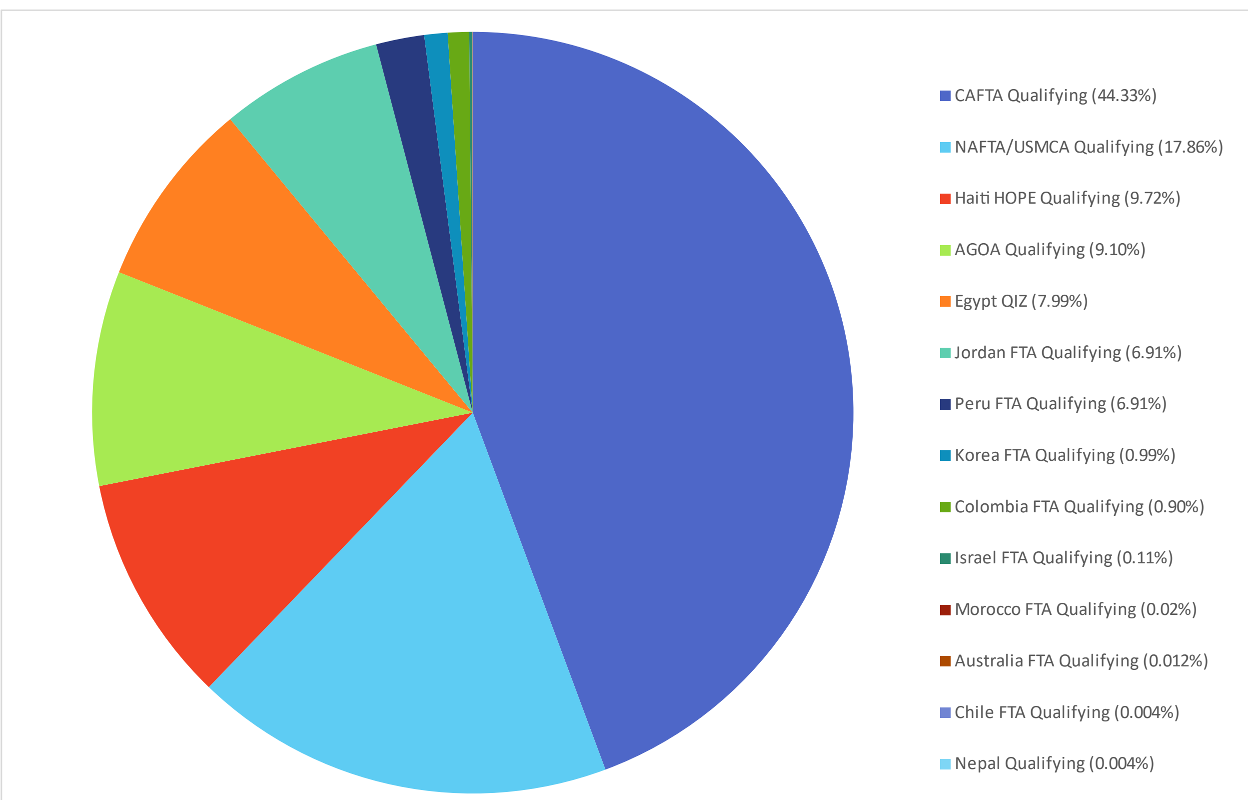
Sourcing Trend #5: Despite High Duty Rates, FTAs and Preference Programs Remain Underutilized

Every year in this report, we talk about the opportunity to source in duty-free locations. With duties on apparel as high as 32%, there are many reasons to take a fresh look at the apparel and textile manufacturers that are eligible for preference programs and free trade agreements. Overall, only 14.5% of apparel imports qualified for duty-free access during 2021. This is higher than one year ago when only 13.7% of apparel imports entered duty-free, and a return to the pre-COVID level of 14.6%.

As usual, apparel brands and retailers look to Western Hemisphere duty-free options for most of this trade. USMCA, CAFTA, and Haiti rank highest for duty-free imports. Just under 45% of total duty-free apparel imports claim CAFTA status. The CAFTA countries continue to supply a wide range of apparel to the U.S. market, taking advantage of the benefits of speed-to- market and no duties. Another 17% of these duty-free imports are from our USMCA partners, Mexico and Canada. In 2021, Haiti ranks as the third most used duty-free option.

We want to also highlight there are other important duty-free opportunities. Under the AGOA program, most countries can use imported yarns and fabrics to manufacture AGOA-qualifying apparel. The Middle East suppliers of Jordan and Egypt remain key apparel suppliers.

