

The Swedish Market

Textiles



**Open Trade
Gate Sweden**
National Board of Trade

How well do you know your target market?

Overview of market structure and players

Sweden is home to several internationally-recognized fashion brands and the market for textiles as a whole continues to show growth. This market study provides an introduction to the Swedish market for textiles, including both home textiles and clothing, its structure and trends that develop it, and placed within the context of Sweden being a market within the European Union and what that means in practice.

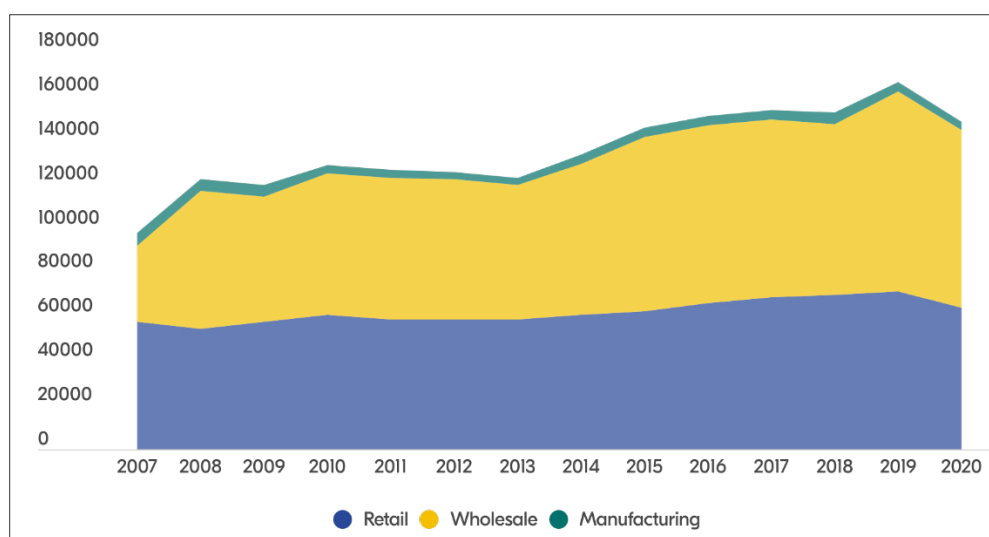
Textiles in Sweden & the EU: market size and development

The European textiles market is strong and growing, and the share of developing countries as suppliers is growing. Asian countries dominate with China, Bangladesh and India, but also countries geographically closer to Europe, such as Turkey, Morocco and Tunisia, are important suppliers.

As for many products traded in the EU, textiles are dominated by intra-EU trade. While exports from other EU countries to Sweden to some extent exist of domestic production, a large share consists of re-exports from countries outside the EU, including developing countries whose share is increasing.

Just like the European market as a whole, the Swedish fashion market shows steady growth, as shown in Figure 1. This trend is expected to continue also in the coming years.

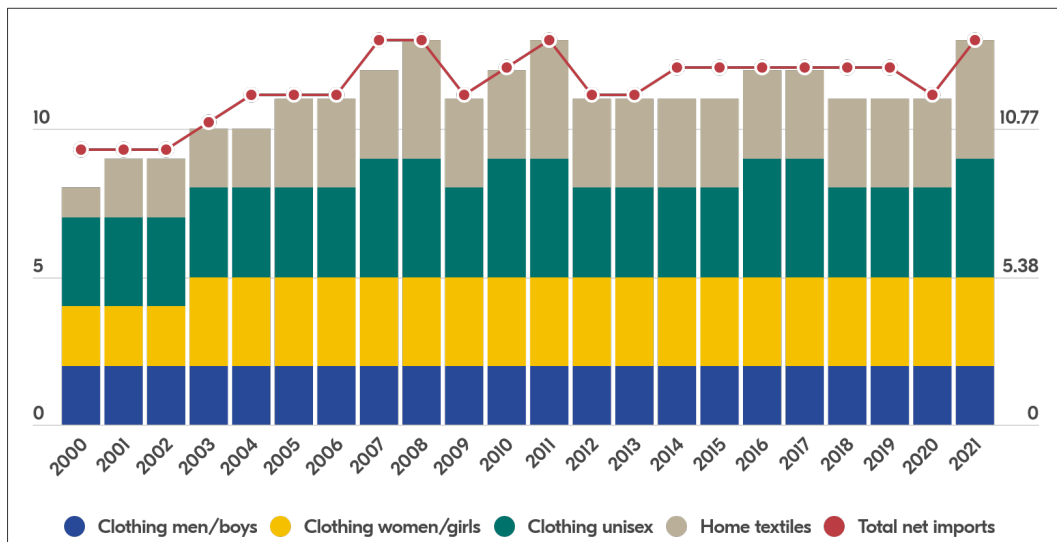
Figure 1: Net turnover in the fashion trade by sector



Source: [SCB](#)

The overall growth is not only seen in overall fashion sales, but with some fluctuations also for net import (imports minus exports) of new textiles per person (covering all textiles, not only fashion).

