The Swedish Market

Apparel and home textiles

Open Trade
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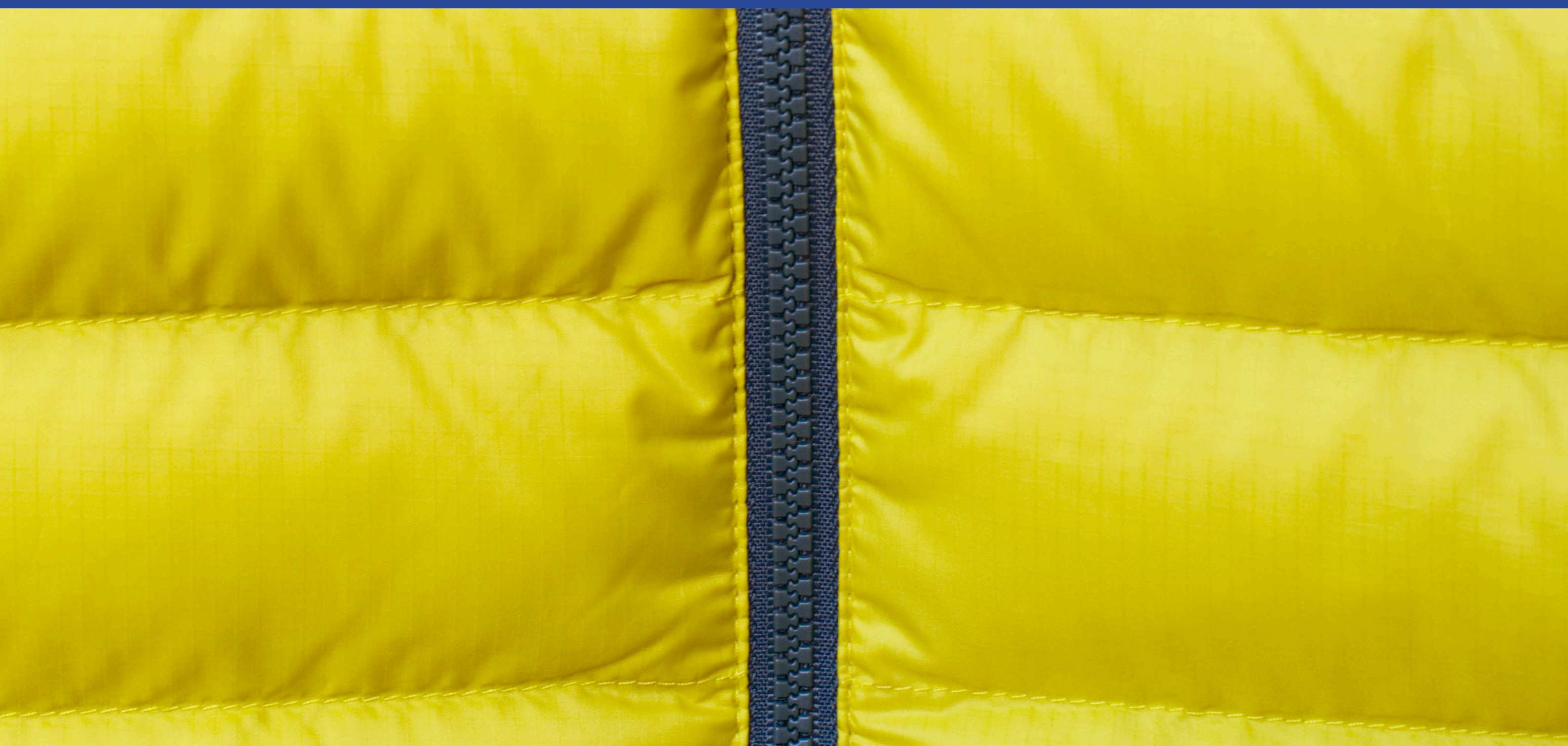
National Board of Trade



The purpose of the market study

The purpose of this market study is to offer a comprehensive guide for companies that are interested in entering the Swedish market for apparel and home textiles. It aims to offer valuable insights and support actionable strategies for exporters of apparel and home textiles to establish a foothold in Sweden. The study provides an overview of the Swedish market in this sector, outlines important trends, details regulatory requirements and offers guidance on how to identify and secure business partners.

This market study is intended for companies in developing countries interested in entering the Swedish market for apparel and home textiles.

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Get to know the Swedish market

Industry background and facts

The textile trade is one of Sweden's largest and fastest-growing sectors, with steady sales growth over the past five years despite economic challenges. In 2023, clothing and accessories wholesalers and retailers recorded turnovers of €17.1 billion and €6 billion, reflecting 5-year growth rates of 126 per cent and 6 per cent, respectively. Despite global textile price level increases, prices in Sweden have remained at levels below the average of EU region. Consequently, while purchasing power has declined, in Sweden it has not significantly impacted the consumption of textiles (based on data up until 2022).

Major Swedish brands like H&M, IKEA, and Lindex are global industry leaders with significant export markets. Their purchasing strategies influence the broader market. To manage cost pressures, these brands primarily outsource production to low-cost countries like China and Bangladesh, while retaining design, marketing, and executive functions in Sweden.

Sweden imports more textiles than it exports, primarily sourcing from outside the EU and exporting to EU markets. Recent supply chain adjustments include decreased imports from high-cost EU countries (e.g., Finland) and increased exports to higher-income markets (e.g., the US). Some brands are also shifting to alternative suppliers, such as Pakistan, or closer locations like Turkey and Poland, seeking cost savings or logistical advantages.

Production and trade

Local production

While most Swedish brands choose to outsource their production outside Europe, there are still brands that have some local production. Historically, Sweden's textile center was a small town named Borås, and some companies still have their production facilities in this city and the wider Götaland county. There is also a publicly available list (see source) of companies located there, which can be used for potential partnership opportunities.

The choice to have local production facilities for Swedish companies also mean certain challenges – the production costs are high, and production volumes often much smaller. In order to compete, local producers tend to specialise in certain product categories, and also compete for customers at a higher price point, so a larger emphasis is generally put on product quality and sustainability characteristics, as well as brand value.

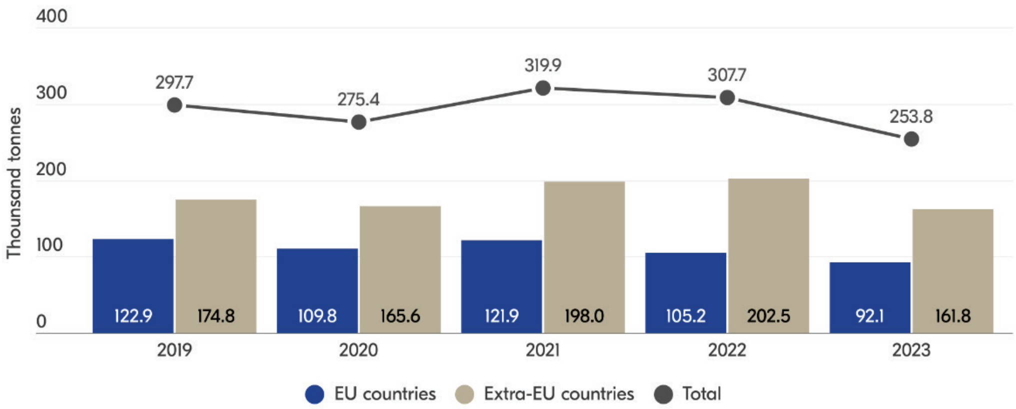
Most of local Swedish textile production is focused on home textiles, especially technical textiles for interior furnishings, and other types of specialised textiles, such as those used in medical or automotive industries.

Import and export

Overall, Sweden is a net importer in terms of import volume of ready-made textile articles, such as clothing, accessories and home textiles. Over the past 5 years, imports in Sweden have decreased, but exports – increased, leading to net imports drop by 24.9 per cent since 2019.

Import to Sweden from other EU countries has dropped the most (most notably – from higher cost countries such as Finland). Over the past 5 years, it fell by 25.1 per cent, whereas from countries outside the EU, it fell by only 7.4 per cent. Large import volume reductions occurred in years 2020 and 2022, caused by two of the most significant global events in recent years – the Covid-19 pandemic, and Russia's full-scale invasion of Ukraine. These events caused major supply chain disruptions, leading most companies to rethink their supply strategies and reconsider their trade partners. In 2023 import volumes fell even more, impacted by rapid inflation rise in 2022, and macroeconomic tightening from the European Central Bank (ECB), leading to a more cautious business approach to purchasing decisions.

Figure 1. Sweden's import volume in ready-made textile articles from the world, thousand tons



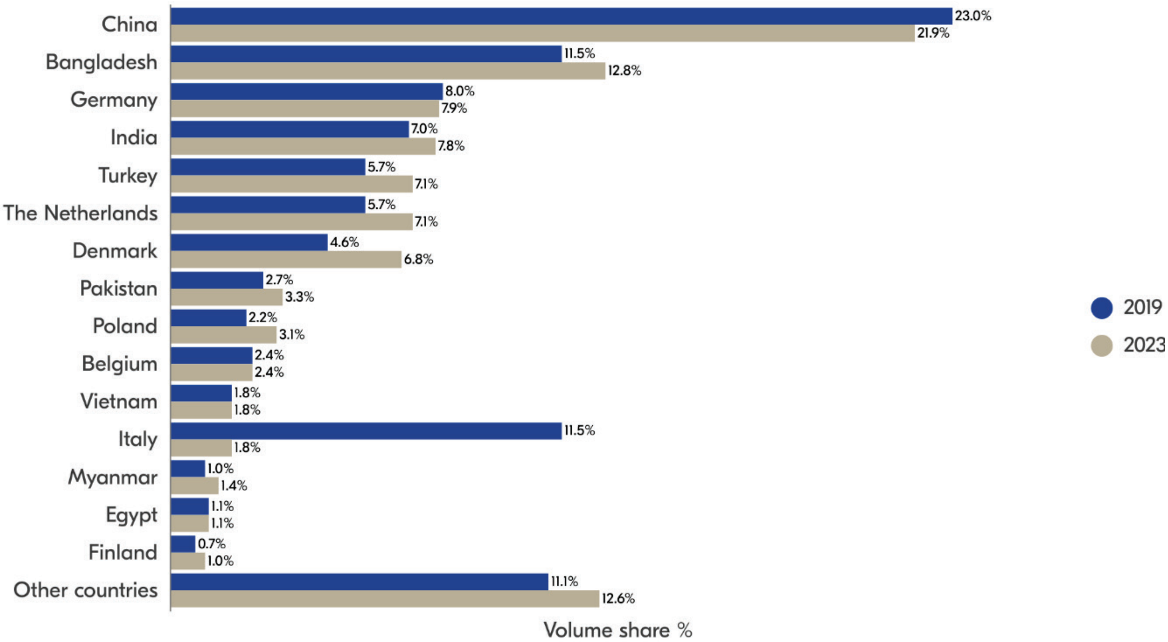
Source: PRODCOM[1]

Note: Data includes ready-made articles of HS Chapters 5063, except worn articles

As of 2023, the majority of ready-made textile article imported to Sweden still originates from outside the EU. Sweden's top trade partners for import from outside the EU in 2023 were China, Bangladesh, India, Turkey and Pakistan, with these 5 countries accounting for 52.9 per cent of ready-made textile article imports. Sweden's top trade partners in the EU in 2023 were Germany, the Netherlands, Denmark, Poland and Belgium, but they account for a significantly smaller share than the top importers from outside the EU – just 22.2 per cent of imports.

