



# Monthly Newsletter

May 2019 Edition

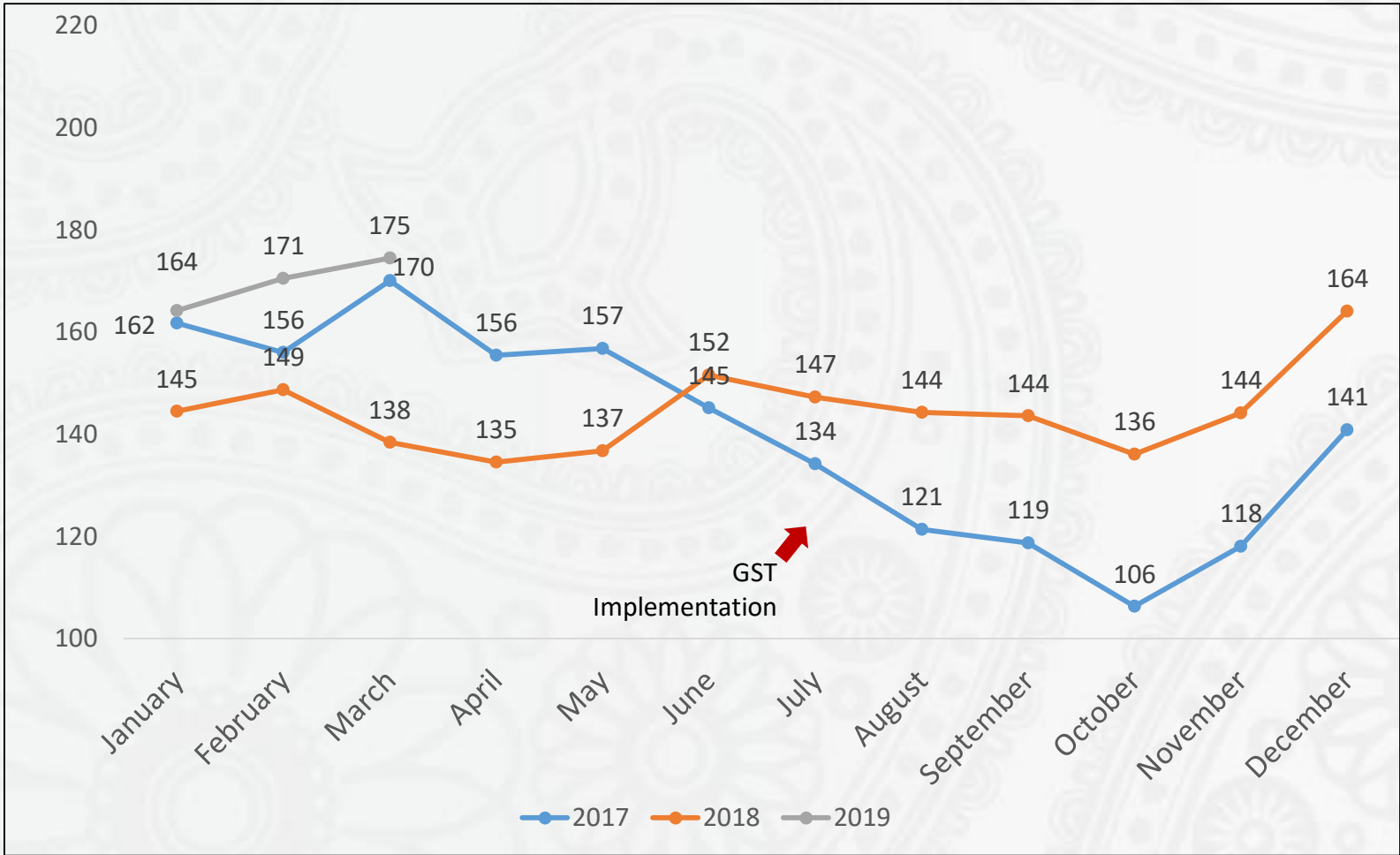


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- The apparel IIP was 175 in March 2019, which was 2% higher than February 2019. The index has continuously grown from a value of 136 in October 2018.
- The apparel CPI in April 2019 was 148, which is same for last 6 months, indicating that the prices have remained stagnant.
- Excluding UAE, the apparel exports have posted a growth of 2% in FY 2019 as compared to FY 2018. The apparel exports have declined to majority of the countries among the top 10 markets. However, the exports to largest market, USA registered 8% growth.
- The apparel imports in FY 2019 stood at US\$ 1,106 million which is 43% higher than that in FY 2018. Imports from Bangladesh, the largest apparel exporter to India, has increased by 82% in FY 2019 as compared to FY 2018.
- As per the financial filings for Q4 FY 2019, select fashion brands & retailers have shown a decline in their operating profit margins as compared to Q3 FY 2019.
- Analysis of financial fillings for FY 2019 over FY 2018 highlights the following:
  - Shoppers Stop has shown a phenomenal growth with an operating profit margin of 7.4% in FY 2019 as compared to 3.7% in FY 2018.
  - Majority of analyzed garment manufacturing companies reported growth in their operating profit margins with Page Industries and Kitex Garments registering operating profit margins higher than 20%.

