



Monthly Newsletter

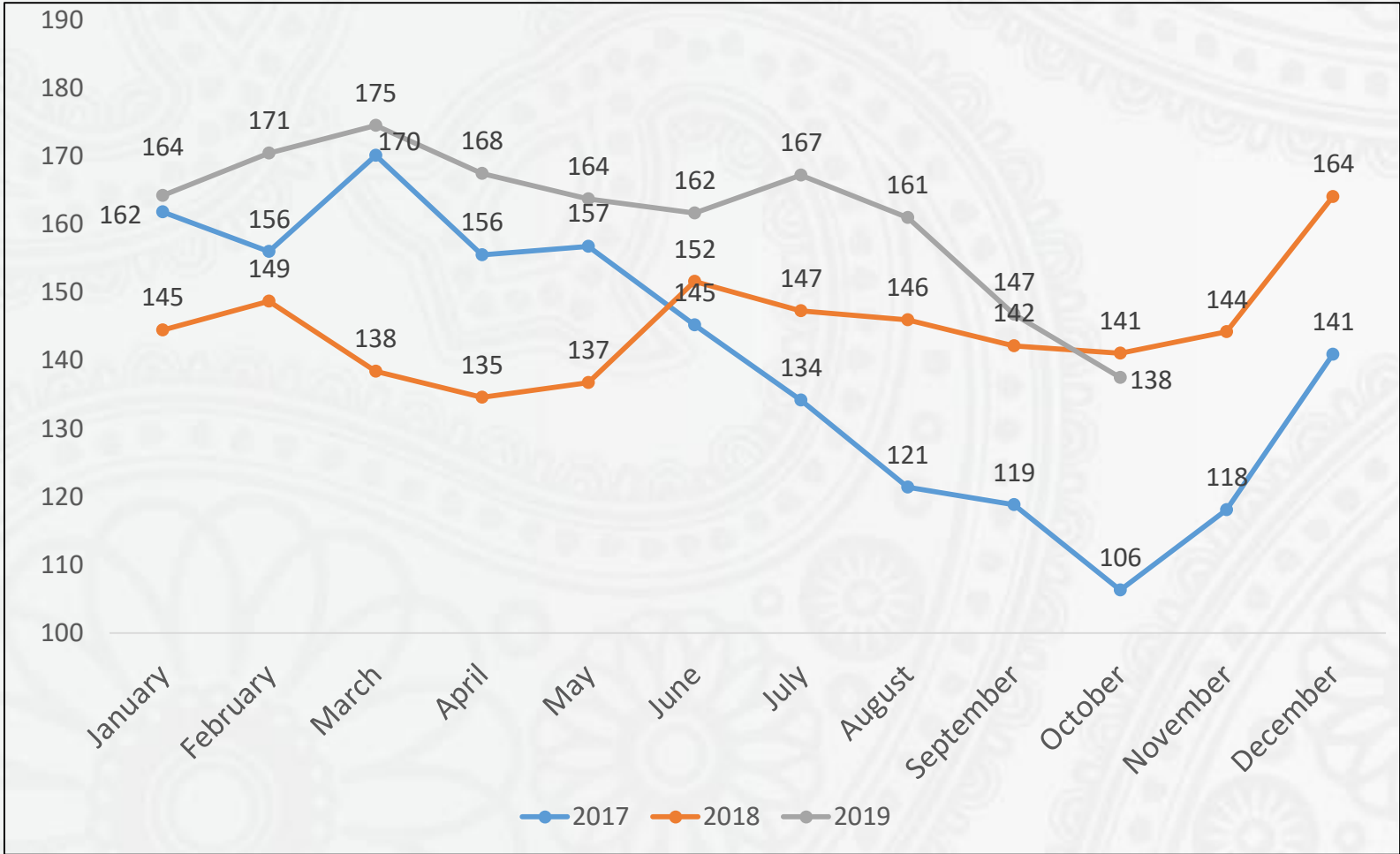
December 2019 Edition



- Executive Summary
- Apparel Index of Industrial Production (IIP) Update
- Apparel Consumer Price Index (CPI) Update
- Monthly Apparel Exports Update
- Country wise Apparel Exports Update
- Monthly Apparel Imports Update
- Country wise Apparel Imports Update
- Financial Health of Select Brands, Retailers and Manufacturers