[1] PRODCOM database, EU trade since 2002 by HS2-4-6 and CN8 (DS-059322). Available at: https://ec.europa.eu/eurostat/comext/newxtweb/

Figure 2. Sweden's TOP 10 import partners in ready-made textile articles by import volume share, %



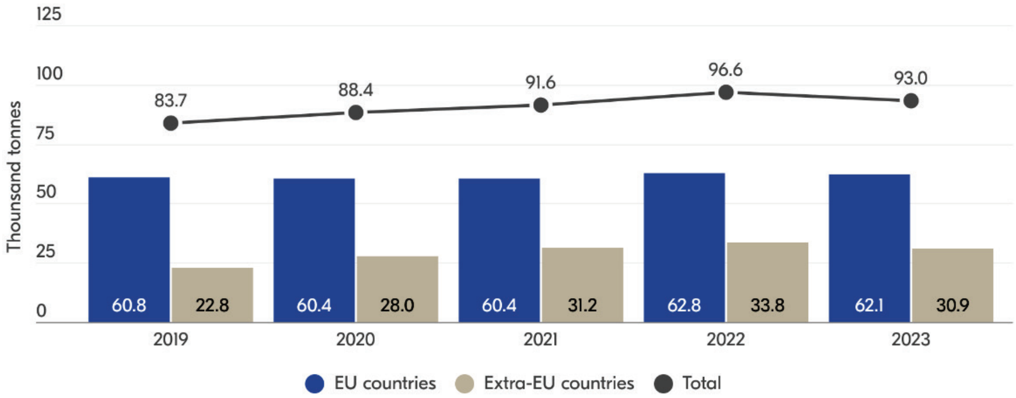
Source: PRODCOM[2]

Note: Data includes ready-made articles of HS Chapters 50–63, except worn articles

Swedish textile product companies, particularly in home textiles, have increased exports by 11.2 per cent over the past 5 years. Exports to extra-EU countries, notably the US, rose by 35.5 per cent, while exports to the EU grew by just 2.1 per cent. Despite this, the EU remains the largest export market (67 per cent share), with extra-EU markets accounting for 33 per cent. Home textiles, such as floor coverings and wadding articles, along with clothing, saw the highest export growth.

[2] PRODCOM database, EU trade since 2002 by HS2-4-6 and CN8 (DS-059322). Available at: https://ec.europa.eu/eurostat/comext/newxtweb/

Figure 3. Sweden's export volume of ready-made textile articles to the world, thousand tons

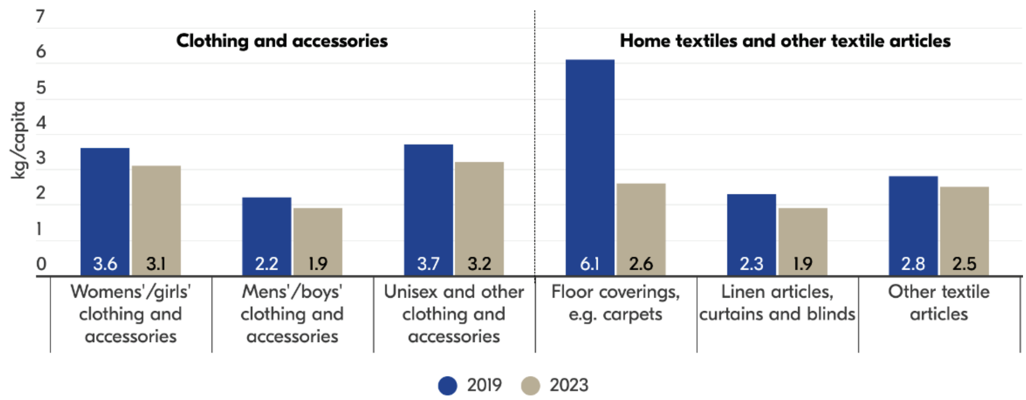


Source: PRODCOM[3]

Note: Data includes ready-made articles of HS Chapters 50–63, except worn articles

Sweden's net imports of ready-made textiles have declined over the past 5 years, particularly in home textiles. Per capita net imports in this category dropped by 37.6 per cent, driven by local manufacturers increasing production, especially in textile floor coverings. In clothing and accessories, net imports fell by 14 per cent in 2023.

Figure 4. Net imports of ready-made textile articles in Sweden per person, kg/capita



Source: Statistics Sweden [4] [5]

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3 PRODCOM database, EU trade since 2002 by HS2-4-6 and CN8 (DS-059322). Available at: https://ec.europa.eu/eurostat/comext/newxtweb/

4 Statistics Sweden. Enterprise unit - Basic data enterprises according to Structural Business Statistics by industrial classification (NACE Rev. 2), observations and year. Available at: https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__NV__NV0109__NV0109L/BasfaktaFEngs07/

5 Statistics Sweden. Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2022. Available at: https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__NV__NV0109__NV0109P/NSEBasfaktaFEngs07/

High-potential products

For producers from countries outside the EU region looking to export to Sweden, in general, the best opportunities are within the category of clothing and accessories. In this category, the import share from the extra-EU region countries in 2023 was 67.6 per cent, higher than 59.4 per cent in the home textiles category. Import volume of clothing and accessories also has registered a significantly smaller import decrease over the last 5 years than home textiles – 4.7 per cent in contrast to 23.7 per cent.

Table 1. Sweden's import volume in ready-made textile articles, broken down by product groups and region [6]

Product category and group	World			Extra-EU countries		
	Volume, 2019, thsd.t.	Volume, 2023, thsd. t.	Change, 2019/2023, %	Share of world, 2019, %	Share of world, 2023, %	Change, 2019/2023, pp
Clothing and accessories	**140.0**	**133.5**	**-4.7%**	**70.4%**	**67.6%**	**-2.7**
Women's / girls' clothing	51.3	49.0	-4.5%	67.9%	66.0%	-1.9
Men's / boys' apparel	34.0	32.1	-5.5%	70.6%	66.9%	-3.7
Jerseys, pullovers, cardigans	18.0	18.4	2.1%	69.7%	69.5%	-0.2
T-shirts, singlets, vests	15.2	14.4	-4.9%	71.1%	70.0%	-1.1
Gloves, mittens, shawls, scarves	4.5	4.4	-1.9%	88.7%	78.7%	-10.0
Babies' garments	2.6	2.0	-23.4%	83.1%	75.4%	-7.7
Other apparel and accessories	14.5	13.2	-8.7%	70.6%	65.3%	-5.3
Home textiles and other articles	**157.6**	**120.3**	**-23.7%**	**48.4%**	**59.4%**	**11.0**
Textile floor coverings, e.g. carpets	76.6	43.4	-43.3%	30.2%	53.2%	23.0
Linen articles, e.g. bedding	19.9	17.9	-10.4%	71.7%	64.1%	-7.5
Sacks and bags	9.2	11.7	27.2%	71.2%	82.8%	11.6
Curtains and blinds	9.3	8.0	-13.9%	72.7%	63.7%	-9.1
Other textile articles	42.7	39.4	-7.8%	59.8%	56.3%	-3.5

[6] PRODCOM database, EU trade since 2002 by HS2-4-6 and CN8 (DS-059322). Available at: https://ec.europa.eu/eurostat/comext/newxtweb/

Among clothing and accessory product groups, cold-weather accessories such as gloves, mittens, shawls, and scarves have a high proportion of imports from outside the EU, despite making up just 3.3 per cent of the total category volume. Production often requires outsourcing due to the expertise needed in fabrics and technical methods. Recently, knitted gloves and mittens have seen a 5.3 per cent import growth over the past five years, unlike most other products which have declined.

Other interesting products include men's/boys' outerwear and nightwear/loungewear. Import volumes for these sub-groups have grown by 15.4 per cent and 5.5 per cent, respectively, over the past five years. Notably, nightwear/loungewear has an 80 per cent import proportion from outside the EU.

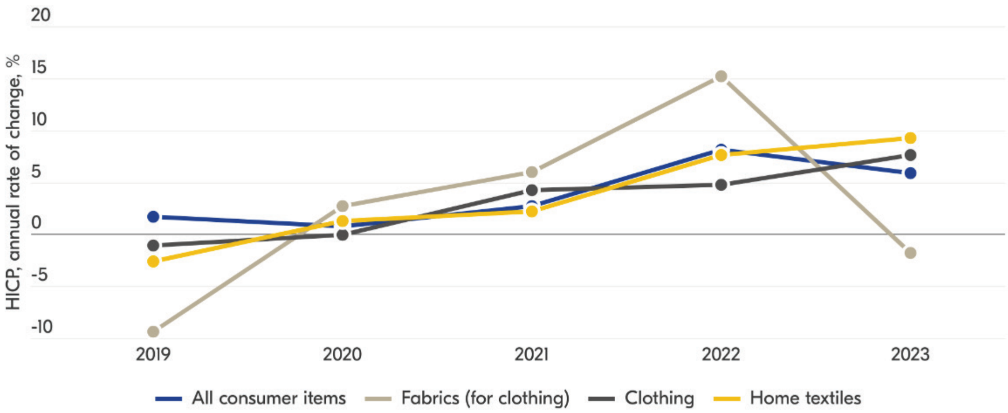
Price levels and sales

Price levels

Over the past five years, Sweden has experienced inflation driven by global supply chain disruptions (post-COVID-19) and the Russia-Ukraine war, though at a lower level than many other countries. At its 2022 peak, Sweden's Harmonised Index of Consumer Prices (HICP) rose by 8.1 per cent, compared to 15–19 per cent in Central and Eastern Europe. Inflation has slowed significantly in Sweden and is projected to reach 1.9 per cent in 2024.