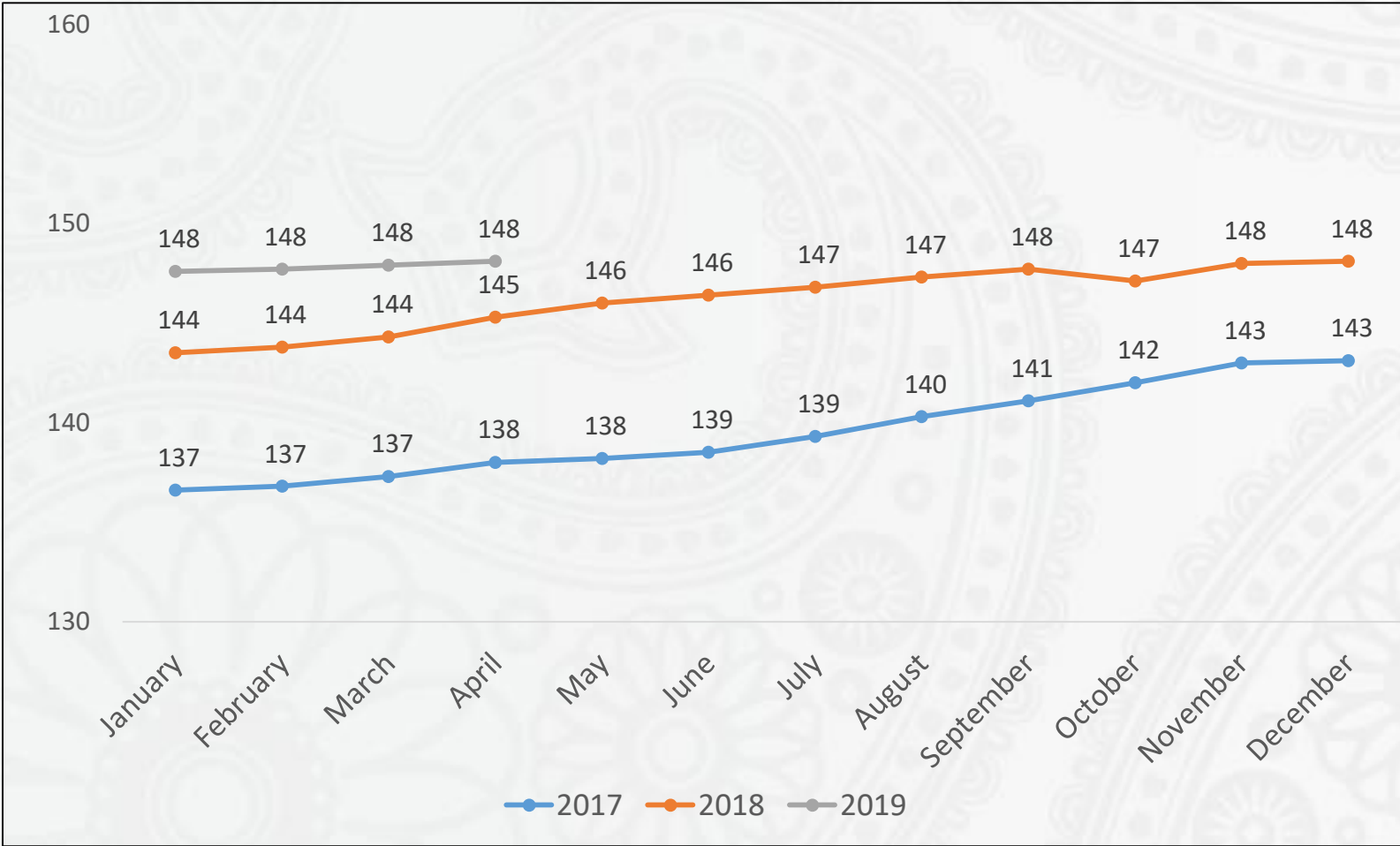


# Apparel Index of Industrial Production (IIP) Update



- The apparel IIP showed an increase in Mar. 2019 for the second consecutive month. With a value of 175, the apparel IIP was 2% higher than Feb. 2019.
- The index indicates continuous **growth in apparel manufacturing** since October 2018.

# Apparel Consumer Price Index (CPI) Update



- The apparel CPI in April 2019 was 148, which is same for last 6 months, indicating that the prices have remained stagnant.

- As compared to Apr. 2018 the apparel CPI increased by 2%.

# Monthly Apparel Exports Update

In US\$ Million	FY 2018	FY 2019	YoY Change	MoM Change
Apr	1,750	1,352	-23%	-9%
May	1,607	1,339	-17%	-1%
Jun	1,550	1,359	-12%	1%
Jul	1,276	1,275	0%	-6%
Aug	1,338	1,293	-3%	1%
Sep	1,663	1,105	-34%	-15%
Oct	830	1,132	36%	2%
Nov	1,037	1,131	9%	0%
Dec	1,337	1,377	3%	22%
Jan	1,397	1,528	9%	11%
Feb	1,442	1,546	7%	1%
March	1,492	1,718	15%	11%
<b>YTD</b>	<b>16,721</b>	<b>16,155</b>	<b>-3%</b>	
<b>Provisional Data for Latest Month</b>				
April (FY 2020)	1,350	1,410	4%	

- The apparel exports in March 2019 stood at US\$ 1,718 million, showing a whopping **jump of 11%** from Feb. 2019.
