

EXECUTIVE SUMMARY

China is the world's largest swimwear exporter. The country accounts for about 40 percent of global supply. The country's 3,000 suppliers posted 95 percent sales growth in 2007, shipping out more than 435 million pieces at a value exceeding US\$1 billion.

Products are shipping to Europe, North America and Asia, mostly on an OEM basis. Among the major clients are Disney, Wal-Mart, Carrefour, Sears and Kohl's in the US, H&M in Sweden, Tesco and Woolworths in the UK, and Quelle in Germany.

While exports to North America, particularly to the US are growing slowly, shipments to emerging markets such as Russia are soaring.

The following are some of the key trends we see in China's swimwear industry:

- The US economic slowdown and the lifting of export quotas to the EU are pushing many companies to shift their concentration from the US to the EU, and even to the rest of Europe.
- The stronger value of the yuan against the US dollar, and higher material and labor costs are leading makers to raise export prices in the months ahead. But keen competition is limiting increases to 10 percent.
- The fast appreciation of the yuan is also pushing companies to implement different measures to minimize foreign exchange losses. This includes finalizing orders in currencies other than the US dollar and reducing the validity period of export prices.
- Suppliers are also investing in R&D and are purchasing more advanced equipment from Japan and the US.
- Makers are enhancing releases with the use of performance fabric, unique prints, beadwork and embroidery.

China makers can offer fashion and competition swimwear for men, women and children. The majority of suppliers specialize in women's lines, although there are companies that do focus on men's models. Very few makers concentrate on children's swimwear. More than 76 percent of the suppliers in this report focus on women's designs and one company devotes all export output to men's models.

The Products & Prices section details both current and upcoming trends for swimwear. The features and prices of each type are discussed according to low end, midrange and high end. This part of the report also presents the types of materials used and where they are sourced.