The textile industry followed similar trends, with prices peaking in 2022–2023. Clothing showed resilience, while home textiles and clothing fabrics were more affected. Price growth in textiles is expected to stabilise alongside the broader economy, aligning with the projected 2 per cent HICP in 2024–2025.

Figure 5. HICP on clothing and home textiles in Sweden, annual rate of change, %



Source: Eurostat[7]

[7] Eurostat database, HICP – annual data (average index and rate of change) [prc_hicp_aind]. Available at: https://ec.europa.eu/eurostat/databrowser/view/prc_hicp_aind/default/table?lang=en

According to price level indexes across the whole EU region, prices on most consumer items in Sweden are higher than in EU countries on average. In 2023, the overall price difference was 21.5 per cent (down from 31.2 per cent in 2019), but the price difference for clothing was just 12 per cent (down from 18.1 per cent).[8]

Therefore, Swedish consumers can also spend slightly less on clothing than their counterparts from the EU, as evidenced by real expenditure.[9]

This indicates that:

- Compared to other EU countries, clothing in Sweden is relatively less expensive compared to other consumer items like food or housing. Consequently, Swedes spend slightly less on clothing per capita. This trend is like Northern and Western-European countries such as Denmark, Finland, the Netherlands, and Germany, but contrasts with Eastern and Central-European countries like Czechia, Romania, Poland, and the Baltic states.
- Over the past 5 years, price increases in Sweden have been more moderate than in other EU countries for most consumer items, including clothing. This has reduced the price gap between Sweden and other EU countries, enabling Swedish clothing manufacturers to expand their export volumes as their prices become more accessible.[10]

Sales

The most significant implication of the overall price rise over the last years has been the negative impact on the purchasing power of Swedish consumers. However, as mentioned before, this impact has not been as great as in certain other EU countries. Therefore, at least up until 2022, there have not been significant consumption pattern changes among Swedish consumers in terms of textile consumption.

According to the latest data available, sales turnover of companies operating in the wholesale and retail trade of clothing and accessories, as well as home textiles and other textile articles, has increased in Sweden from 2018 to 2022. Growth has been particularly notable in wholesale trade, where sales of clothing and accessories has risen by 125 per cent up to EUR 17.1 billion. Most of the growth occurred in 2022, so it can be assumed that the majority of it was caused by inflation.

In retail trade, sales growth has been more moderate – sales of clothing and accessories increased by 7.1 per cent up to EUR 6.0 billion whereas sales of home textiles – by 19.4 per cent up to EUR 0.7 billion.[11] [12]

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8 Eurostat database, Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates [prc_ppp_ind]. Available at: https://ec.europa.eu/eurostat/databrowser/view/PRC_PPP_IND/default/table?lang=en

9 Eurostat database, Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates [prc_ppp_ind]. Available at: https://ec.europa.eu/eurostat/databrowser/view/PRC_PPP_IND/default/table?lang=en

10 This has also been supported by the collected export data (see Figure 3).

11 Statistics Sweden. Enterprise unit - Basic data enterprises according to Structural Business Statistics by industrial classification (NACE Rev. 2), observations and year. Available at: https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__NV__NV0109__NV0109L/BasfaktaFEngs07/

12 Statistics Sweden. Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2022. Available at: https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__NV__NV0109__NV0109P/NSEBasfaktaFEngs07/

Figure 6. Sales turnover in wholesale and retail trade of clothing and home textiles in Sweden, billion EUR

Source: Statistics Sweden[13] [14]

Note: Data on wholesale trade of home textiles is not available, as it is lumped together with trade of furniture; Data on retail only includes trade in specialised stores.

From a broader perspective, the economic growth in 2024 in Sweden has been quite meagre, but the easing financial conditions and falling inflation are expected to improve the general economic conditions, and the economy is projected to recover in 2025.[15]

Did you know that …

… while the general trend is to move textile production to regions where labour cost is lower than in the EU, the textile 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 and 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.

13 Statistics Sweden. Enterprise unit - Basic data enterprises according to Structural Business Statistics by industrial classification (NACE Rev. 2), observations and year. Available at: https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__NV__NV0109__NV0109L/BasfaktaFEngs07/

14 Statistics Sweden. Enterprise unit - Basic data enterprises according to Structural Business Statistics by NACE Rev. 2. Year 2022. Available at: https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__NV__NV0109__NV0109P/NSEBasfaktaFEngs07/

15 European Commission. European Economic Forecast, Autumn 2024. Available at: https://economy-finance.ec.europa.eu/document/download/7173e7c9-3841-4660-8d6a-a80712932f81_en?filename=ip296_en.pdf#page=152

Understand the market structure

Key market players

Sweden hosts globally significant clothing and accessories brands, including H&M, Lindex, Kappahl, Ellos, Intersport, Gina Tricot, and New Wave Group. The workwear segment includes brands like Blåkläder and Hultafor Group, while home textiles are led by IKEA, H&M, and Hemtex. Most brands operate hybrid models of physical stores and e-commerce, though physical store numbers have declined in favour of pure e-commerce growth. Competition has also intensified with grocery retailers like ICA and LIDL offering low-cost clothing ranges.

These major brands significantly influence global trade, consumer behaviour, and industry practices. Their size and reach place them under strong pressure to meet strict requirements for product quality, costs, labor rights, carbon emissions, and resource use, with stricter demands on potential partners, as their societal and industry responsibilities grow.

In addition to the well-known brands, there are also many smaller niche brands in Sweden which often focus on specific areas. For example:

- **Certain product groups:** Nudie Jeans, Eton Shirts, Sandqvist.
- **Luxury segment:** Acne Studios, Totême, Svenskt Tenn, Shutterheim.
- **Sustainability:** Filippa K, House of Dagmar, Dedicated Brand, Asket.
- **Unique aesthetics:** Gudrun Sjödén, Maxjenny!, Rave Review.

Sweden's Top 5 market players are listed in Table 2, but you can find a more expanded version with the Top 15 market players in the appendix (see Table 6). However, there are many more major players in Sweden's textile industry - suggestions on how to find them are listed in Section 6.1.

Table 2. Top 5 market players in Swedish textile industry by turnover, 2023/2022[16]

Company / Group	Key activities	Turnover, million EUR	Employees, thousand
Inter IKEA Holding B.V. [17]	Brand and product development in home furniture and **home textile furnishings** sector.	27 443	24.9
Hennes & Mauritz Group	Brand and product development in **clothing** (focus on fashion), beauty and **home textiles** furnishings sectors.	20 649.1	101.1
Lindex Group Oyj [18]	Brand and product development in both department store trade sector, as well as **clothing sector** (focus on fashion, leisurewear, underwear, kidswear).	951.7	6.1
New Wave Group AB	Brand and product development in **clothing** (focus on sportswear, athleisure, workwear), gifts and **home textiles** furnishings sectors.	862.7	2.5
Ahlens AB	Trade outlet development (department stores), as well as brand development in **clothing** (focus on fashion), beauty, home furniture and **textiles furnishing sectors.**	387.7 [19]	1.5

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.

[16] Data compiled from company annual reports, websites and ORBIS database.

[17] Even though Inter IKEA Holding B.V., the mother company of IKEA group of companies, is based in Netherlands, it has been included in the list, because the headquarters of the group are located in Sweden, and it conducts most of its design and product development operations in Sweden.

[18] Even though Lindex Group Oyj (previously – Stockmann Group) is Finland-based, it has been included in this list as an exception, because, while the group has operations both in department store sector with brand Stockmann, it is the Lindex brand which makes up most of Group's operations , and Lindex is headquartered in Sweden.

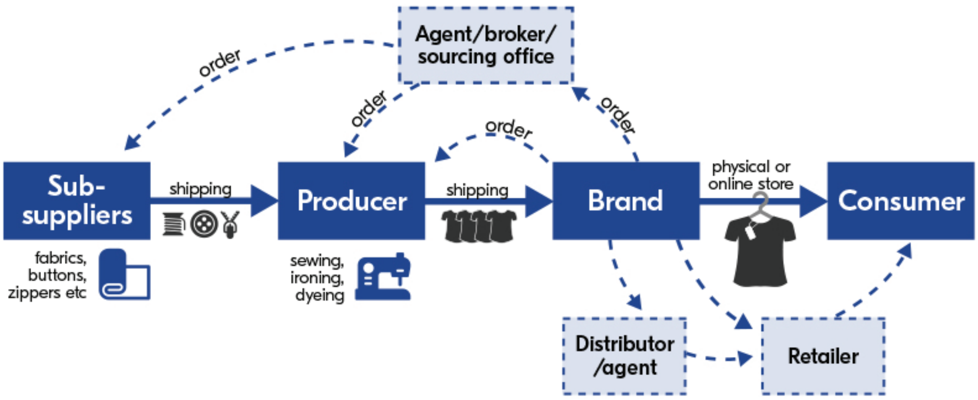
[19] Turnover data for Ahlens AB includes total turnover – not just for trade with own-brands, but third-party brands as well.

Major distribution channels

In most developed countries, a typical supply chain in the textile industry is set up according to the following scheme:

- A fashion designer, either independent or employed by a brand, designs textile products. 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.

Figure 7. Example of a typical supply chain in the textile industry



Most Swedish brands, like their global counterparts, outsource production to low-cost countries, primarily for financial reasons. To minimise costs, they often deal directly with producers, bypassing intermediaries. A 2021 global survey[20] of 20 major brands, including H&M, and 1,300 suppliers from 83 countries revealed China, Bangladesh, India, and Turkey as the top sourcing locations, with China being the most popular. Direct suppliers dominate (91 per cent), while third-party agents account for just 9 per cent.