- Apparel exports have been showing a positive growth on YoY basis since October 2018 and the **YoY growth in March 2019 was 15%**.
- However, the overall exports in FY 2019 are **3% lower** than that in FY 2018.
- Based on quick estimate data for April 2019, the apparel exports in FY 2019 were **4% higher** than FY 2018.

# Country wise Apparel Exports Update

In US\$ Million	FY 2018	FY 2019	Change	% Growth
USA	3,865	4,166	301	8%
UK	1,718	1,606	-113	-7%
Germany	1,179	1,144	-35	-3%
Spain	845	776	-69	-8%
France	764	738	-26	-3%
Netherlands	450	472	22	5%
Italy	396	416	21	5%
Saudi Arabia	413	409	-4	-1%
Canada	232	237	5	2%
Others	4,042	4,201	159	4%
<b>Total (without UAE)</b>	<b>13,903</b>	<b>14,164</b>	<b>261</b>	<b>2%</b>
UAE	2,817	1,991	-826	-29%
<b>Total</b>	<b>16,721</b>	<b>16,155</b>	<b>-565</b>	<b>-3%</b>

- Excluding UAE, the apparel exports have posted a **growth of 2% in FY 2019** as compared to FY 2018.
- The apparel exports have declined to majority of the countries among the top 10 markets.
- However, the **exports to largest market, USA registered 8% growth.**
- Exports to UAE witnessed a significant decline worth US\$ 826 million (29% lower) in FY 2019 as compared to FY 2018.