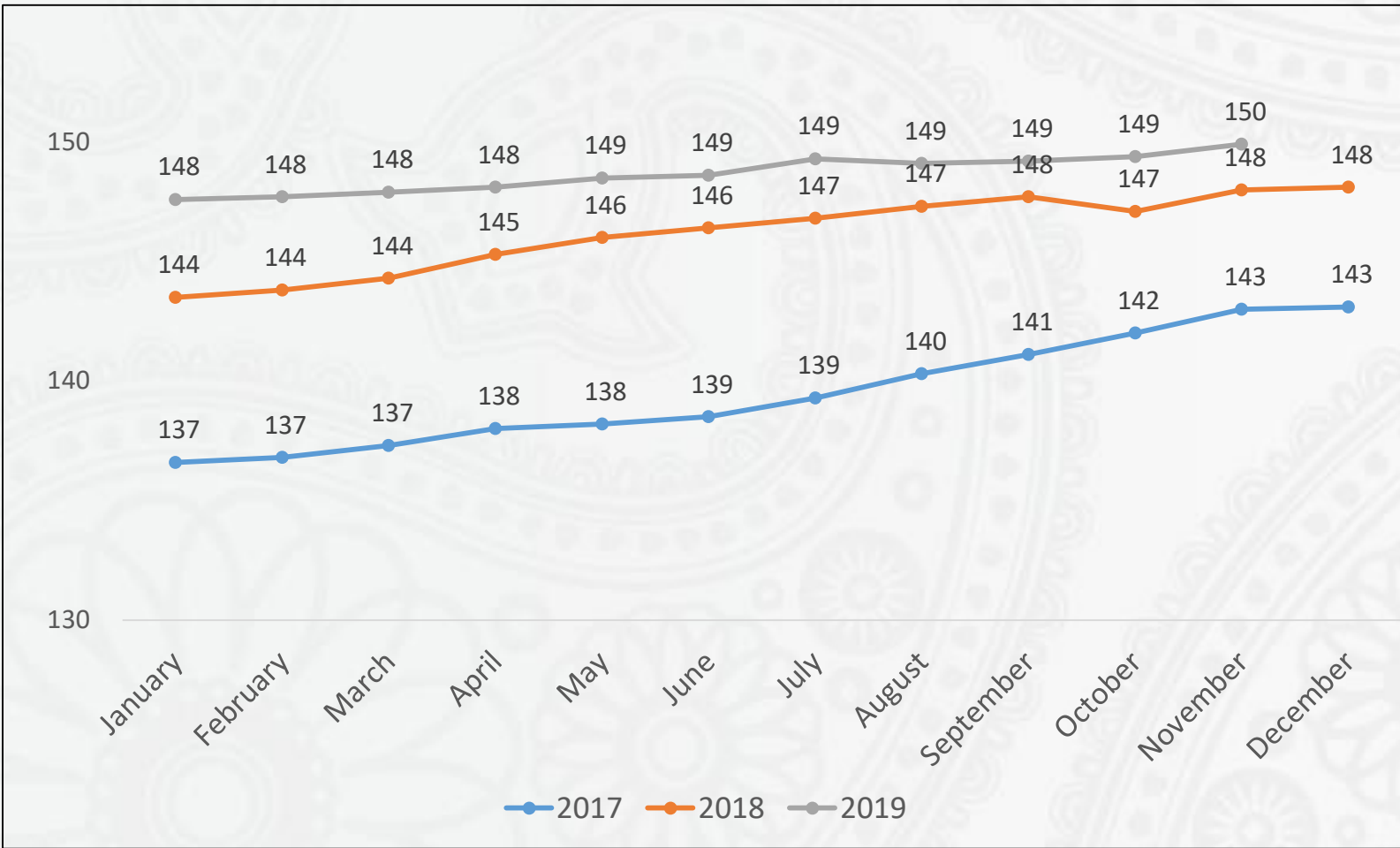
- The apparel IIP was valued at 138 in October 2019, recording a decline of 6% as compared to that in September 2019.
- With a value of 150, the apparel CPI has shown a minute increase in November 2019 after remaining stagnant for the past six months at a value of 149.
- The apparel exports in October 2019 stood at US\$ 1,109 million, showing an increase of 3% from that in September 2019 and 2% decrease from that in October 2018. The apparel exports to the largest market USA increased by 6%, while those to Saudi Arab and Nigeria increased by 49% and 81%, respectively. However, the apparel exports to other major markets declined.
- The apparel imports in October 2019 stood at US\$ 112 million, which is 2% higher than that in October 2018 but 4% lower than that in September 2019. Apparel imports from Bangladesh, the largest apparel exporter to India, has increased by 15% in Apr-Oct 2019 as compared to that in Apr-Oct 2018. India's imports from China and Hong Kong have also increased.
- Analysis of financial filings of select apparel manufacturers and fashion brands & retailers for Q2 FY 2020 over Q2 FY 2019 highlights the following:
 - Most of the companies have shown an increase in their operating revenue
 - The fashion brands & retailers have shown an improvement in their Operating Profit Margin (OPM) with V2 Retail's OPM showing a significant improvement from -18.1% in Q2 FY 2019 to 2.5% in Q2 FY 2020.
 - Majority of the apparel manufacturers have shown a decline in their OPM. However, Celebrity Fashion has shown a significant improvement in its OPM from 4.5% in Q2 FY 2019 to 32.4% in Q2 FY 2020.