Large Swedish brands like H&M, Lindex, and New Wave Group design in-house, while smaller brands may co-design with local design agencies. Production and raw material sourcing are primarily outsourced to China and Bangladesh, accounting for

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[20] ACT, ACT Purchasing Practices Surveys by Brands and Suppliers: General Report 2021. Available at: https://actonlivingwages.com/app/uploads/2021/11/ACT-purchasing-practices-report-2021.pdf

over 75 per cent of production. These major players often maintain local offices in outsourcing countries to facilitate communication and supplier training.[21] [22] [23] [24]

For transparency, leading brands such as H&M, Lindex, Ellos, and Åhléns publicly disclose supplier lists, primarily Tier 1 (finished goods) and, in some cases, Tier 2 (raw material processing such as dyeing).[25] [26] [27] [28] [29]

While direct distribution is the most common supply chain form, especially for ready-made textile articles, other forms of distribution do exist:

- For producers of any type of ready-made textile articles, another alternative to direct distribution is the use of third-party order-based agencies, which offer product design and brand development services to clients, as well as source materials and production facilities in countries mostly outside Europe. Examples include companies such as Unibrands AB, Springhill Textile AB, Swantex AB and others.
- For already developed clothing, accessories and home textiles brands, the second-best approach after establishing own retail outlet, such as an e-commerce platform, would be to use a third-party that acts as a brand representative, such as Welcome AB, or rent a physical space in showroom / exhibition networks for display purposes, such as in Stockholm Showroom or Studio B3.
- For producers of fabrics and textile accessories, a third-party can be used that specialises in distribution and processing of textile materials (often technical fabrics), either in Sweden or the wider Nordic region. Examples include JOB Group AB, Y. Berger & CO AB, Ohlssons Tyger & Stuvar AB and others.

Examples of key distributors are listed below (see Table 3).

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21 H&M Group, Supply chain. Available at: https://hmgroup.com/sustainability/leading-the-change/transparency/supply-chain/

22 H&M Group, Responsible purchasing practices. Available at: https://hmgroup.com/sustainability/leading-the-change/transparency/responsible-purchasing-practices/

23 New Wave Group, Sustainability report 2023. Available at: https://www.nwg.se/globalassets/reports/arsredovisningar/en/2023/nwg__sustainability_2023_april_2_en_hq.pdf

24 Lindex, Sustainability report 2023. Available at: https://about.lindex.com/files/documents/Lindex-sustainability-report-2023.pdf

25 H&M Group, Supply chain. Available at: https://hmgroup.com/sustainability/leading-the-change/transparency/supply-chain/

26 Lindex, Manufacturing factories. Available at: https://about.lindex.com/sustainability/how-we-work/suppliers-and-factories/manufacturing-factories/

27 Ellos Group. Ellos Group Textile Supplier List. Available at: https://www.ellosgroup.com/sites/ellos-group/files/ELLOS_GROUP_Textiles_Supplier_List_240529.xlsx

28 Ahlens, Supplier list. Available at: https://www.ahlens.se/INTERSHOP/static/BOS/Ahlens-Site/AhlensSE-b2c-web-shop/Ahlens-AhlensSE-b2c-web-shop/sv_SE/Pdf/H%C3%A5llbarhet/Supplier%20list%202021-02-11.pdf

29 Nakdcom One World. NA-KD Supplier list. Available at: https://www.na-kd.com/siteassets/campaigns/2022/sustainability-commitments/na-kd-supplier-list-april-2023.pdf

Table **3. Examples of key players in Swedish textile distribution network by turnover, 2023/2022** [30]

Company/ Group	Overview	Turnover, million EUR	Employees
Showrooms and distributors of brands			
Stockholm Showroom (part of Stockholm Fashion District)	**Key activities:** A cluster of ~90 showrooms for lease to clothing and accessories brands **Target segments:** B2B **Distribution:** Own showrooms	n.a.	n.a.
Studio B3	**Key activities:** A large exhibition / showroom area for interior design and home textiles furnishing brands **Target segments:** B2B **Distribution: Own showrooms**	n.a.	n.a.
Fruit Distribution i Sölvesborg AB	**Key activities:** Distribution of clothing for private-label and promotional goods sectors, order-based production of private-label clothing **Target segments:** B2B **Distribution:** Own e-store	9.0	24
Distributors/processors of textile materials and accessories			
AB Nevotex	**Key activities:** Manufacturing and distribution of fabrics and accessories for home textiles furnishing and outdoors sectors **Target segments:** B2B **Distribution:** Wholesale; Own showrooms and e-store	33.6	142
JOB Group AB	**Key activities:** Sourcing, supplying, research and development of textile and polymer technical fabrics **Target segments:** B2B **Distribution:** Directly to clients	26.6	152
Y. Berger & CO AB	**Key activities:** Sourcing of technical yarns, fabrics and safety gloves internationally (mainly in China), distribution in Europe **Target segments:** B2B **Distribution:** Directly to clients	14.8	15
Order-based agencies/producers of textile goods			
Unibrands AB	**Key activities:** Order-based development of private-label clothing (mostly outerwear and workwear, as well as knitwear), sourcing of fabric suppliers and textile goods producers (mostly in China, Bangladesh or Myanmar) **Target segments:** B2B **Distribution:** Directly to clients	34.8	16
Springhill Textile AB	**Key activities:** Order-based development of private-label clothing and accessories, own brand development, sourcing of fabric suppliers and textile goods producers (mostly in China and Bangladesh) **Target segments:** B2B **Distribution:** Directly to clients	22.6	64
Svantex AB	**Key activities:** Order-based development of private-label clothing, sourcing of fabric suppliers and textile goods producers (mostly in Asia) **Target segments:** B2B **Distribution:** Directly to clients	15.2	16

30 Data compiled from company annual reports, websites and ORBIS database.

It should be noted, however, that the use of third-party companies will require commission costs, which will always result in higher prices for end-clients and thus a lower competitiveness, when compared to direct distribution form. 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, setting up a brand is a considerable challenge in any market. In developed markets like Sweden, it is of high importance to have highly detailed expertise in both global and local design and marketing trends. However, there also exist success stories where companies, especially pure e-commerce retailers, from countries outside Sweden have branded themselves in a way that fit the consumer preferences.

Keep up with the trends

Sustainability

Perhaps the most important trend over the last years has been the shift towards sustainability and circularity, strengthened by requirements imposed by regulators. Companies implement this shift in several ways, for example:

- By increasing the share of products created from either sustainably produced (e.g. organic) or recycled raw materials.
- By setting requirements for energy-efficient production processes and renewable energy sources to minimise overall resource consumption.
- By increasing transparency about their supply chain (e.g. publishing supplier lists).
- By investing in systems that facilitate re-use or rentals of their products (e.g. second-hand use platforms).
- By increasing focus on sustainable packaging practices.
- By promoting consumer education on sustainable consumption behaviours.

Most of the large market players in Sweden have set sustainability and circularity as part of their main business development goals. One of the most popular tools to measure progress toward sustainability is the Material Exchange Index (MCI) which has been developed by Textile Exchange. Textile Exchange is a global non-profit organisation of brands, manufacturers and farmers aiming to improve sustainability in the textile industry. MCI tracks progress toward using more sustainable materials and transitioning to circular textile system. Below is an excerpt of MCI scores in 2024 for Swedish brands evaluated within the index, whereby scores are given within a range from 1 (“progress in development”) to 4 (“leaders in transformational change”), including separate analysis for different raw material groups.[31]

[31] Textile Exchange, Material Change Index. Available at: https://textileexchange.org/material-change-index/?y=2024

Table 4. Textile Exchange's Material Change Index (MCI) scores for major Swedish brands in 2024 [32]

Reporting company	Overall perfor-mance	Performance across different raw material groups							
		Cotton	Polyester	Polyamide	Manmade cellulosics	Wool	Down	Leather	Cashmere
Large companies									
H&M Group	**4**	3	3	2	3	3	3	2	3
IKEA Sweden AB	**4**	3	4	n.a.	3	3	2	3	n.a.
GANT	**3**	3	2	n.a.	2	1	2	1	n.a.
Gina Tricot	**3**	3	2	n.a.	2	1	n.a.	n.a.	n.a.
KappAhl Sverige AB	**3**	3	3	3	3	2	n.a.	n.a.	n.a.
Polarn O. Pyret	**3**	3	3	3	3	3	n.a.	n.a.	n.a.
Medium companies									
Fjallraven Intl. AB	**3**	3	3	3	n.a.	3	1	1	n.a.
Mini Rodini	**3**	3	4	4	3	2	n.a.	n.a.	n.a.
TOTEME	**3**	3	3	n.a.	n.a.	3	n.a.	2	n.a.
Small companies									
Dedicated Sweden AB	**3**	3	3	3	2	n.a.	n.a.	n.a.	n.a.
Tierra (Fenix Outdoor Group)	**2**	2	2	2	n.a.	2	n.a.	n.a.	n.a.

Out of 125 brands evaluated in MCI across 20 countries, only 11 scored the highest (4 points, "leaders in transformational change"). Two of these were Swedish: H&M Group and IKEA Sweden AB, highlighting Sweden's leadership in sustainability and circularity. MCI analysis shows the most progress in sustainability for widely used materials like cotton and polyester. Major brands, such as H&M Group and Ellos Group, report sustainable cotton usage rates of 96–100 per cent and recycled polyester rates of 46–79 per cent.[33] [34] Progress in other materials remains slow, suggesting opportunities for innovative solutions.

32 Textile Exchange, Material Change Index. Available at: https://textileexchange.org/material-change-index/?y=2024

33 Ellos Group, Sustainability Summary 2023. Available at: https://www.ellosgroup.com/sites/ellos-group/files/2024-10/sustainability-summary-2023.pdf

34 H&M Group, Cotton. Available at: https://hmgroup.com/sustainability/circularity-and-climate/materials/cotton/

In response to rising demand for sustainability, large players and institutions have invested in re-use systems. For example, H&M launched Sellpy.com, a second-hand clothing platform active in many countries. Similarly, Sweden's RISE and Wargön Innovation released a dataset of over 30,000 second-hand clothing items, offering insights into durability and quality.[35] While second-hand markets grow, consumer buying habits and purchasing power still limit a widespread shift toward high-quality, durable textiles.

Technological innovations

Technical textiles, traditionally used in industrial, medical, and automotive applications, are increasingly incorporated into clothing to enhance comfort and functionality, particularly for outdoor and workwear.[36] These features include durability, flame and chemical resistance, and moisture management. Advances in embedded electronics have also enabled sensors and other smart features to be integrated into textiles for commercial use.

Sweden is at the forefront of technical and intelligent textile innovations, driven by **Smart Textiles** – a research and innovation network involving the University of Borås, Borås Incubator, and RISE. This collaboration connects researchers and businesses, providing access to advanced machinery, expertise, and new materials. The network offers opportunities for textile producers to develop and commercialise innovative products for Swedish and European markets.