U.S. FTA World Apparel Imports 2021



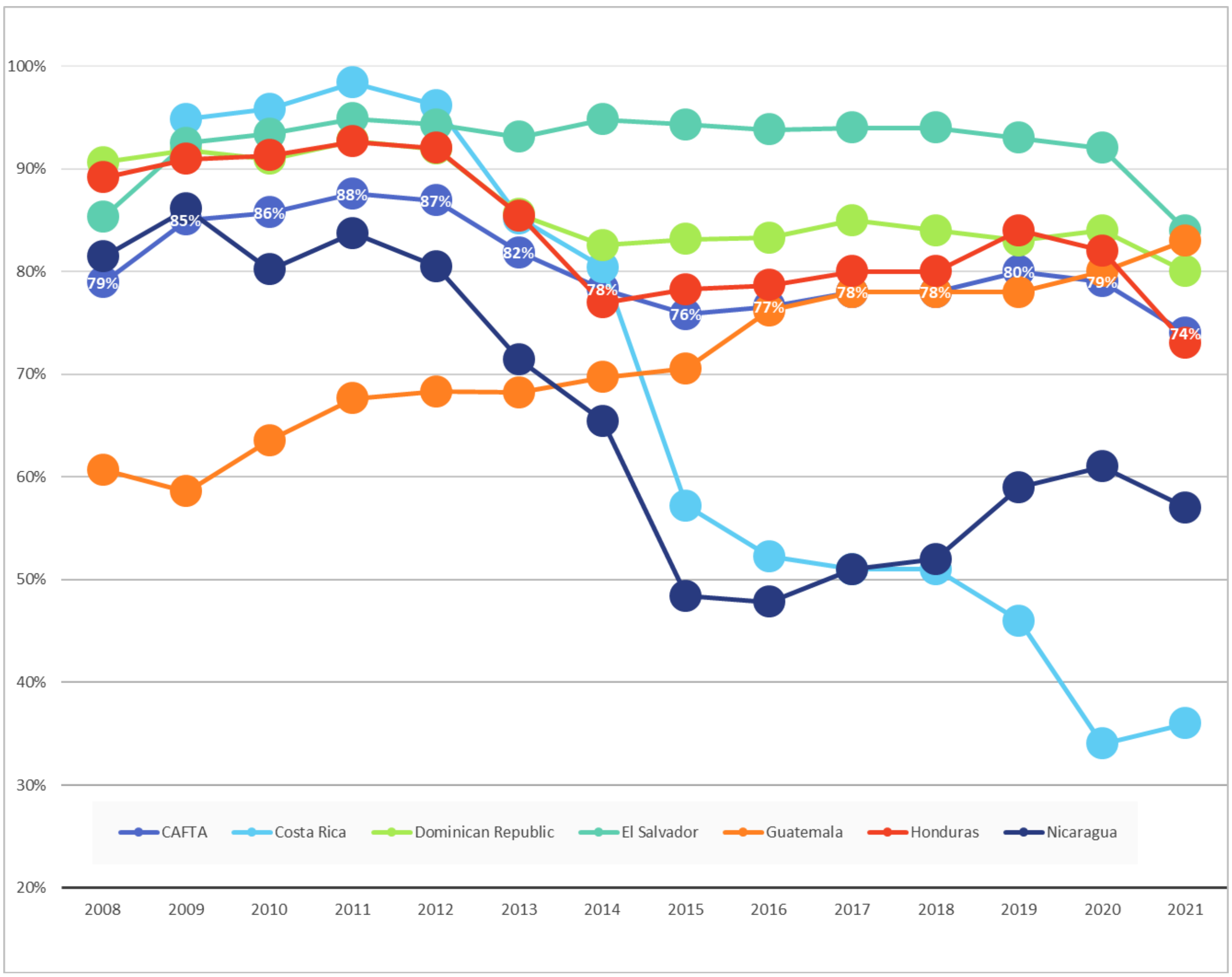
2021 Preference Apparel Imports

Preference Apparel Imports							
	2021				2020		
Region	Total	Preference	% Share	% Change Total	Total	Preference	% Share
World	29,471,789,330	4,261,806,098	14.5	27.4	23,128,837,112	3,450,396,536	14.9
AGOA	398,315,659	387,929,349	97.4	20.4	330,760,089	322,247,283	97.4
Australia	1,091,350	512,604	47	39.9	780,061	477,566	61.2
Bahrain	919	-	-	18.9	773	-	-
CAFTA	2,775,333,904	1,889,365,307	68.1	31.7	2,106,874,451	1,571,242,691	74.6
CBTPA	174,636	-	-	11	157,361	-	-
Chile	186,912	160,057	85.6	25.8	148,564	126,478	85.1
Colombia	45,048,579	38,512,513	85.5	59	28,334,826	25,347,016	89.5
Egypt	354,931,086	340,629,575	96	41.1	251,520,242	237,455,361	94.4
Haiti	420,778,012	414,210,000	98.4	34	314,114,490	307,372,000	97.9
Israel	5,406,660	4,613,805	85.3	86.7	2,895,211	2,599,460	89.8
Jordan	312,186,515	294,362,429	94.3	5.2	296,679,082	281,841,879	95
Korea	52,864,383	42,152,492	79.7	15.9	45,598,484	36,436,618	79.9
Morocco	30,689,221	807,698	2.6	102.3	15,173,202	527,564	3.5
NAFTA/USMCA	871,734,762	761,132,453	87.3	21.3	718,624,564	610,869,505	85
Nepal	1,646,061	157,521	9.6	23	1,338,216	111,828	8.4
Oman	1,089	-	-	533.1	172	-	-
Panama	30,062	4,940	16.4	-81.8	164,783	1,649	1
Peru	101,350,428	87,246,685	86.1	84.7	54,876,841	53,666,791	97.8
Singapore	208,155	8,670	4.2	-1.9	212,098	72,847	34.3

Sourcing Spotlight: CAFTA

For years, U.S. apparel companies have expressed concern about the lack of qualifying textile inputs and the restrictive yarn-forward rules of origin which force them to make a choice between sourcing entirely from Asia or missing out on duty-savings benefits when sourcing from the CAFTA-DR region. The good news is that during 2021 U.S. brands and retailers placed more sourcing orders with apparel suppliers in the Western Hemisphere. Supply chain disruptions and price pressures encouraged sourcing executives to look at near-shoring opportunities. What is troubling, though, is that the percentage of CAFTA apparel imports that qualify for duty-free access fell to a record low. For the overall CAFTA imports, the percentage that qualified for duty-free benefits was 74%, compared to the nearly 80% in 2017 through 2020. El Salvador and Honduras – the largest CAFTA suppliers -- saw the sharpest declines in duty-free benefits, while Guatemala and Costa Rica bucked the trend by increasing their duty-free shipments in 2021.

