

Apparel

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In Brazil, Booming Economy Boosts Apparel Business

By [Texbrasil](#)

Thanks in large part to a booming explosion in the middle class, Brazil's domestic textile and apparel industry is thriving – but companies in the South American country face challenges in becoming international enterprises.

Today, the textile and apparel market accounts for 3.5 percent of Brazil's total GDP. The industry has swelled to include 30,000 companies that create 1.7 million direct jobs – 13.15 percent of the manufacturing industry's jobs, according to 2010 data from the **Brazilian Textile and Garment Industry Association (ABIT)**. Brazil remains the fifth-largest textile and apparel producer in the world, and, most significant, is a top performer in several segments in the chain. It's the second-largest producer of denim and ranks third in cotton fabric production.

But even though Brazil's textile industry has emerged from its infancy, there's plenty of room for development in both its domestic and export markets. "Proof of this industry's potential in Brazil is the leap in growth we saw in 2010. The industry had a memorable year with companies investing, growing, and creating more jobs," says ABIT president Aguinaldo Diniz Filho.

The BRIC leader

Brazil is noteworthy among the BRIC bloc of developing countries and is seeing a general increase in the purchasing power of Brazilians. Indeed, from 2003 to 2008, 20 million individuals moved up the social ladder. These upwardly mobile citizens are the bulk of the so-called new middle class and include families whose monthly income is between R\$1,115 and R\$4,807 (approximately US\$655 to US\$2,827). More than half of the country's population now falls into this income bracket — and another 36 million are expected to join the ranks by 2014.

The booming Brazilian economy and citizens' increased purchasing power have boosted domestic textile consumption — especially regarding cotton. In the past year alone, revenues for this industry grew by 9.24 percent, jumping from US\$47.6 billion in 2009 to US\$52 billion last year. Investments in the market grew by more than 100 percent; in 2010 investors poured in US\$2 billion, compared to US\$864 million the previous year.