As of 2024, Smart Textiles has identified three focus areas in Sweden based on directions of their past projects:[37]

- **Sustainable textiles**
  - Locally grown and recycled textiles.
  - Plant-based textile dyes by researcher Linda Worbin.
  - Water-repellent materials without fluorocarbons OrganoClick.
- **Textiles for health and medicine**
  - Clothing with embedded sensors by researcher of University of Borås Li Guo.
  - Pajamas for bedwetting children by Pajama.
  - Textile spinal discs by Ortoma.
  - Smart prosthesis sockets by Lindhe Xtend.
  - Textiles for preventing pressure ulcers by MedTech West.
- **Textiles for architecture and interiors**
  - Home textiles with touch input by researcher of University of Borås Li Guo.
  - Home textiles with charging capabilities.
  - Technical textiles with protective features by Engtex.

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[35] Zenodo. Clothing Dataset for Second-Hand Fashion. Available at: https://zenodo.org/records/13788681

[36] McKinsey & Company. The State of Fashion. Available at: https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion

[37] Smart Textiles. Smart Textiles Magazine. Available at: https://smarttextiles.se/en/about-smart-textiles/smart-textiles-magazine/

However, as of 2024, most of the projects integrating intelligent textiles are still in the research and development phase, with most major brands currently focusing more on upgrading functionality of technical textiles.

Nearshoring

Most Swedish brands outsource production to low-cost countries in Asia, mainly China and Bangladesh. Due to rising fuel prices and logistics costs, as well as stricter supply-chain transparency requirements post-COVID-19, many companies are now considering sourcing closer to consumers.

Recent trade data show that traditional trade partners like China, Bangladesh, and India are increasingly being replaced by closer countries such as Turkey and Poland. Although this trend is currently small, it indicates brands are willing to change suppliers.

Diversification of the large market players

The influence of large market players in retail is growing, particularly in the textile sector. Large brands with brick-and-mortar stores or e-commerce platforms attract consumers with convenience shopping and strong brand loyalty. This trend has two main directions:

- **Diversification into Home Textiles:** Major clothing brands like Zara (Zara Home, 2003), H&M (H&M Home, 2009), and Mango (Mango Home, 2014) have expanded into home textiles.
- **Integration in Grocery Retail:** Grocery chains like ICA and LIDL have included clothing and home textiles in their offerings, expanding beyond basics.

For producers, this trend offers opportunities for private-label products, favouring well-resourced suppliers who can compete on cost-efficiency and high production volumes.

E-commerce

In recent years, retail trade has seen a notable reduction in physical outlets due to the rise of e-commerce, especially in the clothing and home textiles sectors. In 2023, e-commerce accounted for 28% of Sweden's clothing sector turnover, equivalent to EUR 0.5 billion out of a total EUR 1.7 billion. This makes the clothing sector the second largest in e-commerce, behind home electronics.[38]

The most popular online destinations for clothing and home textile purchases in Sweden include both pure e-commerce retailers, such as Amazon, Zalando and Ellos, as well as traditional brick-and-mortar retailers with high e-commerce focus (hybrid retailers), such as H&M and ICA. Also, on par with the sustainability trend, second-

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38 PostNord, E-barometern 2023. Available at: https://www.postnord.se/siteassets/pdf/rapporter/e-barometern-2023/e-barometern-arsrapport-2023.pdf

hand goods trade platforms have also become notable market players, such as Sellpy (owned by H&M) and Tradera[39]:

- Amazon.se (various third-party products, including home textiles and kids wear)
- Zalando.se (third-party clothing)
- HM.com (third-party and own-branded clothing and home textile)
- Tradera.se (second-hand trade of various third-party products)
- Boozt.com (third-party home textile and clothing brands)
- Sellpy.com (H&M's platform for second-hand trade of third-party and own-branded clothing brands)
- Ellos.se (third-party and own-branded home textile and clothing)
- Ica.se (small part of product range includes third-party and own-branded home textile and clothing)

E-commerce growth in the clothing sector has two main consequences:

Accelerated Turnover – E-commerce enables brands to frequently adjust collections based on real-time sales data, resulting in smaller, more frequent batch orders. For instance, Ellos Group develops around 17,000 own-brand styles per year.[40]

Increased Transparency – The digital environment allows consumers to easily compare product features, like materials and country of origin, putting pressure on brands to disclose detailed information.

To stay competitive, suppliers must adapt by offering shorter lead times, faster inventory production, and enhanced digital capabilities for better supply chain transparency and integration with major Swedish brands.

[39] PostNord, E-barometern 2023. Available at: https://www.postnord.se/siteassets/pdf/rapporter/e-barometern-2023/e-barometern-arsrapport-2023.pdf

[40] Ellos Group, Sustainability Report 2023. Available at: https://www.ellosgroup.com/sites/ellos-group/files/ellosgroup-sustainability-report-2023.pdf

Live up to the requirements

Legal requirements

As an EU member, Sweden follows the EU's regulatory framework and incorporates harmonised standards into its national laws. For producers new to exporting to the EU, entering the market involves numerous legal requirements, formalities, procedures, trade barriers, rules of origin, tariffs, and taxes. Most efforts will likely be spent on understanding and complying with safety regulations. Key legal requirements include:[41] [42]

Safety

- **EU's General Product Safety Regulation[43]**, This establishes safety requirements for products marketed within the EU, regardless of origin. Product safety must be assessed based on EU standards and national regulations, considering potential risks such as chemical hazards (e.g., harmful dyes), physical hazards (e.g., flammability), and risks to specific consumer groups (e.g., children). If the product design is provided by the buyer, they are responsible for guaranteeing its safety.
- **EU's REACH Regulation[44]** (Registration, Evaluation, Authorisation, and Restriction of Chemicals) This governs the use of chemical substances in products placed on the EU market and sets restrictions on substances like nickel, flame retardants, waterproofing, and stain-repelling chemicals. This is relevant for textiles, which often involve chemical processes (e.g., dyeing, printing, finishing). Buyers may have their own Restricted Substances List, often inspired by the Zero Discharge of Hazardous Chemicals (ZDHC) foundation's Conformance Guidance[45].
- **Regulation on Persistent Organic Pollutants[46]**, which restricts the use of persistent organic pollutants, which are harmful due to their resistance to degradation, ability to bioaccumulate, and potential for long-range environmental and human health impacts. The regulation includes restrictions on manufacturing, placing on the market, as well as on use such substances in products, including

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41 CBI, Market Information. What are the requirements for apparel to enter the European market? Available at: https://www.cbi.eu/market-information/apparel/buyer-requirements

42 CBI, Market Information. What requirements must home decoration and home textile products comply with to be allowed on the European market? Available at: https://www.cbi.eu/market-information/home-decoration-textiles/buyer-requirements

43 EUR-Lex. Regulation (EU) 2023/988 of the European Parliament and of the Council of 10 May 2023 on general product safety. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2023.135.01.0001.01.ENG&toc=OJ%3AL%3A2023%3A135%3ATOC

44 EUR-Lex. Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02006R1907-20221217

45 Roadmap to ZERO. ZDHC MRSL Conformance Guidance. Available at: https://www.roadmaptozero.com/input#CG

46 EUR-Lex. Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants. Available at: https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32019R1021

textiles. It also aligns with the Stockholm Convention on Persistent Organic Pollutants[47].

- **Standard on the safety of children's clothing**[48] (EN 14682:2014), which contains requirements to ensure that cords and drawstrings are placed safely on apparel for babies and children up to 14 years old, in order to avoid strangulation and choking hazards. There is also a dedicated guidance (EU – CEN/TR 17376: 2019[49]) on the use of this standard to explain the technical aspects and provide additional safety information. In addition, other related standards include the **Standard on the burning behaviour of children's nightwear** (EN 14878:2007), which lists minimum requirements regarding flammability levels and speed of burning, as well as the **Standard on flammability safety as toys** (EN 71-2:2020), since dress-up clothes for children are classified as toys and must comply with the **Toy Safety Directive**[50]**.**
- **EU's Regulation on personal protective equipment**[51] , which is relevant for those producers who want to export personal protective equipment, such as safety clothing or gloves, as it establishes requirements and safety standards for the design, manufacturing, material use, testing and user instructions of such products.

Transparency

- **EU Textile Labelling Regulation**[52], which establishes mandatory requirements for the labeling and marketing of textile products within the EU. In general, textile products must carry a label clearly identifying the composition of all textile fibres used and indicating any non-textile parts of animal origin. The preferred standard for care labelling code using symbols is ISO 3758:2023. Text of the labels should be translated into the official national language of all the EU markets where the product will be made available, such as Swedish language for Sweden.[53] While the legal responsibility for ensuring compliance lies onto EU importers, producers must collaborate with them to provide this information. It should also be noted that the Regulation is currently undergoing changes, with the updated version expected to be released by Q1 of 2025 (see more in Section 4.2: Textile labelling).

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47 Secretariat of the Stockholm Convention. Stockholm Convention on Persistent Organic Pollutants (POPs). Available at: https://www.pops.int/TheConvention/Overview/tabid/3351/Default.aspx

48 EUR-Lex. Commission Implementing Decision (EU) 2019/1698 of 9 October 2019 on European standards for products drafted in support of Directive 2001/95/EC. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02019D1698-20220816#src.E0007

49 Intertek. EU – CEN/TR 17376: 2019 Guidance Document on the Use of EN 14682 Cords and Drawstrings Published. Available at: https://www.intertek.com/products-retail/insight-bulletins/2019/cen-tr-17376-2019-guidance-on-en-14682/

50 EUR-Lex. Directive 2009/48/EC of the European Parliament and of the Council of 18 June 2009 on the safety of toys. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32009L0048

51 EUR-Lex. Regulation (EU) 2016/425 of the European Parliament and of the Council of 9 March 2016 on personal protective equipment. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R0425

52 EUR-Lex. Regulation (EU) No 1007/2011 of the European Parliament and of the Council of 27 September 2011 on textile fibre names and related labelling and marking of the fibre composition of textile products. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32011R1007

53 Your Europe. Textile label. Available at: https://europa.eu/youreurope/business/product-requirements/labels-markings/textile-label/index_en.htm

IP rights

- **EU Design Regulation**[54], which ensures intellectual property (IP) rights protection regarding the design of a product, where "design" is defined as "the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation". When designing products for the EU market, you have to make sure you do not copy any existing designs, since products that violate IP rights are banned from the market. If textile designs are registered as Community Designs[55], then they have EU-wide protection for up to 25 years. You can check whether there is a similar design in Sweden (or other countries) via DesignView[56], an online tool with image search capabilities that allows to search through registers of the participating authorities, WIPO and EUIPO.

