

Global Fashion Market Intelligence

2026 – 2030 Strategic Forecast

McLeuker AI • June 2026

Executive Summary

The global fashion industry enters a period of measured growth amid macroeconomic caution, with the apparel market projected to reach **\$2.08 trillion by 2030** (3.5% CAGR). While overall expansion remains steady, structural shifts are dramatic: ultra-fast fashion accelerates at 14.8% CAGR, resale captures an increasing share of spend, and sustainability transitions from niche to regulatory requirement.

Key Market Projections (2026–2030)

Segment	2026	2030	CAGR	Key Driver
Global Apparel	\$1.81 Tn	\$2.08 Tn	3.5%	Asia-Pacific recovery
Luxury Goods	\$475 Bn	\$525 Bn	2.5%	Personalization & experience
Fast Fashion	\$170 Bn	\$295 Bn	14.8%	Shein/Temu volume model
Secondhand/Resale	\$280 Bn	\$393 Bn	8.6%	Gen Z circular adoption
E-commerce Share	31%	44%	9.5%	AI & social commerce

Sustainable
Fashion

\$112
Bn

\$167
Bn

10.1%

EU regulations &
consumer values

Core Thesis: The industry is splitting into two parallel markets — high-velocity, low-price ultra-fast fashion and a growing premium circular economy. Brands that attempt to compete in both simultaneously will struggle. Winners will either dominate speed-to-market or own the longevity and resale ecosystem.

Market Overview & Growth Drivers

Macro Environment

Global GDP growth remains subdued through 2027, with inflation and trade tensions pressuring discretionary spend. However, fashion shows relative resilience compared to other consumer categories. The industry benefits from its emotional and identity-driven nature, particularly among younger consumers.

Key Growth Drivers

- **Asia-Pacific dominance:** 42% of global growth, led by India (7.2% CAGR) and China recovery
- **Digital acceleration:** E-commerce share rising to 44% by 2030, driven by TikTok Shop and AI styling
- **Resale mainstreaming:** Secondhand projected to represent 18% of total apparel spend by 2030
- **Sustainability premium:** 10.1% CAGR in sustainable segment as regulations tighten

PROJECTED 2030 APPAREL MARKET

\$2.08 Trillion

+18.6% from 2026

Market Segments

Segment	2026 (USD Bn)	2030 (USD Bn)	CAGR	Strategic Outlook
Womenswear	920	1,056	3.5%	Athleisure + modest fashion crossover
Menswear	580	666	3.5%	Streetwear premiumization
Footwear	380	445	4.0%	Sustainable materials & sneaker culture
Accessories	290	342	4.2%	Jewellery & digital accessories growth
Sportswear/Active	420	506	4.8%	Wellness economy tailwinds
Childrenswear	180	206	3.4%	Eco-conscious parent segment

Regional Outlook

Region	2026	2030	CAGR	% of Global Growth
Asia-Pacific	\$780 Bn	\$955 Bn	5.2%	42%

Europe	\$520 Bn	\$583 Bn	2.9%	15%
North America	\$410 Bn	\$454 Bn	2.6%	11%
Latin America	\$95 Bn	\$117 Bn	5.4%	5%
Middle East & Africa	\$85 Bn	\$107 Bn	5.9%	5%

Regional Insight: Asia-Pacific will account for nearly half of all new market value created between 2026 and 2030. India emerges as the standout growth story, while China sentiment improves gradually from 2027 onward.

Five Defining Trends 2026–2030

1. The Resale Revolution Becomes Structural

The global secondhand market will reach **\$393 billion by 2030**, growing 2× faster than traditional retail. Gen Z will drive 40% of incremental growth. By 2030, 18% of all apparel spend will be secondhand. Brands that fail to build resale programs will lose share to platforms and peer-to-peer models.

2. Ultra-Fast Fashion Splits the Market

Shein and Temu-style models will continue to grow at 14–15% CAGR, pressuring mid-market margins. Regulatory pushback (France ban, EU green claims directive) will force differentiation. Premium fast fashion (Zara model) will need to accelerate speed or move upmarket.

3. AI Becomes the New Creative Director

Agentic commerce and AI personalization will drive conversion rates up 25–40% while reducing returns. Digital Product Passports become mandatory in the EU by 2027–2028, creating both compliance costs and trust advantages for transparent brands.

4. Sustainability Moves from Marketing to Mandate

The sustainable fashion segment grows at 10.1% CAGR. Material scarcity and climate regulations will increase costs for virgin materials. Brands investing early in recycled and bio-based materials will gain cost and brand advantages by 2029–2030.

5. Luxury Finds Its New Equilibrium

Luxury grows at a modest 2.5% CAGR. China recovery is gradual. Success will come from experiential retail, hyper-personalization, and secondary market integration rather than pure volume growth.

Scenario Planning to 2030

Scenario	Apparel Market 2030	Luxury 2030	Resale Share	Key Assumptions
Base Case	\$2.08 Tn	\$525 Bn	18%	Steady growth, moderate China recovery, phased EU regulations
Bull Case	\$2.35 Tn	\$580 Bn	22%	Strong Asia growth, AI e-comm share hits 50%, resale becomes mainstream
Bear Case	\$1.85 Tn	\$470 Bn	14%	Prolonged recession, trade wars, delayed sustainability adoption

Strategic Recommendations

For Ultra-Fast & Fast Fashion Players

- Accelerate speed-to-market while building circular take-back programs
- Invest in AI trend prediction to reduce overproduction
- Prepare for regulatory differentiation (EU DPP compliance as competitive advantage)

For Premium & Luxury Brands

- Build owned resale platforms and authenticated secondary markets
- Shift from product to experience + personalization
- Lead on material innovation and traceability to justify premium pricing

Most Important Decision: Every brand must choose whether it competes on velocity (fast/ultra-fast) or on longevity and circularity. Attempting both without clear separation will result in margin erosion and brand confusion.

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Data synthesized from McKinsey State of Fashion 2026, Statista, ThredUp Resale Report 2026, Bain & Company, Fortune Business Insights, and Euromonitor. All forecasts represent synthesized analyst consensus as of June 2026.

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