Apparel Index of Industrial Production (IIP) Update



- The apparel IIP was valued at 138 in October 2019, recording a decline of 6% as compared to that in September 2019.
- The apparel IIP in October has recorded the lowest value in FY20 till date.

Apparel Consumer Price Index (CPI) Update



- The apparel CPI has shown a minute increase in November 2019 after remaining stagnant for the past six months.
- As compared to November 2018, the apparel CPI showed an increase of 1% in November 2019.

Monthly Apparel Exports Update

In US\$ Million	FY 2019	FY 2020	YoY Change	MoM Change
Apr	1,352	1,409	4%	-18%
May	1,339	1,530	14%	9%
June	1,359	1,233	-9%	-19%
July	1,275	1,366	7%	11%
August	1,293	1,262	-2%	-8%
September	1,105	1,081	-2%	-14%
October	1,132	1,109	-2%	3%
YTD	8,856	8,989	2%	
Provisional Data for Latest Month				
November	1,131	1,059	-6%	-5%

- The apparel exports in October 2019 stood at US\$ 1,109 million, showing an **increase of 3%** from that in September 2019.
- As compared to October 2018, the apparel exports **decreased by 2%** in October 2019.
- The provisional data for November 2019 indicates a **decrease of 6%** on YoY basis and a **decrease of 5%** on MoM basis.

Country wise Apparel Exports Update

In US\$ Million	FY19 (Apr-Oct)	FY20 (Apr-Oct)	Change	% Growth
USA	2,287	2,429	142	6%
UAE	1,097	992	-105	-10%
UK	905	900	-5	-1%
Germany	643	532	-111	-17%
Spain	433	421	-12	-3%
France	389	362	-27	-7%
Saudi Arab	203	302	99	49%
Netherland	255	234	-21	-8%
Italy	202	181	-21	-10%
Nigeria	97	176	79	81%
Others	2,345	2,460	115	5%
Total	8,856	8,989	157	2%

- The apparel exports to the largest market USA **increased by 6%** in Apr-Oct 2019 as compared to that in Apr-Oct 2018.
- The apparel exports to Saudi Arab and Nigeria also increased by 49% and 81%, respectively during the same period.
- However, the apparel exports to other major markets **declined**, specially to Germany.

