SOURCING JOURNAL

Jeans Imports Saw Clear Winners and Losers in 2020

By Arthur Friedman

Saitex's denim factory in Vietnam.

U.S. denim apparel imports declined nearly 25 percent to a value of $2.8 billion in 2020 compared to $3.73 billion the prior year, as the coronavirus pandemic severely curbed demand, according to the Office of Textiles and Apparel.

There were some clear winners and losers among the Top 10 suppliers of jeans and other denim clothing, with some patterns emerging amid the difficulties the year presented.

Those showing resiliency despite Covid and benefiting from the general flight from China were No. 1 supplier Bangladesh, which held its own to finish the year with shipments to the U.S. down 3.98 percent to $561.3 million and a 20 percent market share. The same was true of Vietnam, which ended the year with imports to the U.S. down 1.08 percent to $368.19 million.

Vertical manufacturing specialist Pakistan flattened the downward curve in the fourth quarter, finishing the year with a 2.8 percent decrease to $251.41 million in U.S. denim imports, 97 percent of which are jeans. Cambodia was the only country to post an increase for the year among the top suppliers, with an increase of 13.41 percent to a value of $143 million.

The only other Top 10 supplier that showed strength was Lesotho, with its shipments dipping 1.79 percent to $56.39 million. Other African countries that similarly receive duty-free benefits under the African Growth & Opportunity Act that continued to demonstrate potential as a denim sourcing alternative were Madagascar, with imports up 10.99 percent to $34.4 million; Ethiopia, gaining 21.37 percent to $22.99 million, and Tanzania, with a 5.48 percent increase to $13.85 million.

The biggest loser in 2020 was China, which saw its imports to the U.S. plummet 52.29 percent to $331.93 percent. Chinese mills were hit by the one-two punch of the tariff-driven trade war with the U.S. and the uncertainty and higher costs it brought, and factory closings early on in pandemic that combined to cause many brands and retailers to look elsewhere for their production.

Chip Bergh, president and CEO of Levi Strauss & Co., told analysts recently that the company's imports into the U.S. from China were now less than 1 percent, down from around 8 percent a few years ago.

"The supply chain team has done a great job mitigating any trade-related risks or other risks with imports from China," Bergh said.

No. 2 supplier Mexico also took a big hit, with 2020 shipments falling 41.54 percent to $469.12 million. Other Western Hemisphere manufacturing strongholds also had a difficult year. Imports from Nicaragua fell 23.14 percent to $100.69 million, while Colombia and Guatemala also has significant declines.

Rounding out the Top 10, imports from Egypt declined 39.08 percent to $105.83 million and shipments from Sri Lanka were down 18.38 percent to $50.26 million.