Figure 2: Swedish net imports of textiles per person



Source: [Naturvårdsverket](#)

Again we see a distinct decline in consumption in the worst year of the Covid-19 pandemic 2020. But here the recovery and added growth in 2021 is clearly visible. The production of textiles in Europe has undergone some changes as the market has become more global and much of the production takes place where labour is cheaper. The European production is characterized by high value added, such as high design content, or technical textiles, hygiene products or specialized textiles for the automotive and medical sectors for instance. But even for these high-value segments some companies choose to sub-contract or relocate production facilities for labour-intensive activities, notably in the regions close to Europe.

There is very little clothing and home textiles production in Sweden with Borås, a small town in the southern part of the country, being the Swedish ‘capital of textiles’. Here you can find research, innovation, and businesses. [Manufacturers are available in an online list](#). Some of them could offer opportunities in terms of partnerships or as buyers.

Did you know that...

...while the general trend is to move textiles productions to regions where labour cost is lower than in Europe, the textiles and clothing sector is still important and accounts for [1.5 million jobs in the EU](#).

...you can find out much more about [the European market for apparel](#) and [the European market for home decoration and home textiles](#) on the website of CBI, the Dutch Centre for Promotion of Imports from developing countries.

...the [EU Trade Helpdesk](#) and [ITC's Trade Map](#) offer user-friendly databases where you can find trade statistics for specific products. Identify your product code and look up trade from your country to Sweden/Europe/the world in the past few years. Is there an increase, or a decrease? Also look at which other countries supply the Swedish market. This will give you an indication of where your competitors are.

Market structure and players on the Swedish textiles market

The Swedish fashion player H&M is the largest player in the Swedish market. Other fashion brands with a domestic turnover above 1 billion SEK / 94 million EUR are Lindex, KappAhl, Marqet, Dressmann and RNB Retail and Brands (with brands such as Brothers & Sisters and Polarn O. Pyret).

Hemtex is the leading retailer in the home textiles segment, with 133 shops in Sweden as well as 14 in Finland and 5 in Estonia.

Apart from the large retailers, the Swedish textiles market has many small to medium players, as well as small start-ups.

Did you know that...

...Sweden's [startup ecosystem ranks high globally](#), with special focus on the quality of the startups where several have become global successes. For the textiles and clothing industry, the combination of technology gives rise to innovative startups that try out new ways of doing business which in turn could open up new opportunities also for textiles producers.

Trends: A sector in transformation

Sustainability continue to gain importance: while price continues to be important to the extent that it has to be right in terms of what the product offers, it is losing in importance to sustainability. Business models that incorporate the ideas re-use, re-make and recycle are gaining traction, and the second hand market is growing rapidly. While initiatives at consumption level are yet too small to show a decrease in overall consumption, having an aspect of sustainability in production is certainly of interest to buyers. As sustainability is a broad concept, this can vary from using sustainable materials, re-used or recycled materials, socially-produced products or for instance production methods requiring less water.









Nearshoring: Today much of Swedish fashion is imported from markets geographically far away from Scandinavia. As logistics solutions have become more expensive and less reliable during the Covid-19 pandemic and after fuel prices have increased dramatically, some companies are looking to source closer to the end consumer. Another reason why nearshoring may be an alternative is the increased demands for transparency in the production line, with suppliers placed geographically closer it can be easier to inspect factories and keep a close contact with suppliers.

Roles in distribution less clear-cut: where the division used to be clear between for instance agents and distributors, the supply chain players now increasingly add values to their services. As such, an agent or distributor may also act as supplier, sourcing agent, or even start up his/her own retail. All in all, the roles actors take in the supply chain are becoming more blurred.

Retailers combine fashion and home textiles: where fashion and home textiles used to be separated, offering both at retail level is increasingly seen. Where the Swedish Indiska was built around this concept, for instance H&M has developed its assortment to cover home textiles in more recent years, starting as an online concept in 2009 but today also available in many shops. This trend is also seen in European brands, such as the Spanish brand Zara (also available on the Swedish market).