# Monthly Apparel Imports Update

In US\$ Million	FY 2018	FY 2019	YoY Change	MoM Change
Apr	44	56	25%	-31%
May	45	67	50%	21%
Jun	50	73	45%	9%
Jul	56	101	81%	38%
Aug	79	131	66%	30%
Sep	73	113	55%	-14%
Oct	64	110	71%	-3%
Nov	62	94	51%	-14%
Dec	73	86	18%	-9%
Jan	72	101	42%	18%
Feb	74	87	17%	-15%
Mar	81	87	8%	0%
<b>YTD</b>	<b>773</b>	<b>1,106</b>	<b>43%</b>	

- The apparel imports in FY 2019 stood at US\$ 1,106 million which is **43% higher** than that in FY 2018.
- However, there was no growth in apparel imports in March 2019 as compared to the previous month.



# Country wise Apparel Imports Update

In US\$ Million	FY 2018	FY 2019	Change	% Growth
Bangladesh	201	365	164	82%
China	295	302	7	2%
Spain	76	100	25	32%
Sri Lanka	40	85	45	115%
Hong Kong	17	49	32	184%
Vietnam	22	30	8	36%
Italy	20	21	1	7%
Cambodia	16	21	5	31%
Turkey	16	19	3	18%
UK	7	13	6	89%
Others	63	100	37	60%
<b>Total</b>	<b>773</b>	<b>1,106</b>	<b>333</b>	<b>43%</b>

- Imports from Bangladesh, the largest apparel exporter to India, has **increased by 82%** in FY 2019 as compared to FY 2018.
- Imports from Sri Lanka and Hong Kong have also more than doubled in FY 2019 as compared to FY 2018.

# Financial Health of Select Brands, Retailers and Manufacturers

	Company	Revenue from Operations (Rs. Crores)						Operating Profit Margin					
		FY 2018	FY 2019	Q1 FY 2019	Q2 FY 2019	Q3 FY 2019	Q4 FY 2019	FY 2018	FY 2019	Q1 FY 2019	Q2 FY 2019	Q3 FY 2019	Q4 FY 2019
Fashion & Lifestyle Brands and Retailers	Aditya Birla Fashion & Lifestyle	7,181	8,118	1,914	2,007	2,282	1,915	4.6%	5.3%	4.1%	5.6%	6.1%	5.4%
	Future Lifestyle Fashions	4,219	5,377	1,268	1,222	1,616	1,271	7.2%	7.4%	6.9%	6.9%	8.3%	7.0%
	Shoppers Stop	3,591	3,481	827	865	999	791	3.9%	7.4%	5.5%	6.2%	9.7%	7.8%
	Trent	2,066	2,532	591	616	656	669	10.3%	9.3%	11.7%	10.0%	11.2%	4.8%
	V-Mart Retail	1,222	1,434	361	262	466	345	11.1%	8.9%	12.2%	-1.2%	15.9%	3.6%
	V2 Retail	559	748	188	156	241	164	9.7%	3.9%	11.0%	-18.1%	13.0%	3.5%
Apparel Manufacturers	Page Industries	2,552	2,852	815	691	738	608	21.4%	22.3%	23.6%	21.7%	23.1%	20.4%
	Gokaldas Export	1,026	1,173	285	294	266	326	-1.2%	3.8%	2.8%	1.9%	4.7%	5.3%
	Pearl Global	711	840	175	216	188	262	2.8%	5.3%	0.9%	2.3%	11.4%	6.5%
	S P Apparels	628	778	176	178	211	213	14.6%	16.4%	13.9%	14.3%	20.1%	16.7%
	Kitex Garments	557	607	123	168	136	180	23.5%	26.0%	29.9%	28.8%	20.7%	24.6%
	Kamadgiri Fashion Limited	332	319	67	83	81	87	4.5%	3.7%	2.4%	3.9%	3.4%	4.9%
	Celebrity Fashion	204	231	47	58	40	86	3.0%	3.9%	0.6%	4.5%	7.2%	3.8%
	E-Land Apparel	184	172	43	38	44	47	-41.6%	-23.0%	-24.6%	-22.2%	-30.6%	-14.9%
	Bang Overseas	169		46	48	28		3.5%		0.6%	6.7%	2.8%	



Thank you!