Did you know that…

… there are several other excellent resources that you can use as a guide to know which rules to follow, such as:

- Access2Markets, EU's official platform for exporters and importers, and its Trade Assistant tool to look up information by specific product codes;
- Information on market entry requirements for apparel and home textiles producers from Open Trade Gate Sweden's partner – Centre for the Promotion of Imports (CBI), part of the Netherlands Enterprise Agency;
- Factsheets on legal requirements for textile producers entering EU's market from a dedicated industry platform Asia Garment Hub, developed in cooperation with German development agency GIZ.

Upcoming legislation

In 2020, the European Commission (EC) introduced an **EU strategy for sustainable and circular textiles** as part of the **Circular Economy Action Plan** (CEAP)[57] [58]. Within CEAP, the textile sector was identified among those requiring most improvement due to their significant resource use and waste, and the consequential environmental impact. The EU has made it clear that it envisions phasing out fast fashion and reducing textile waste by promoting re-use and repair services, as well as maximising recycling.

Based on the strategy set in CEAP, in July of 2024, the EU adopted **Eco-design for Sustainable Products Regulation** (ESPR)[59], which enables the setting of eco-design

54 EUR-Lex. Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs. Available at: https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32002R0006

55 BOIP. Community design (EU). Available at: https://www.boip.int/en/entrepreneurs/registration-maintenance/outside-benelux/community-design

56 EUIPN European Union Intellectual Property Network. DesignView. Available at: https://www.tmdn.org/tmdsview-web/#/dsview

57 European Commission. A new Circular Economy Action Plan For a cleaner and more competitive Europe. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN

58 European Commission. EU strategy for sustainable and circular textiles. Available at: https://environment.ec.europa.eu/strategy/textiles-strategy_en

59 European Commission. Ecodesign for Sustainable Products Regulation. Available at: https://commission.europa.eu/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/ecodesign-sustainable-products-regulation_en

requirements on specific product groups, including textiles. The aim is to improve product durability, reusability and reparability, increasing recycled content, enhancing energy and resource-efficiency, setting rules on carbon and environmental footprints, as well as improving access to information about a product's sustainability. However, ESPR is framework legislation, meaning that it only lays down the foundation for the subsequent development and adoption of specific rules.

Key areas where the EC will introduce upcoming legislation changes concerning the textile industry include:

- EU Ecolabel criteria (see Section 4.3: Standards and certifications).
- Textile labelling.
- Digital Product Passports.
- Waste collection and prevention.
- Destruction ban of unsold textile products;
- Regulation on forced labour.

Textile labelling

The first set of the new requirements for operators in the textile sector that European Commission (EC) is preparing to introduce, will appear in the revision of the **EU Textile Labelling Regulation**[60]. Textile Labelling Regulation was adopted back in 2011, mainly to regulate fiber names and related labelling requirements for textile products made available on the EU market. The updated version of the Regulation, however, is expected to have more comprehensive requirements for the labelling, including sustainability and circularity disclosures, to align with the ESPR. At the same time, it will also simplify some aspects for the operators, because there have been some overlapping of product labelling requirements on other issues, which will now be aligned. The updated version of the Regulation is expected to be released by Q1 of 2025.

A greater transparency will also be required by the upcoming **Directive on empowering consumers for the green transition**[61], which propositions to prohibit the use of uncertified sustainability labels and bans unsupported generic environmental claims (such as "environmentally friendly", "green", "ecological"), as well as **Directive on Green Claims**[62] , which has additional requirements on green claims communication in order to protect consumers from so called greenwashing.[63]

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[60] Official Journal of the European Union. Regulation (EU) No 1007/2011 of the European Parliament and of the Council on textile fibre names and related labelling and marking of the fibre composition of textile products. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32011R1007

[61] EUR-Lex. Directive (EU) 2024/825 of the European Parliament and of the Council of 28 February 2024 amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and through better information. Available at: https://eur-lex.europa.eu/eli/dir/2024/825/oj

[62] EUR-Lex. Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on substantiation and communication of explicit environmental claims (Green Claims Directive). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A0166%3AFIN

[63] European Commission. News, New legislation gives EU Ecolabel big thumbs up - good news for businesses and consumers. Available at: https://environment.ec.europa.eu/news/new-legislation-gives-eu-ecolabel-big-thumbs-2024-06-24_en

Digital Product Passports

Perhaps an even more significant development based on ESPR is the adoption and approval of rules on **Digital Product Passport** (DPP). Implementation of DPP is expected to improve the current information exchange practices and tools, especially in the context of circular economy, as it would make it easier to transition to circular systems and extend product lifespans.

DPP will essentially be a building block for circular-economy based information system, which will provide access to detailed, structured information about products, with key focus in the beginning on batteries, electronics and textiles. More importantly, the data included in a product's DPP will have to be kept up to date. DPP will allow access to information for all actors involved in the product lifecycle, such as consumers, operators responsible for product placement in the market and those involved in product repair, remanufacture or recycling, as well as authorities. DPP will be mandatory for all products placed on the EU market, regardless of their origin.[64] [65]

As for the implementation, DPP will connect the physical product with the digital place of its data (e.g. web address) via a persistent data carrier. For textile products, the data carrier is likely to be integrated with care labels, in the form of QR code, digital watermark, RFID or similar technologies. Although the final list of requirements for data to be stored in DPP for textile products is not yet finalised, it has currently been proposed to include information such as[66] [67]:

- A unique identifier (e.g. serial number on item level).
- Product description.
- Information about the brand.
- Product composition.
- Produced quantity of products with the same reference.
- Information on supply chain and logistics.
- Compliance documentation and certificates.
- Environmental and social impact.
- Circularity (e.g. recycled content, maintenance advice).
- Hazardous substances.
- Costs (e.g. of materials, production, transport).
- After-sales tracking data.

By January of 2026, European Commission (EC) will publish a delegated act on DPPs for textile and furniture, which is expected to enter into force in July of 2027. By July of 2026, the first simple DPPs are expected to be developed, as well as implemented and stored in European Comission's digital registry.

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64 CIRPASS. Available at: https://cirpassproject.eu

65 CIRPASS. Project results. Available at: https://cirpassproject.eu/project-results/

66 European Parliament. Digital product passport for the textile sector. Available at: https://www.europarl.europa.eu/RegData/etudes/STUD/2024/757808/EPRS_STU(2024)757808_EN.pdf

67 CIRPASS DPP. Stakeholder consultation on key-data. Available at: https://cirpassproject.eu/wp-content/uploads/2024/07/D2.3_Stakeholder_consultation_on_key_data_V1.1.pdf

Waste collection and prevention

EU's CEAP[68] [69] also makes significant commitments to reduce waste generation and strengthen waste prevention. Despite the existing legislation, such as the Waste Framework Directive (WFD)[70], textile waste volumes have increased. To tackle the issue, in 2023, the EC has proposed an amendment of the WFD with focus on textile waste.[71] [72] The proposal is to introduce extended producer responsibility (EPR) schemes, through which the costs for separate collection, sorting and recycling of textiles would be covered by the operators that make them available on the EU market. Under the proposal, the cost for the producers would be based on the circularity and environmental performance of their textile products.

The proposed extension of EPR schemes would go hand in hand with the requirement for EU member states to set up separate collection of textiles by January of 2025. And, after the proposed amendments to WFD will come into force, the EPR schemes will have to be established by member states within 18 months.

Ban on destruction of unsold textile products

Other EU plans as part of the CEAP[73] [74] and ESPR[75], include the accountability of manufacturers and retailers for the environmental impacts of their produced waste, especially unsold products. This has become a widespread environmental issue in particular due to the rapid growth of online sales. Within the adopted framework, for the first time in the EU, measures have been introduced to prevent the destruction of unsold products. For certain product groups, such as clothing and footwear, the destruction of unsold products will be prohibited.

The new measures will cover unsold products primarily intended for consumers, including returned products or products that have not been offered for sale. To incentivise operators, the measures will introduce transparency requirements for large and, eventually, medium-sized companies as well, to disclose annual information on unsold consumer products on their website and in management reports. This information should include the number and weight of products they discard, company's reasons for doing so, as well as measures taken planned to prevent the destruction of unsold consumer products.

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68 European Commission. A new Circular Economy Action Plan For a cleaner and more competitive Europe. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN

69 European Commission. EU strategy for sustainable and circular textiles. Available at: https://environment.ec.europa.eu/strategy/textiles-strategy_en

70 Official Journal of the European Union. Directive 2008/98/EC on waste. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008L0098

71 European Commission. Waste Framework Directive. Available at: https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en

72 European Commission. Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2008/98/EC on waste. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023PC0420&qid=1707729490112

73 European Commission. A new Circular Economy Action Plan For a cleaner and more competitive Europe. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN

74 European Commission. EU strategy for sustainable and circular textiles. Available at: https://environment.ec.europa.eu/strategy/textiles-strategy_en

75 Official Journal of the European Union. Regulation of the European Parliament and the Council establishing a framework for the setting of ecodesign requirements for sustainable products. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202401781

As a result of the prohibition and the transparency requirements, the large and medium-sized companies are likely to be compelled to improve their inventory management practices and develop new demand planning models which would be more precise in determining items and volumes that should be produced to meet the actual demand. For large companies, the new measures will come into effect in July of 2026, but for medium-sized companies – in July of 2030. Because the legislation does not cover small and micro-sized companies it is specifically emphasised that they cannot destroy unsold consumer products supplied to them for that purpose.

How is product destruction defined in the EU?

In EU's ESPR framework, the concept of destruction is defined not only as disposal, but also as other activities on the waste hierarchy, namely recycling and other recovery (except preparation for reuse, including refurbishment and remanufacturing).[76]

Forced Labour Regulation

In 2024, EU finalised the adoption of the **Forced Labour Regulation**[77] [78]. Under the Regulation, products made with forced labour at any stage of the production process cannot be placed on the EU market. The new legislation will cover all industries. Competent authorities in each EU member state will investigate potential violations, starting with larger apparel brands and retailers. These authorities will monitor the market, request information, and conduct investigations even outside the EU. Decisions on violations and product prohibitions will be public.