Monthly Apparel Imports Update

In US\$ Million	FY 2019	FY 2020	YoY Change	MoM Change
Apr	56	68	21%	-22%
May	67	85	27%	25%
June	73	78	7%	-9%
July	101	109	8%	40%
August	131	127	-3%	16%
September	113	117	4%	-7%
October	110	112	2%	-4%
YTD	651	697	7%	
Provisional Data for Latest Month				
November	94	104	11%	-7%

- The apparel imports in October 2019 stood at US\$ 112 million as compared to US\$ 110 million in October 2018.
- The apparel imports in October 2019 showed an **increase of 2%** as compared to that in October 2018, while a **decrease of 4%** as compared to that in September 2019.
- The provisional data for November indicates a **growth of 11%** on YoY basis and a **decline of 7%** on MoM basis.

Country wise Apparel Imports Update

In US\$ Million	FY19 (Apr-Oct)	FY20 (Apr-Oct)	Change	% Growth
Bangladesh	204	235	31	15%
China	197	213	16	8%
Spain	57	55	-2	-4%
Hong Kong	26	40	14	54%
Sri Lanka	49	31	-18	-37%
Vietnam	16	24	7	44%
Cambodia	11	12	1	2%
Italy	11	12	1	2%
Turkey	10	9	-1	-12%
Indonesia	6	8	2	32%
Others	63	60	-3	-5%
Total	651	697	46	7%

- Apparel imports from Bangladesh, the largest apparel exporter to India, has **increased by 15%** in Apr-Oct 2019 as compared to that in Apr-Oct 2018.
- India has also reported **an increase** in its apparel imports from China and Hong Kong.
- India's apparel imports from Sri Lanka have **declined by 37%**.

Financial Health of Select Brands, Retailers and Manufacturers

	Company	Revenue from Operations (Rs. Crores)						Operating Profit Margin					
		FY 2019	Q2 FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020	Q4 FY 2020	FY 2019	Q2 FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020	Q4 FY 2020
Fashion & Lifestyle Brands and Retailers	Aditya Birla Fashion & Lifestyle	8,118	2,007	2,065	2,297			5.3%	5.6%	11.5%	11.2%		
	Future Lifestyle Fashions	5,377	1,222	1,496	1,458			7.4%	6.9%	12.9%	12.1%		
	Shoppers Stop	3,481	864	832	845			7.4%	6.2%	11.1%	12.8%		
	Trent	2,532	616	767	818			9.3%	9.9%	18.3%	14.2%		
	V-Mart Retail	1,434	262	453	314			8.9%	-1.1%	10.6%	-0.2%		
	V2 Retail	748	156	202	151			3.9%	-18.1%	10.1%	2.5%		
Apparel Manufacturers	Page Industries	2,852	691	835	775			22.3%	21.6%	22.0%	18.9%		
	Gokaldas Export	1,173	294	341	362			3.8%	1.8%	14.1%	4.6%		
	Pearl Global	840	215	191	229			5.3%	2.2%	5.5%	2.7%		
	SP Apparels	778	177	205	233			16.4%	14.3%	8.2%	12.7%		
	Kitex Garments	607	168	146	196			26.0%	28.7%	20.6%	25.6%		
	Kamadgiri Fashion Limited	319	83	69	87			3.7%	3.8%	1.8%	2.3%		
	Celebrity Fashion	231	58	52	61			3.9%	4.5%	2.9%	32.4%		
	Bang Overseas	154	48	22	25			2.7%	6.6%	38.2%	-0.4%		



Thank you!