CAFTA FTA Utilization Rates 2008 – 2021



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We know that sometimes it is confusing to remember the various duty-free programs that offer lower costs for apparel. Following is a list of all the Free Trade Agreements and trade preference programs that allow duty-free imports for textile and apparel products. If you have questions about the agreements, please contact us at info@usfashionindustry.com.

U.S. Free Trade Agreements and Preference Programs

Current Free Trade Agreements

Country	Implemented
Israel	1985
Jordan	2001
Chile	2004
Singapore	2004
Australia	2005
Morocco	2006
CAFTA:	
El Salvador Honduras Nicaragua Guatemala Dominican Republic Costa Rica	March 2006 April 2006 April 2006 July 2006 March 2007 January 2009
Bahrain	August 2006
Oman	January 2009
Peru	February 2009
Korea	March 2012
Colombia	May 2012
Panama	October 2012
USMCA (Canada and Mexico)	July 2020

Special Duty-Free Sourcing Programs

Qualified Industrial Zones (QIZ)
Expiration of Agreement: No expiration date
Countries Eligible: Jordan, Egypt

Africa Growth and Opportunity Act (AGOA)
Expiration Date: September 30, 2025
Countries Eligible for Apparel Benefits:

- Benin
- Botswana
- Burkina Faso
- Cape Verde
- Chad
- Cote d'Ivoire
- Eswatini
- Ghana
- Kenya
- Lesotho
- Madagascar
- Malawi
- Mauritius
- Mozambique
- Namibia
- Nigeria
- Senegal
- Sierra Leone
- South Africa
- Tanzania
- Togo
- Zambia

Caribbean Basin Trade Partnership Act (CBTPA)
Expiration Date: September 30, 2030
Countries Eligible:

- Antigua & Barbuda
- Aruba
- Bahamas
- Barbados
- Belize
- British Virgin Islands
- Curacao
- Dominica
- Grenada
- Guyana
- Haiti
- Jamaica
- Montserrat
- St. Kitts & Nevis
- St. Lucia
- St. Vincent & the Grenadines
- Trinidad & Tobago

Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II) and Haiti Economic Lift Program Act (HELP)
Expiration Date: September 30, 2025
Expiration of Value-Added Tariff Preference Level (TPL): December 19, 2025

Trade Preferences for Nepal
Expiration Date: December 31, 2025

Sourcing Spotlight: Apparel Sourcing Trends in the EU

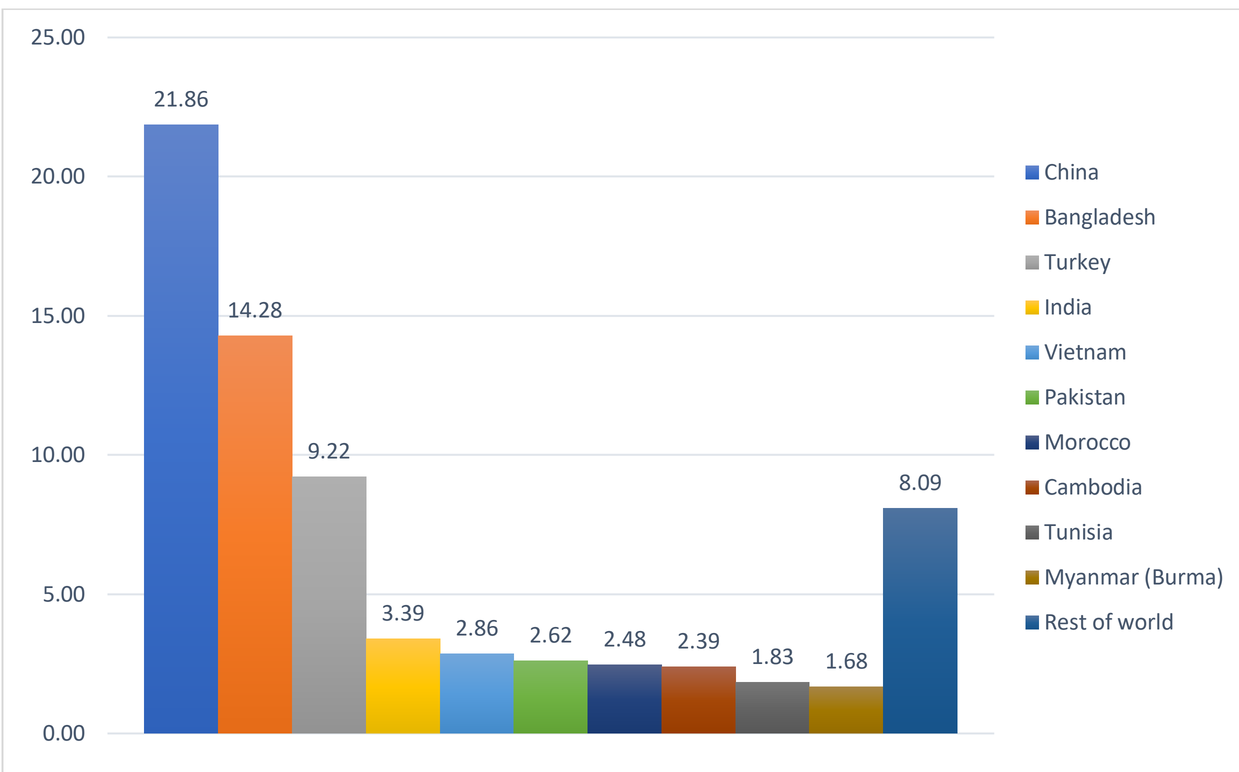
Did you know that the European Union imports more apparel than the United States? In 2021 EU apparel imports were €70 billion (equivalent to more than $90 billion), while the U.S. imported $81 billion. So, we think it is worth looking at the EU's apparel sourcing trends during 2021.