Online: The total value of e-commerce in the clothes and shoes sector added up to 18 billion SEK in 2021. Over 30% of sales in the sector are now estimated to come from online sales. The sector players focusing primarily on online sales, are for instance Zalando, Boozt, Cdon and Ellos. But also traditionally offline players all focus on online sales as part of their service and the shares are growing.

Figure 3: Online sales in Sweden per sector

	Business sectors	Sector turnover (billion SEK)	Online sales (%)
	Home electronics	15,6	32
	Clothing/shoes	11,6	18
	Groceries	5,8	2
	Building materials	4,7	11
	Books/media	4,6	-
	Furniture	3,7	6
	Sports/leisure	3,3	12
	Children's articles/toys	2,5	-

Do your products fit the trends on the Swedish market?

While trade data will give you a rough idea of the demand, the figures are given for all products under the same product code, regardless of fashion indicators. To see if your products fit the trends on the Swedish market, look up the information in the trends section and consider to which extent you meet them. Also check all the links mentioned in this study and in the Tips at the end of the study!

When considering certification, you can consult [ITC's Sustainability Map](#). It allows you to look up standards for a specific sector (textiles/garments) in a specific market (Europe/Sweden) and to compare these between themselves, as well as to your own performance.

Certification and sustainability

As mentioned in the trends section, sustainability is becoming more important and especially larger buyers want proof of compliance. What this entails in practice varies. For instance, a larger player may require ISO certification, whereas a smaller player does not require certification but will want to know exactly where all material that goes into a product comes from, to as detailed a level as possible.

Examples of certification requested in the textiles sector include ISO14001, the [EU Ecolabel for clothing and textiles](#) and organic cotton according to different standards such as [GOTS](#). For social sustainability Amfori BSCI is one of the most common certifications. Most Scandinavian buyers also have their own code of conduct.

While sustainability also gets attention at consumer level and addresses consumer behaviour, such as to recycle and re-use clothes, this has not yet caused the demand for new textiles to shrink, but it has caused the second hand segment to grow.

Where can you find more information on the Swedish/European textiles market?

The information provided in this study is partly based on information from the various actors on the Swedish market. Many of them provide good and regularly updated information online. Check out for instance:

- [The Textile Importers](#), a trade association for any company dealing in textiles, leather goods, clothing or shoes.
- [TEKO](#), the Swedish trade and employers' association for companies working in the textile and fashion industry.
- [Trade Partners Sweden](#), a business network with members including agents, distributors, importers or suppliers of fashion and textiles, among others.
- [Swedish Trade Federation](#) (Svensk Handel), the Swedish business and employers' association working for the trade and commerce sector as a whole.

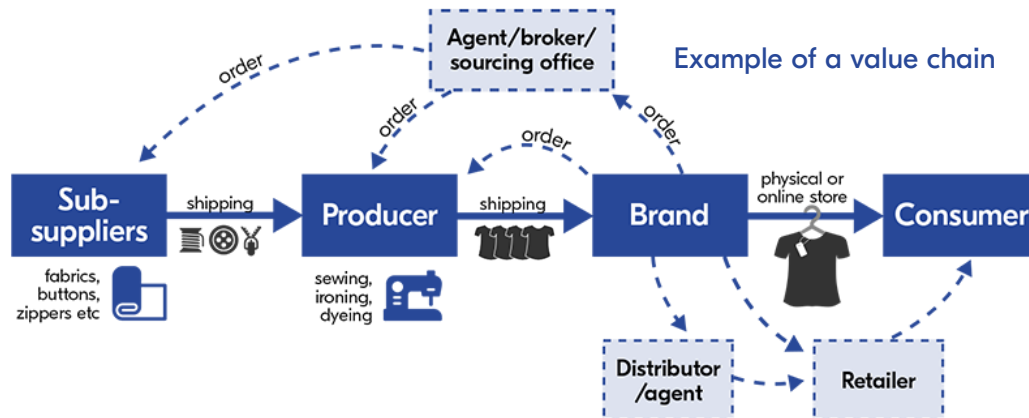
In addition, Open Trade Gate Sweden's partners offer European market information for several sectors, including:

- CBI's market information on [Exporting Apparel to Europe](#)
- CBI's market information on [Exporting Home Decoration and Home Textiles](#) to Europe
- ITC's [market tools](#) on various export-related topics

ITC's [SME Trade Academy](#) offering e-learning courses on several export-related topics

How can you find (and keep) a business partner?