For textile producers outside the EU, the new legislation means ensuring no forced labor at any production stage and preparing for increased compliance and reporting burdens. Although most producers already undergo audits, the new regulation introduces higher pressure on brands and retailers, potentially leading to import bans if forced labor is found. Greater transparency and traceability requirements will be passed down to suppliers. The regulation will come into force 24 months after its official publication in the EU's Official Journal.

It should be noted, however, that currently the legislative framework is not fully matured yet, and **additional guidelines**[79] for companies regarding due diligence processes are expected to be prepared by EU institutions at a later stage, 18 months after the regulation will come into force. Because of this, as of now, different EU member states and even brands may interpret requirements differently. This issue has

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76 Official Journal of the European Union. Regulation of the European Parliament and the Council establishing a framework for the setting of ecodesign requirements for sustainable products. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202401781

77 European Commission, Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on prohibiting products made with forced labour on the Union market. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52022PC0453

78 European Council / Council of the European Union. Platform workers: Council adopts new rules to improve their working conditions. Available at: https://www.consilium.europa.eu/en/press/press-releases/2024/10/14/platform-workers-council-adopts-new-rules-to-improve-their-working-conditions/

79 As of 2024, companies are advised to follow the 2021 guidelines. European Union External Action, Guidance on due diligence for EU businesses to address the risk of forced labour in their operations and supply chains. Available at: https://circabc.europa.eu/rest/download/de3d9ab5-dca1-4037-aeb8-8704a379c67b

been highlighted also by the Swedish National Agency for Public Procurement (Upphandlingsmyndigheten)[80], back when the regulation was still in the proposal stages, as the Agency explained that currently there is a lack of corresponding legislation in Sweden. But, for now, to assist companies in evaluating the risk of forced labour and other human rights conditions, the Agency has developed a basic online guidance tool.[81]

How is forced labour defined in the EU?

EU uses a definition set by the International Labour Organisation (ILO), which describes forced labour as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered him or herself voluntarily".[82]

Standards and certifications

In addition to the legal requirements, there can also be additional requirements in practice, mostly to ensure transparency of compliance. For example, major buyers will often require certain certifications as proof of compliance, whereas smaller buyers might instead directly inquire on the origins of sourced materials across all supply chain. Other requirements might include corporate social responsibility standards to ensure human rights, fair working conditions and living wage, transparency/ traceability requirements regarding the origins of your materials and supply chain partners, as well as sustainability requirements (e.g. certain level of recycled materials, measurements of the environmental impact of the production, reduced carbon footprint).[83]

It should also be noted that the standard criteria is constantly evolving, usually by becoming more strict. For example, currently, European Commission (EC) is in the process of revising EU Ecolabel criteria for textile products, which will have even greater emphasis on physical durability, product maintenance and repairability.[84]

80 Upphandlingsmyndigheten, Förordning om förbud mot produkter som tillverkats genom tvångsarbete. Available at: https://www.regeringen.se/contentassets/c33e368362b74a6c977880b7030ff568/upphandlings-myndigheten.pdf

81 Upphandlingsmyndigheten, Identifiera hållbarhetsrisker i leveranskedjan. Available at: https://www.upphandlingsmyndigheten.se/riskanalyser/textil-och-skor/textil/

82 International Labour Convention, C029 - Forced Labour Convention, 1930 (No. 29), Article 2. Available at: https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029

83 CBI. What are the requirements for apparel to enter the European market? Available at: https://www.cbi.eu/market-information/apparel/buyer-requirements#what-additional-requirements-and-certifications-do-buyers-ask-for-in-the-apparel-sector

84 European Commission. Product Policy Bureau. Textile products. Available at: https://susproc.jrc.ec.europa.eu/product-bureau/product-groups/467/home

The most common focus areas and most often requested third-party certifications among major Swedish textiles brands are:[85] [86]

- **Environmental management** – ISO 14001 Standard on Environmental management systems, EU Ecolabel.
- **Product sustainability** – Global Organic Textile Standard (GOTS), Textile Exchange's Global Recycle Standard (GRS), Organic Content Standard (OCS), Recycled Claim Standard (RCS), Nordi Swan Ecolabel.
- **Social and ethical compliance** – Amfori BSCI, Sedex with SMETA audit, SA8000 by Social Accountability International, Workplace Conditions Assessment (WCA) by Intertek, Fair Labor Accreditation of Fair Labor Association, Worldwide Responsible Accredited Production (WRAP), ICS Audits.
- **Other specific areas** – Guidelines of International Council of Toy Industries.

Most of the major Swedish buyers also have their own Code of Conduct for suppliers, which might include other unique requirements. For example, the Code of Conduct by Lindex includes requirements on gender equality, in line with UN's Sustainable Development Goal 5.[87]

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85 H&M Group, Supply chain. Available at: https://hmgroup.com/sustainability/leading-the-change/transparency/supply-chain/

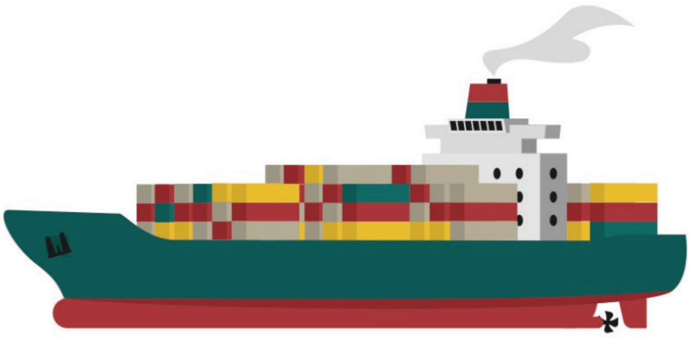
86 Ahlens. Sustainability Report 2023 – 2024. Available at: https://ahlens.a.bigcontent.io/v1/static/H%C3%A5llbarhetsrapport20232024

87 Lindex. Lindex Code of Conduct. Available at: https://about.lindex.com/files/documents/lindex-code-of-conduct-2019.pdf

Determine your logistics solution

Most of the textiles that Sweden imports from countries outside the EU are shipped by sea. In 2023, sea shipments were the chosen logistics solution for 78 per cent of imported textile raw materials in terms of weight, road shipments for 19 per cent, and air shipments only 3 per cent.[88] [89] One of the largest market players in Sweden, New Wave Group, for example, ships around 3,000 containers from Asia each year, most often by sea.[90] In general, the chosen shipment solution largely depends on the proximity of the trade partner, e.g. for imports from China, share of shipments by sea is 92 per cent, whereas for imports from Turkey, it is 49 per cent due to increased share of shipments by road. Overall, this tendency can be observed both for textile raw materials and produced goods.

Because of recent growth in logistics costs and sustainability requirements, the major brands continuously strive to optimise their logistics processes. This includes selecting efficient equipment, filling transport units to their maximum level to reduce the number of units required, choosing eco-friendly fuels, tracking and analysing data to measure greenhouse gas emissions[91] and find areas that can be improved, as well as increasing renewable electricity share for logistics service units, such as warehouses. Logistics services are often sub-contracted, but with the same requirements for cost-efficient and environmentally friendly operations.[92] [93]



88 Data on goods under HS Chapters 50–65

89 PRODCOM database, Extra-EU trade since 2002 by mode of transport, by HS2-4-6 (DS-059334). Available at: https://ec.europa.eu/eurostat/comext/newxtweb

90 New Wave Group, Sustainability Report 2023. Available at: https://www.nwg.se/globalassets/reports/arsredovisningar/en/2023/nwg__sustainability_2023_april_2_en_hq.pdf

91 For example, via databases like DNV's Clean Shipping Index. Available at: https://www.dnv.com/maritime/advisory/csi-clean-shipping-index/

92 H&M Group. Annual and Sustainability Report 2023. Available at: https://hmgroup.com/wp-content/uploads/2024/03/HM-Group-Annual-and-Sustainability-Report-2023.pdf

93 IKEA Sustainability Report 2023. Available at: https://www.ikea.com/global/en/images/IKEA_SUSTAINABILITY_Report_FY_23_20240125_1b190c008f.pdf

Find a business partner

Trade partner sourcing channels

Trade fairs continue to be one of the best places to meet potential buyers in the textiles industry. However, finding potential buyers outside trade fairs is also possible, since some major Swedish brands, for example, H&M and Lindex, put higher emphasis on fostering long-term direct supplier relationships[94]. You can use trade fair websites, browse through member listings of relevant industry organisations (see Table 8 in Appendix), online business databases such as Largestcompanies.com, or look to join networks on social media.

The large market players regularly onboard new suppliers and factories. If the buyer has already established purchasing offices in certain countries, such as China, then most often suppliers will be sourced though this office in the specific country[95]. However, only the largest market players have own purchasing offices, so, typically, new applicants are expected to apply through special digital application forms. After detailed review of the application, in case of a positive result, suppliers are also usually given access to supplier portals. Many of the large market players, such as H&M, IKEA and Hemtex, have published dedicated resources explaining their own onboarding process and requirements for potential suppliers (both existing and potential ones).[96] [97] [98] IKEA, for example, develops precise specifications for the products they want to purchase and sets a target price, and then accepts offers from manufacturers capable of meeting these criteria, thus mostly relying on direct supplier networks.[99]

Others market players, such as Lindex, also use public procurement systems, such as Kommers Procurement and Purchasing.[100] [101] For approaching medium-sized or smaller companies who typically do not have a dedicated application form for suppliers, a direct contact via an e-mail with a prepared custom offer and a follow-up via a telephone call may be the best option.

In any case, before approaching potential buyers, you should do thorough research on their profile, niche, operations structure, clients, partners and other details. In cases of approaching medium-sized or smaller companies, when direct contact will most likely be required, you should also pay attention to local communication etiquette. So, get a good understanding of the Swedish business culture in order to offer potential buyers the right products at the right time, in the right way. To start preparing, you can use Open Trade Gate Sweden's guide on Swedish business culture.