As expected, China is the top supplier to the European Union, with apparel exports at more than €20 billion, compared to the $19 billion to the U.S.

Reflecting the greater concentration of the EU imports, the #2 (Bangladesh) and #3 (Turkey) apparel suppliers to the EU, when combined, ship as much as China. They ship 14% and 9% of EU apparel imports, respectively. And what's even more interesting is that the value of Bangladesh's apparel exports to the EU is more than twice the value of the U.S. imports from Bangladesh.

If you are looking for new manufacturers or thinking about expanding your presence in the EU market, there are a number of apparel centers that you won't see on the U.S. top ten list. Morocco (with the potential benefits of the little-used Free Trade Agreement with the United States), and Tunisia offer new sourcing options.

EU Top 10 Apparel Importers in 2021 (by billion Euros)



Sourcing Spotlight: Apparel Sourcing Trends from Turkey

During the pandemic, U.S. imports from Turkey grew rapidly and now Turkey ranks as the sixth largest supplier of textiles and apparel to the U.S. market (compared to ranking tenth one year ago). Turkey supplies more than 3% of total textile and apparel imports.

Let's take a closer look at the imports from Turkey. Every type of imported product grew by double or triple digits during 2021. The fastest-growing imports, by quantity, are fabrics. Those imports surged by 270%. By value, apparel grew the fastest and, as noted earlier in the report, Turkey now supplies more than 1% of U.S. apparel imports by value.

2021 Textile & Apparel Imports from Turkey

	Year Ending December 2020			Year Ending December 2021			% Change	
	Quantity	Customs value	Unit value	Quantity	Customs value	Unit value	Quantity	Value
TOTAL	1,186,179,218	1,972,919,400	1.66	3,126,600,923	2,825,001,761	0.9	163.59	43.19
Apparel	80,140,545	530,084,294	6.61	125,212,942	862,171,024	6.89	56.24	62.65
Non-Apparel	1,106,038,673	1,442,835,106	1.3	3,001,387,981	1,962,830,737	0.65	171.36	36.04
Yarns	149,282,060	111,270,636	0.75	221,948,178	168,372,439	0.76	48.68	51.32
Fabrics	624,694,866	207,394,606	0.32	2,378,723,553	257,098,080	0.11	270.12	23.97
Made-Ups	314,061,747	1,124,169,864	3.58	400,716,250	1,537,360,218	3.84	27.59	36.76

In this section we look at value data to highlight the major apparel imports from Turkey. Together these products represent over half of all apparel imports from Turkey. Reflecting the impact of COVID-19 on the apparel trade, we see the sharp drop in imports of PPE nonwoven disposable apparel, which accounted for more than one-quarter of the U.S. apparel imports from Turkey during the beginning of the pandemic.

Top 10 Apparel Imports for Turkey in 2021

HTS	Product Description	2021	2020	% Change	Share of Apparel Imports from Turkey
6204.62.80	Women's or girls' trousers, breeches and shorts, not knitted or crocheted, of cotton, nesoi, o/than rec perf outwear	129,672,367	68,823,661	88.41	14.37
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, nesoi	94,157,599	51,399,308	83.19	10.43
6203.42.45	Men's/boys' trousers &shorts, not bibs, not knit/crochet, cotton, not containing 15% or more by weight of down, etc, o/than rec perf outwear	46,361,611	32,449,179	42.87	5.14
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	45,111,864	30,684,885	47.02	5.00
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, nesoi	42,572,676	34,798,087	22.34	4.72
6208.91.10	Women's or girls' bathrobes, dressing gowns and similar articles, not knitted or crocheted, of cotton	25,883,168	16,236,076	59.42	2.87
6205.20.20	Men's or boys' shirts, not knitted or crocheted, of cotton, nesoi	25,341,283	17,323,792	46.28	2.81
6210.10.50	Nonwoven dispos apparel designed for hosps, clinics, labs or cont area use, made up of fab of 5602/5603, n/formed or lined w paper, not k/c	24,737,198	203,497,890	-87.84	2.74
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, nesoi	23,483,675	7,399,639	217.36	2.60
6204.44.40	Women's or girls' dresses, not knitted or crocheted, of artificial fibers, nesoi	19,145,048	9,722,004	96.92	2.12

This year, USFIA's 2022 Sourcing Partner, the Istanbul Textile and Apparel Exporter's Association (IHKIB), shares their insights about the advantages for brands and retailers to source apparel in Turkey. To learn more about IHKIB and sourcing opportunities, please contact apparel&d@itkib.org.tr.