Distribution channels



A **fashion designer**, either independent or employed by a brand, designs the textile product. The brand / company then places an order, either through a **sourcing agent** who finds a **producer**, or at his own **production facility**.

The **producer** then physically makes the product, with the fabrics and other materials such as buttons, lining, zippers etc., approved by the client and purchased (sometimes imported) by the producer from his **suppliers**, who in turn may also have **sub-suppliers**.

Retailers sell the final products, either in the same company as where the original design activity took place, or in a shop where several brands are found or a shop-in-shop. Retailers can be independent, or part of a chain. They often purchase their products through an **agent** representing the (international) brand on the Swedish market, or a **distributor**.

For a textiles supplier from a developing country, sourcing agents and distributors play an important role. When targeting the Swedish market, this may involve working with a European distributor, or an agent covering the Swedish or even the Nordic markets. The commission the agents and distributors require varies greatly both based on complexity of the product, own reputation and network, and order size.

While it is also possible to market your **own brand** on the Swedish market, this is part of a niche when looking at overall fashion and home textiles sold in Sweden. Setting up a brand is a challenge in any market, and in Sweden the added difficulty for most brands in developing countries is that there is no local presence on the Swedish market. Getting it right in terms of consumer preferences, style, communication and so on, is naturally more difficult from a distance. For a brand built up locally and introduced on the Swedish market, online sales channels may offer interesting opportunities.

Trade fairs

Trade fairs continue to be the best places to meet potential buyers in the textiles sector in Europe and Sweden.

[Première Vision](#) in Paris, France, in February, is the most important textiles trade fair in Europe, where Swedish players (such as agents) are always present. [Heimtextil](#) in Frankfurt, Germany, in January, is the most important trade fair for home textiles.

[Stockholm Fashion District](#) organizes trade fairs mainly aimed at the Swedish market but also attracting visitors from the other Nordic markets: [Nordic Fabric Fair](#) and [Textile Days](#) in June. [Copenhagen International Fashion Fair](#) is another Scandinavian fair which also attracts a Swedish audience.

Of course, finding a buyer outside the trade fairs is also possible. You can look to join networks for instance on social media, where you can also find potential buyers. Should you have an offer which fits the Swedish market perfectly: technical fabric or something specifically interesting for the characteristics of the Swedish market where you for instance offer good solutions to trends and seasonality, then an email and telephone follow-up may be a way to reach a Swedish buyer.

Did you know that...

...trade fairs are not only excellent places to meet buyers, but also a great place to learn about new trends in the sector.

...if you cannot visit or exhibit at a trade fair, you can always find useful information on exhibitors (potential buyers?) and trends on the trade fair website. Check out [Heimtextil](#) and [Première Vision](#) for instance!

Where can you find Swedish buyers?

The trade fairs mentioned in this study offer a good starting point (also for keeping up with trends). Check out:

- [Première Vision](#)
- [Heimtextil](#)
- [Stockholm Fashion District](#)
- [Copenhagen International Fashion Fair](#)

Remember to research potential buyers before you approach them. What is their role in the supply chain (see Trade channels in this study, some importers work as agents, others as distributors and some represent a brand)? And how do you approach them? Get a good understanding of the Swedish business culture and of course the Swedish market in order to offer potential buyers the right products at the right time, in the right way. The London School of International Communication offers a [guide on how to do business successfully in Sweden](#) which you can use in your preparations.

Building a business relationship

Business culture

Swedes are proud of their **Swedish traditions** yet open to **new innovations**, which sets the basis for the market trends where there is an overall willingness to discover new trends, fashion, styles and qualities. This can be seen in new choices for fabrics, for instance, or the addition of style elements from other cultures.

Work-life balance is highly valued, and meetings are scheduled during office hours and **punctuality** is important. If you have an appointment with a Swedish buyer, be on time or call to say you are late. Gender **equality** is important and women have an active role in the Swedish society. While not completely gender-equal yet, the gender gap is closing and when it comes to fashion, women are in the majority of the overall workforce (many at the retail level).

Hierarchy is flat and everyone is invited to share their opinion. This openness also translates into honesty, where Swedes are **transparent** and expect the same from their business partner: if there's a problem or changes occur, be open about it and pro-actively share this information.

Did you know that...

...the Swedes have a special word for quality-time coffee breaks: "fika". You can enjoy a "fika" with colleagues at work, or friends in your spare time.

...when a child is born in Sweden, the law encourages fathers to take paternity leave. It is common that men take three to six months of paternity leave.