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94 Information gathered from interviews with H&M and Lindex representatives

95 Information gathered from interviews with H&M and Lindex representatives

96 H&M Group, Supply chain. Available at: https://hmgroup.com/sustainability/leading-the-change/transparency/supply-chain/

97 IKEA, Become an IKEA supplier. Available at: https://www.ikea.com/global/en/our-business/how-we-work/for-suppliers/

98 Hemtex. Supplier. Available at: www.kid.no/supplier

99 Information gathered from interview with an IKEA representative

100 Kommers Annons. Available at: https://www.kommersannons.se/ess/Default.aspx

101 Lindex Procurement. Available at: https://vendor.lindex.com/Info/Procurement.aspx

Trade fairs

While Sweden itself does not have the largest range of trade fairs, most market players tend to meet up at international events in other European countries[102], since the industry globally is quite interconnected and made up of actors across the whole world. In Europe, there are numerous such international trade fairs, such as Première Vision in France, Heimtextil in Germany and Copenhagen International Fashion Fair in Denmark. In Sweden, textile industry trade fairs are organised mainly by Stockholm Fashion District, and their events tend to have a more local or regional focus, such as Textile Days and Nordic Fabric Fair. An expanded list of both international and local events is gathered in Table 5.

However, because of the vast range of these trade fairs, it can sometimes be difficult to choose the right one for exhibition purposes. Some important aspects you should consider include:

- Who is visiting the trade fair? Which countries are represented? Which companies are participating? Is the trade fair also visited by your current and potential customers? What are common titles among visitors?
- Does the trade fair represent a certain niche, such as fast fashion, home textiles, sustainable business models, or others? Is there a preferred type of exhibitor?

This information can generally be found on the trade fair's website, which usually has plenty of information about previous year's visitors and exhibitors. Trade fair organisers are also very open to communicate with potential exhibitors, so do not hesitate to ask for additional information, such as profiles of previous year's visitors, in order to make a more informed decision.

Table 5. An overview of key events in the textile industry in Europe and Sweden

Event name	Focus	Number of exhibitors	Occurrence	Website
Europe				
FRANCE				
Première Vision	Wide range of products (yarn, textiles, accessories, clothing)	~1,300 (87% intl.)	Bi-annual (FEB and SEP)	www.premierevision.com
Who's Next	Wide range of brands (accessories, clothing)	~ 800–1,100 (59% intl.)	Bi-annual (JAN and SEP)	www.whosnext.com
Salon International de la Lingerie & Interfilière	Specialized range of products (lingerie, swimwear)	~ 300–350 (75% intl.)	Bi-annual (JAN and JUL)	www.saloninternationaldelalingerie.com
Texworld Apparel Sourcing	Wide range of brands (accessories, clothing)	~ 250–500 (100%)	Bi-annual (FEB and JUL)	www.texworld-paris.fr.messefrankfurt.com
TRANOÏ	Selected range of curated brands (clothing)	~ 50–130 (83% intl.)	Annual (JAN and MAR)	www.tranoi.com
ITALY				
Pitti Immagine Uomo	Wide range of men-targeted brands (accessories, clothing)	~ 700 (35% intl.)	Bi-annual (JAN and JUN)	www.uomo.pittimmagine.com
Milano Unica	Wide range of products (textiles, accessories, clothing)	~ 300–400 (22%)	Bi-annual (JAN and JUL)	www.milanounica.it

[102] Information gathered from interviews with representatives of IKEA, Lindex, H&M, Trend Tex, Y. Berger & CO, and Nevotex

White Milano	Wide range of brands (accessories, clothing)	~ 350 (50% intl.)	Bi-annual (FEB and SEP)	www.whiteshow.com
FILO Intl. Yarns Exhibition	Specialised range of products (yarn, textiles)	~ 120 (35% intl.)	Annual (SEP)	www.filo.it
Sposaitalia Collezioni	Specialised range of products (bridal gowns)	~ 120 (52% intl.)	Annual (APR)	www.sposaitaliacollezioni.fieramilano.it
Proposte Fair	Specialised range of products (furnishing fabrics)	~ 80 (63% intl.)	Annual (APR or MAY)	www.propostefair.it
GERMANY				
Heimtextil	Wide range of products (yarn, textiles, accessories, clothing)	~2,300 (94% intl.)	Annual (JAN)	www.heimtextil.messefrankfurt.com
Kind +Jugend	Wide range of kids-targeted brands (accessories, clothing, toys)	~ 1,000 (92% intl.)	Annual (SEP)	www.kindundjugend.com
Munich Fabric Start	Specialised range of products (textiles, accessories)	~ 900	Bi-annual (JAN and SEP)	www.munichfabricstart.com
OTHER COUNTRIES				
Copenhagen Intl. Fashion Fair (Denmark)	Selected range of curated brands (clothing)	~ 1,500	Bi-annual (JAN and AUG)	www.ciff.dk
Modefabriek (The Netherlands)	Wide range of women-targeted brands (accessories, clothing)	~400–800	Bi-annual (JAN and JUL)	www.modefabriek.nl
The London Textile Fair (United Kingdom)	Wide range of products (yarn, textiles, accessories, clothing	~ 500	Bi-annual (JAN and SEP)	www.thelondontextilefair.co.uk
Barcelona Textile Expo (Spain)	Wide range of products (yarn, textiles, accessories, clothing, furnishing fabrics)	~ 60 (15% intl.)	Annual (JAN)	www.barcelonatextileexpo.com
Stoffen Spektakel (BeNeLux countries)	Specialised range of products (textiles)	~40–80 (20% intl.)	Weekly (FEB to JUN)	www.stoffenspektakel.nl
SWEDEN				
Stockholm Fashion District	Wide range of products (textiles, accessories, clothing)	~ 700 (in events)	Monthly events, always open showrooms	www.stockholmfashiondistrict.se
Formex	Wide range of interior design products (furnishing fabrics, accessories, design items, gifts, delicacies, kids products)	~ 400	Bi-annual (JAN and AUG)	www.formex.se
Days of Trade	Wide range of interior design products (design products, furnishing fabrics)	n.a.	Annual (SEP or OCT)	www.tradepartnerssweden.se/en/venues/daysoftrade-en
Stockholm Furniture Fair	Wide range of Swedish interior design brands	~ 750	Annual (FEB)	www.stockholmfurniturefair.se
Stockholm Fashion Week	Showcase of Swedish designer clothing brands	n.a.	Annual (FEB)	www.asfb.se/sthlmfw
Stockholm Design Week	Showcase of Swedish designer interior design brands	n.a.	Annual (FEB)	www.stockholmdesignweek.com

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 and trends on the trade fair website. Check out Heimtextil and Première Vision for instance!

Buyers' preferences

Buyers of Swedish textile products brands have similar preferences to buyers from other European countries, with most looking for cost efficiency, quality, as well as compliance with transparency requirements, ethical and environmental goals.[103] But key drivers are largely the need to drive down costs on one side, and the need to become more ethical and sustainable on the other.

On one side, there is the need to continuously find ways to lower costs, which has resulted in preference for outsourcing production and sourcing of textile raw materials in countries such as China and Bangladesh. Most of the large and medium-sized brands have direct contact with their outsourced suppliers, with the larger brands usually having established local sourcing/production offices. While having such local offices inevitably leads to continued preference for sourcing from these specific countries, buyers themselves state that they are willing to cooperate with suppliers from other countries as well, provided they can ensure the same level of compliance and there are no significant geopolitical risks.[104] Smaller companies rarely have local presence, so they are more likely to use services of third-party agents, such as traders and importers.

On the other side, there is the pressure to ensure progress toward more sustainable purchasing practices, especially regarding environmental issues and carbon footprint, labour conditions and workers' wages, as well as keeping up the quality and safety of used materials. The pressure toward progress is perhaps higher for brands in Sweden than in other European countries, as Sweden is an industry leader with global market players like H&M Group and IKEA Sweden whose sourcing practices are often scrutinised. Accordingly, all the large market players have developed a set of requirements for their Tier 1 suppliers within these areas and they often either conduct their own audits or request third-party audit protocols from suppliers to ensure compliance with their standards. Lately, however, some medium-sized companies have abandoned these audits and have shifted toward self-audits provided by suppliers themselves, believing this approach reduces the administrative burden, and allows suppliers to identify areas for improvement themselves.

Other preferences, especially for buyers in certain niches, might include exclusivity requirements. For example, for Y. Berger & Co, a technical textile solutions provider, exclusivity is a key factor when selecting a producer, because for highly specialised technical textile products it is of high importance that the producer does not sell the same products to company's competitors or customers.[105]

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[103] Information gathered from interviews with representatives of IKEA, Lindex, H&M, Trend Tex, Y. Berger & CO, and Nevotex.

[104] Information gathered from interviews with representatives of IKEA, Lindex, H&M, Trend Tex, Y. Berger & CO, and Nevotex.

[105] Information gathered form an interview with representative of Y. Berger & CO.

Conclusions

Sweden presents a promising market opportunity for textile producers outside the EU, as it has been driven by consistent growth and demand over the past few years, despite global economic challenges and rising prices. However, entering this market requires understanding both the pressures of cost-efficiency and evolving ethical, environmental and sustainability priorities shaped by end-consumer expectations, evolving regulations and brands.

Most Swedish textile brands continue to rely heavily on outsourcing production to low-cost hubs such as Bangladesh and China. However, trade data suggests a growing interest in sourcing from closer, cost-effective alternatives like Turkey and Poland. This shift is driven by escalating logistics costs and the need to meet increasingly stringent carbon emission reduction targets, aligning with broader sustainability goals. Suppliers that can demonstrate logistical efficiency and eco-friendly practices, could likely gain competitive advantages.

Sustainability has become central to buyer decision-making in Sweden, particularly because of increasing regulatory requirements by the newly introduced EU's Circular Economy Action Plan. For suppliers outside the EU seeking to obtain partnerships, this means more resources will have to be allocated to become aware and align with all of the new requirements. In addition, buyers also expect suppliers to comply with their own Codes of Conduct, as well as provide voluntary certifications, such as ISO 14001, EU Ecolabel or GOTS.

For producers seeking to enter the Swedish market, key approaches to find and build relationships include participation in international trade fairs, such as Première Vision in France and Heimtextil in Germany, local industry events, taking advantage of online resources, as well as conducting thorough market research on potential buyers for successful direct outreach. By demonstrating knowledge of EU's regulatory frameworks, expertise in local market nuances, as well as commitment to ethical and environmental standards, producers have great opportunities to position themselves as reliable partners for Swedish brands.

In addition, general insights into European market has also been compiled by Open Trade Gate Sweden's partners and other organisations, 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, such as Fashion Design for International Markets.
- Asia Garment Hub's Factsheets on legal requirements for textile producers entering EU's market.