Following we are sharing the insights from IHKIB. The main pillars of the Turkish Apparel Industry are sustainability, agility, strong understanding of the fashion industry, and an eco-friendly approach to production. Turkey is far ahead of its competitors in many areas including fabric, accessories, design, production capacity, ethical production, and investment.
In this section we dive deeper into Turkey's capacity for fast and flexible production and sustainability commitments.

Turkish Apparel Industry in 2021

The Turkish apparel industry has been in a rapid change and transformation in the last years. The industry aims to be one of the three largest suppliers in the world and focuses on two transformations happening globally to further enhance its competitiveness in the changing global apparel supply chain.

First, the industry aims to increase the added value in production, enhance the design and fashion capability of the industry, and raise the unit export price in apparel exports **through increasing the sustainability level of the industry**. Transformation towards green production and reducing the carbon emission of the apparel industry are now within the definition of sustainability in the current understanding of value chains. In connection with this trend, recycling is another important trend, and the Turkish apparel industry has spent the last decade focusing on textile recycling.

The sustainability efforts of the apparel industry in Turkey started in the 1990's and the competitive advantages of quick delivery, design capability, and value-added garment production based on quality, are all helping the industry to be in the fashion market rather than basic products. The industry has more than 50 years of experience and has a great accumulation of know-how on how to add value to garments.

As a signatory state to the Paris agreement, and in line with the Customs Union commitments to the EU, the Green Deal Action Plan of Turkey was announced by the Presidency of Turkey in July 2021. The Plan consists of 81 actions in 32 goals parallel with the EU Green Deal. The Ministry of Trade immediately established a working group, which includes all related public authorities and sectoral stakeholders to apply the action plan within the whole Turkish industry, including the apparel and textile industry.

The second important transformation in the apparel industry is **digitalization in production (as well as in all the parts of the supply chain)**. Digitalization contributes to the sustainability of the industry by using fewer physical resources and helping with better management of the supply chain.

As the leading apparel exporters' association of Turkey, Istanbul Apparel Exporters Association (IHKIB) is proud to announce that two very important apparel industry projects will soon begin, with the financial contribution of the EU and the Ministry of Industry and Technology of Turkey. "From Design to Production: Digital Transformation Project in the Apparel Sector in Turkey" will help SMEs to develop digital capabilities and "Reducing Carbon Footprint in the Textile and Apparel Industry of Turkey" will raise the sustainability level of the industry to the levels of today's understanding of sustainability. There are also other projects to place the industry in the future global supply chain as a strong partner in every means of cooperation.

Companies within the apparel industry of Turkey are now investing in every field of sustainability and digitalization as twin transformations. All efforts and new investments within the industry are bringing dynamism to the industry in line with the current trends in the global apparel value chain. New projects are developing and, in 2021, the industry's investment doubled and hit a new high.

The competitive features of the Turkish Apparel Industry are helping the industry to quickly adapt to today's changing global apparel supply chain.

Vertical integration: Turkey has the manufacturing and export potential for all kinds of apparel and textile products from fiber to yarn and fabric, to all kinds of final apparel products. The Turkish Apparel industry is one of the most vertically integrated industries in the world. There is cotton production, the availability of raw materials, yarn production that is the leading capacity in Europe and one of the biggest in the world, in addition to the Turkish textile finishing industry and Turkish accessories.

In season stock management: The Turkish Apparel industry is flexible and works on the no-stock principle. Production of small quantities and large quantities can happen simultaneously. In-season inventory management is always a competitive advantage for Turkish apparel industry, as it gives the ability to better meet the expectations of the buyers & brands, as well as consumers in the apparel market.

Fashion and design capability: Design and trendsetting is moving the Turkish Apparel Industry into the front lines. Within the industry, there is the availability of full package services, from gathering the raw materials, designing, and production. The Apparel Industry of Turkey has a developed digital production system that considers digitalization from the design perspective, which is why Turkey is emerging as a digital production hub in fashion design for global buyers.

Sustainability & Corporate Social Responsibility: Compliance is key in the Turkish Apparel Industry. Being a Customs Union Partner of the EU, the Turkish regulatory environment provides a production infrastructure where the principles of CSR in health and safety issues, as well as in related areas of sustainability, are in full compliance. The sustainability targets of the EU, as announced in the Green Deal, are set as industry goals. The Turkish Apparel Industry, as one of the leading suppliers to the EU market, works directly with European buyers and brands on sustainability issues, meeting the same standards as the domestic suppliers in Europe.

Sustainability & Traceability & Recycling: In the Turkish Apparel industry, recycling and using recycled materials has an essential place. Pre-production leftovers are separated from each other and are sent to relevant registered recycling units where they are changed into yarn and fabric again. Pre-production side of this subject in Turkey is very well organized and traceable. The Turkish apparel industry considers sustainability and the digitalization to be interrelated subjects and need to be considered together. It is not possible to provide traceability and control sustainability without digitalization.

Standardization and certification: The level of certification in the Turkish Apparel sector is high. From the International Organization for Standardization (ISO) to the Global Organic Textile Standard (GOTS) Turkish apparel producers adhere to global standards. The industry is devoting a considerable amount of our income to certification to show that the industry is both sustainable and traceable.

Solutions-based partnership and being a partner chain, rather than a supply chain: While sourcing from the Turkish Apparel Industry, designs and collections are created with a cooperative approach between the producer and the buyer or brand. Rather than becoming a supply chain ring, the Turkish apparel industry wants to be "partner chain ring." Becoming a partner chain ring gives more responsibilities, meaning not only shipping on time at the right price, but also being ready to take care of the end-customer satisfaction. A buyer is only a single company until the placement of the order but becomes the production itself. To play the role properly, the producer has to be responsible of the quality understanding of the buyer from top to bottom.

Building up strong partnerships and securing the smooth functioning of the supply chain is the key to success in today's apparel business. Being the leading supplier of the World and the EU, the Turkish Apparel Industry wants to be a partner supplier within the US market and is able to offer solution-based partnerships for the US buyers & brands in apparel business, with its current competitiveness and sustainability level.

- Europe's largest vertically integrated manufacturing capacity,
- End-to-end production,
- Fast, flexible supply process,
- Highest quality standarts,
- Sustainability,
- Social Responsibility,
- Transparency and traceability,
- Ethical & responsible,
- Recycled production ability,
- Modern and digital infrastructure,
- Proficiency in fashion and design.

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Appendix

U.S. General Imports—Total Textiles & Apparel (In Millions) in YE December 2021

	Square Meter Equivalents (SMEs)				U.S. Customs Value			
Region	2021	2020	% Change	% Share	2021	2020	% Change	% Share
World	94,315.93	67,652.82	39.41	100.00	113,940.78	89,596.49	27.17	100.00
ASEAN	11,923.15	9,291.74	28.32	12.64	26,417.64	22,803.69	15.85	23.19
NAFTA/USMCA	4,286.44	3,463.22	23.77	4.54	5,523.88	4,430.12	24.69	4.85
CAFTA	2,952.20	2,287.21	29.07	3.13	8,760.37	6,280.44	39.49	7.69
Sub Sahara Africa	419.82	350.89	19.65	0.45	1,446.84	1,231.47	17.49	1.27

		Square Meter Equivalents (SMEs)				U.S. Customs Value			
Country	Rank	2021	2020	% Change	% Share	2021	2020	% Change	% Share
China	1	39,128.38	31,488.57	24.26	41.49	31,602.67	25,262.18	25.10	27.74
India	2	9,036.86	6,142.38	47.12	9.58	9,852.27	6,816.00	44.55	8.65
Vietnam	3	6,355.17	5,086.50	24.94	6.74	15,444.71	13,390.81	15.34	13.56
Pakistan	4	3,515.48	2,839.54	23.80	3.73	4,222.71	2,963.20	42.51	3.71
Mexico	5	3,261.27	2,523.02	29.26	3.46	4,327.01	3,397.35	27.36	3.80
Turkey	6	3,126.60	1,186.18	163.59	3.32	2,825.00	1,972.92	43.19	2.48
Bangladesh	7	3,099.57	2,243.25	38.17	3.29	7,418.47	5,417.43	36.94	6.51
Egypt	8	2,575.23	343.67	649.34	2.73	1,360.89	953.47	42.73	1.19
Israel	9	2,336.84	553.37	322.29	2.48	264.14	276.74	-4.55	0.23
Korea	10	2,062.99	1,882.94	9.56	2.19	1,015.98	850.31	19.48	0.89
Indonesia	11	1,864.67	1,452.81	28.35	1.98	4,529.28	3,813.95	18.76	3.98
Cambodia	12	1,712.17	1,547.75	10.62	1.82	3,977.36	3,278.21	21.33	3.49
Czech Republic	13	1,346.95	120.00	1,022.43	1.43	51.32	40.29	27.38	0.05
Canada	14	1,025.18	940.19	9.04	1.09	1,196.87	1,032.77	15.89	1.05
Italy	15	979.39	409.52	139.16	1.04	2,254.13	1,569.86	43.59	1.98
Germany	16	930.28	671.15	38.61	0.99	527.53	447.61	17.85	0.46
Honduras	17	927.28	738.68	25.53	0.98	2,682.07	1,847.23	45.19	2.35
Taiwan	18	914.67	818.25	11.78	0.97	690.70	584.45	18.18	0.61
Malaysia	19	845.72	185.80	355.17	0.90	266.25	290.94	-8.49	0.23
El Salvador	20	712.72	547.89	30.08	0.76	1,836.13	1,353.55	35.65	1.61

ALL DATA COMES FROM U.S. GOVERNMENT STATISTICS

Appendix

U.S. General Imports—Apparel (In Millions) in YE December 2021

	Square Meter Equivalents (SMEs)				U.S. Customs Value			
Region	2021	2020	% Change	% Share	2021	2020	% Change	% Share
World	29,471.79	23,128.84	27.42	100	81,589.92	64,062.05	27.36	100
ASEAN	7,351.99	6,397.49	14.92	24.95	23,824.64	20,709.48	15.04	29.2
NAFTA/USMCA	871.73	718.62	21.31	2.96	3,346.43	2,632.13	27.14	4.1
CAFTA	2,775.33	2,106.87	31.73	9.42	8,642.49	6,178.27	39.89	10.59
Sub Sahara Africa	398.32	330.76	20.42	1.35	1,426.23	1,216.32	17.26	1.75

		Square Meter Equivalents (SMEs)				U.S. Customs Value			
Country	Rank	2021	2020	% Change	% Share	2021	2020	% Change	% Share
China	1	11,128.48	8,465.96	31.45	37.76	19,610.08	15,154.06	29.4	24.03
Vietnam	2	4,375.08	3,787.16	15.52	14.84	14,370.23	12,569.10	14.33	17.61
Bangladesh	3	2,604.17	1,889.15	37.85	8.84	7,146.15	5,228.14	36.69	8.76
India	4	1,281.67	904.56	41.69	4.35	4,195.20	3,019.81	38.92	5.14
Cambodia	5	1,243.90	1,127.38	10.34	4.22	3,390.01	2,823.80	20.05	4.15
Indonesia	6	1,107.88	922.12	20.14	3.76	4,144.86	3,514.98	17.92	5.08
Pakistan	7	895.18	630.91	41.89	3.04	2,216.06	1,400.55	58.23	2.72
Honduras	8	871.99	680.54	28.13	2.96	2,657.98	1,825.22	45.63	3.26
Mexico	9	826.1	679.78	21.52	2.8	2,835.52	2,202.54	28.74	3.48
El Salvador	10	655.52	492.01	33.23	2.22	1,787.30	1,310.33	36.4	2.19
Nicaragua	11	611.38	439.94	38.97	2.07	1,995.76	1,396.13	42.95	2.45
Sri Lanka	12	442.35	370.63	19.35	1.5	1,734.22	1,463.19	18.52	2.13
Haiti	13	420.78	313.81	34.09	1.43	1,011.86	744.25	35.96	1.24
Guatemala	14	393.72	307.32	28.11	1.34	1,640.52	1,199.57	36.76	2.01
Egypt	15	354.93	251.52	41.11	1.2	1,138.80	781.45	45.73	1.4
Jordan	16	312.19	296.68	5.23	1.06	1,674.92	1,526.99	9.69	2.05
Thailand	17	285.73	256.06	11.59	0.97	797.02	778.78	2.34	0.98
Dominican Republic	18	241.35	185.74	29.94	0.82	549.86	436.05	26.1	0.67
Philippines	19	177.88	147.21	20.83	0.6	614.59	474.94	29.4	0.75
Turkey	20	125.21	80.14	56.24	0.42	862.17	530.08	62.65	1.06

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Appendix

U.S. General Imports— Made-Ups (In Millions) in YE December 2021

	Square Meter Equivalents (SMEs)				U.S. Customs Value			
Region	2021	2020	% Change	% Share	2021	2020	% Change	% Share
World	32,528.59	26,357.77	23.41	100.00	23,771.92	18,227.24	30.42	100.00
ASEAN	1,235.47	1,020.81	21.03	3.80	1,916.57	1,573.36	21.81	8.06
NAFTA/USMCA	1,079.62	933.81	15.61	3.32	1,079.54	825.99	30.70	4.54
CAFTA	109.33	115.76	-5.55	0.34	83.50	73.96	12.89	0.35
Sub Sahara Africa	7.15	5.61	27.49	0.02	12.65	8.05	57.25	0.05

		Square Meter Equivalents (SMEs)				U.S. Customs Value			
Country	Rank	2021	2020	% Change	% Share	2021	2020	% Change	% Share
China	1	21,706.67	17,794.64	21.98	66.73	10,353.10	8,389.93	23.40	43.55
India	2	4,285.23	3,099.70	38.25	13.17	4,734.00	3,212.00	47.39	19.91
Pakistan	3	2,304.15	1,904.36	20.99	7.08	1,757.44	1,323.14	32.82	7.39
Mexico	4	970.01	837.22	15.86	2.98	917.34	703.10	30.47	3.86
Vietnam	5	562.19	424.58	32.41	1.73	719.91	597.95	20.40	3.03
Bangladesh	6	470.70	338.30	39.13	1.45	265.31	184.88	43.51	1.12
Turkey	7	400.72	314.06	27.59	1.23	1,537.36	1,124.17	36.76	6.47
Cambodia	8	254.93	188.20	35.45	0.78	540.39	409.80	31.87	2.27
Israel	9	164.22	184.81	-11.14	0.50	123.47	136.08	-9.27	0.52
Indonesia	10	156.08	138.90	12.37	0.48	246.38	186.92	31.80	1.04
Portugal	11	137.82	96.29	43.14	0.42	244.66	160.87	52.09	1.03
Canada	12	109.61	96.59	13.48	0.34	162.20	122.88	31.99	0.68
Thailand	13	106.96	137.25	-22.07	0.33	118.13	105.23	12.26	0.50
Taiwan	14	97.03	94.86	2.28	0.30	100.13	85.89	16.59	0.42
Italy	15	79.49	66.31	19.86	0.24	376.94	221.98	69.81	1.59
Korea	16	69.89	69.69	0.29	0.21	100.40	94.36	6.41	0.42
Burma	17	57.78	51.60	11.96	0.18	134.57	132.39	1.65	0.57
Philippines	18	57.24	46.76	22.41	0.18	123.58	109.76	12.59	0.52
Egypt	19	49.21	40.70	20.89	0.15	202.44	158.13	28.02	0.85
Honduras	20	46.48	49.81	-6.68	0.14	20.56	18.02	14.11	0.09

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Appendix

U.S. General Imports — Fabrics (In Millions) in YE December 2021

Region	Square Meter Equivalents (SMEs)				U.S. Customs Value			
	2021	2020	% Change	% Share	2021	2020	% Change	% Share
World	28,863.80	15,135.14	90.71	100.00	7,121.54	6,130.16	16.17	100.00
ASEAN	2,827.15	1,348.18	109.70	9.79	529.28	396.54	33.48	7.43
NAFTA/USMCA	1,903.89	1,341.06	41.97	6.60	817.75	700.41	16.75	11.48
CAFTA	40.97	42.70	-4.05	0.14	24.08	21.18	13.69	0.34
Sub Sahara Africa	13.84	13.38	3.43	0.05	4.87	3.93	23.89	0.07

Country	Rank	Square Meter Equivalents (SMEs)				U.S. Customs Value			
		2021	2020	% Change	% Share	2021	2020	% Change	% Share
China	1	5,684.18	4,739.51	19.93	19.69	1,470.72	1,560.93	-5.78	20.65
India	2	3,141.78	1,889.31	66.29	10.88	786.82	495.73	58.72	11.05
Turkey	3	2,378.72	642.69	270.12	8.24	257.10	207.39	23.97	3.61
Egypt	4	2,163.79	46.58	4,545.48	7.50	12.67	9.90	27.93	0.18
Israel	5	2,156.99	357.51	503.34	7.47	88.81	106.94	-16.96	1.25
Czech Republic	6	1,336.65	111.85	1,094.99	4.63	33.45	27.04	23.72	0.47
Vietnam	7	1,320.44	794.93	66.11	4.57	320.82	198.00	62.02	4.50
Korea	8	1,284.48	1,161.12	10.62	4.45	610.93	513.30	19.02	8.58
Mexico	9	1,167.15	663.14	76.00	4.04	432.11	347.47	24.36	6.07
Germany	10	849.96	599.54	41.77	2.94	396.92	332.71	19.30	5.57
Italy	11	799.75	271.00	195.12	2.77	308.74	220.27	40.16	4.34
Malaysia	12	743.02	58.20	1,176.61	2.57	17.64	19.36	-8.90	0.25
Canada	13	736.74	677.92	8.68	2.55	385.64	352.94	9.27	5.42
Denmark	14	679.73	82.71	721.84	2.35	23.57	21.28	10.76	0.33
Taiwan	15	581.21	544.99	6.65	2.01	355.10	308.52	15.10	4.99
Russia	16	438.84	5.56	7,790.86	1.52	2.42	1.53	57.80	0.03
Japan	17	434.38	230.25	88.65	1.50	346.51	281.24	23.21	4.87
Australia	18	333.98	381.89	-12.55	1.16	24.83	25.21	-1.52	0.35
Indonesia	19	287.15	84.87	238.34	0.99	55.68	50.92	9.35	0.78
Saudi Arabia	20	262.68	111.58	135.42	0.91	78.01	58.01	34.46	1.10

ALL DATA COMES FROM U.S. GOVERNMENT STATISTICS

Appendix

U.S. General Imports—Yarn (In Millions) in YE December 2021

	Square Meter Equivalents (SMEs)				U.S. Customs Value			
Region	2021	2020	% Change	% Share	2021	2020	% Change	% Share
World	3,451.75	3,031.08	13.88	100.00	1,457.40	1,177.04	23.82	100.00
ASEAN	508.53	525.26	-3.18	14.73	147.14	124.30	18.38	10.10
NAFTA/USMCA	431.20	469.72	-8.20	12.49	280.17	271.59	3.16	19.22
CAFTA	26.56	21.88	21.41	0.77	10.31	7.02	46.75	0.71
Sub Sahara Africa	0.52	1.14	-54.62	0.02	3.08	3.17	-2.65	0.21

		Square Meter Equivalents (SMEs)				U.S. Customs Value			
Country	Rank	2021	2020	% Change	% Share	2021	2020	% Change	% Share
Korea	1	655.75	606.54	8.11	19.00	121.97	93.83	29.99	8.37
China	2	609.05	488.46	24.69	17.64	168.78	157.27	7.32	11.58
India	3	328.18	248.81	31.90	9.51	136.25	88.46	54.03	9.35
Indonesia	4	313.57	306.92	2.17	9.08	82.36	61.12	34.75	5.65
Mexico	5	298.01	342.88	-13.09	8.63	142.04	144.24	-1.52	9.75
Turkey	6	221.95	149.28	48.68	6.43	168.37	111.27	51.32	11.55
Taiwan	7	179.12	128.96	38.90	5.19	59.29	42.71	38.81	4.07
Canada	8	133.19	126.84	5.01	3.86	138.13	127.36	8.46	9.48
Pakistan	9	114.04	82.91	37.55	3.30	37.65	25.45	47.92	2.58
Vietnam	10	97.45	79.83	22.08	2.82	33.76	25.76	31.08	2.32
Portugal	11	82.60	68.30	20.93	2.39	32.20	23.98	34.27	2.21
Thailand	12	67.28	80.75	-16.69	1.95	21.91	23.85	-8.16	1.50
Germany	13	45.52	38.99	16.74	1.32	35.67	31.96	11.59	2.45
Latvia	14	42.02	31.59	32.99	1.22	7.67	5.00	53.31	0.53
Netherlands	15	24.82	9.24	168.53	0.72	6.44	4.36	47.75	0.44
Malaysia	16	24.73	52.27	-52.68	0.72	6.13	10.46	-41.45	0.42
Spain	17	22.74	17.23	31.97	0.66	17.27	12.91	33.83	1.19
Italy	18	22.05	20.56	7.22	0.64	39.27	28.12	39.69	2.69
Japan	19	18.69	24.97	-25.16	0.54	17.58	15.97	10.05	1.21
France	20	16.40	13.40	22.40	0.48	21.72	18.90	14.90	1.49

ALL DATA COMES FROM U.S. GOVERNMENT STATISTICS