



Monthly Newsletter

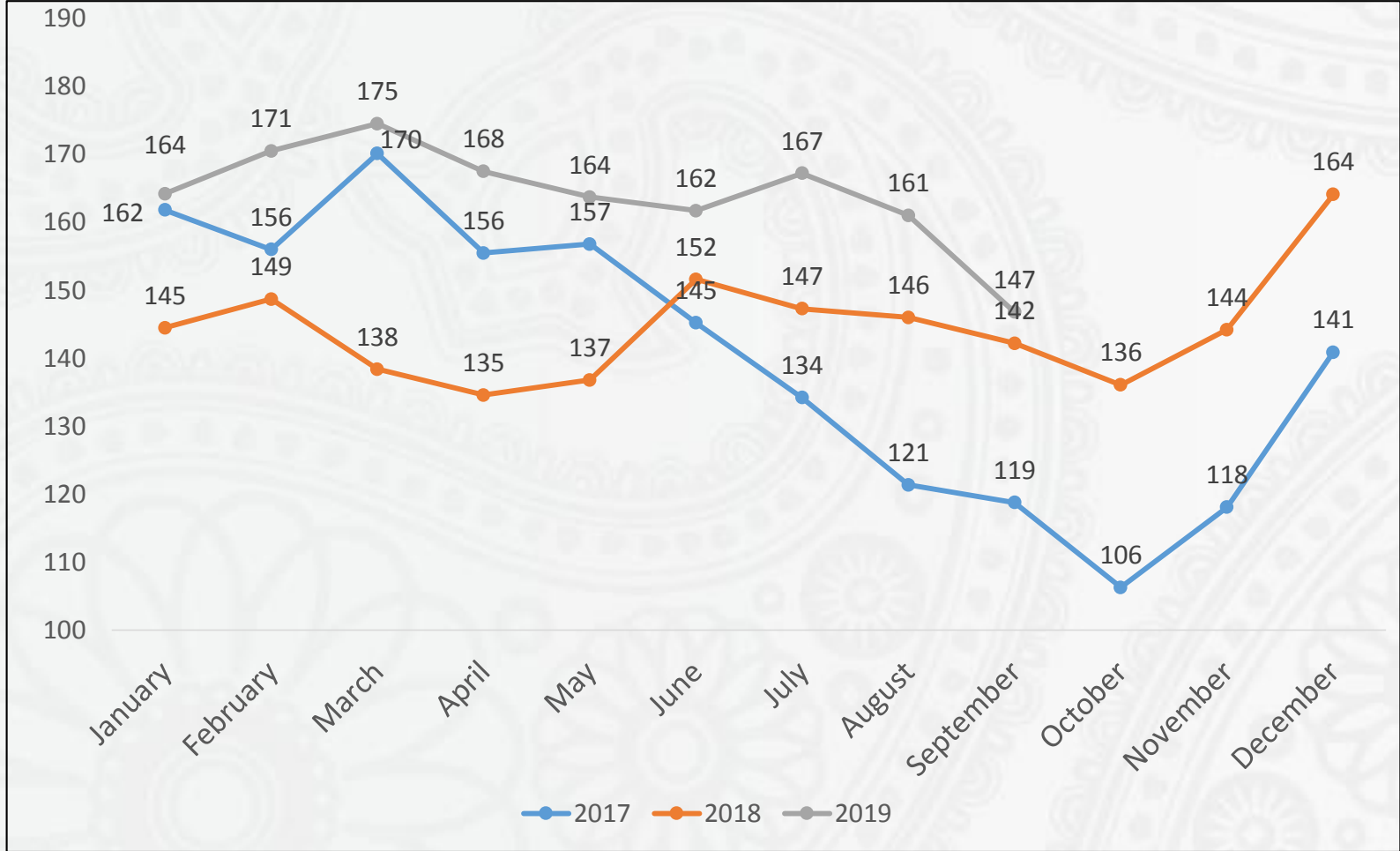
November 2019 Edition



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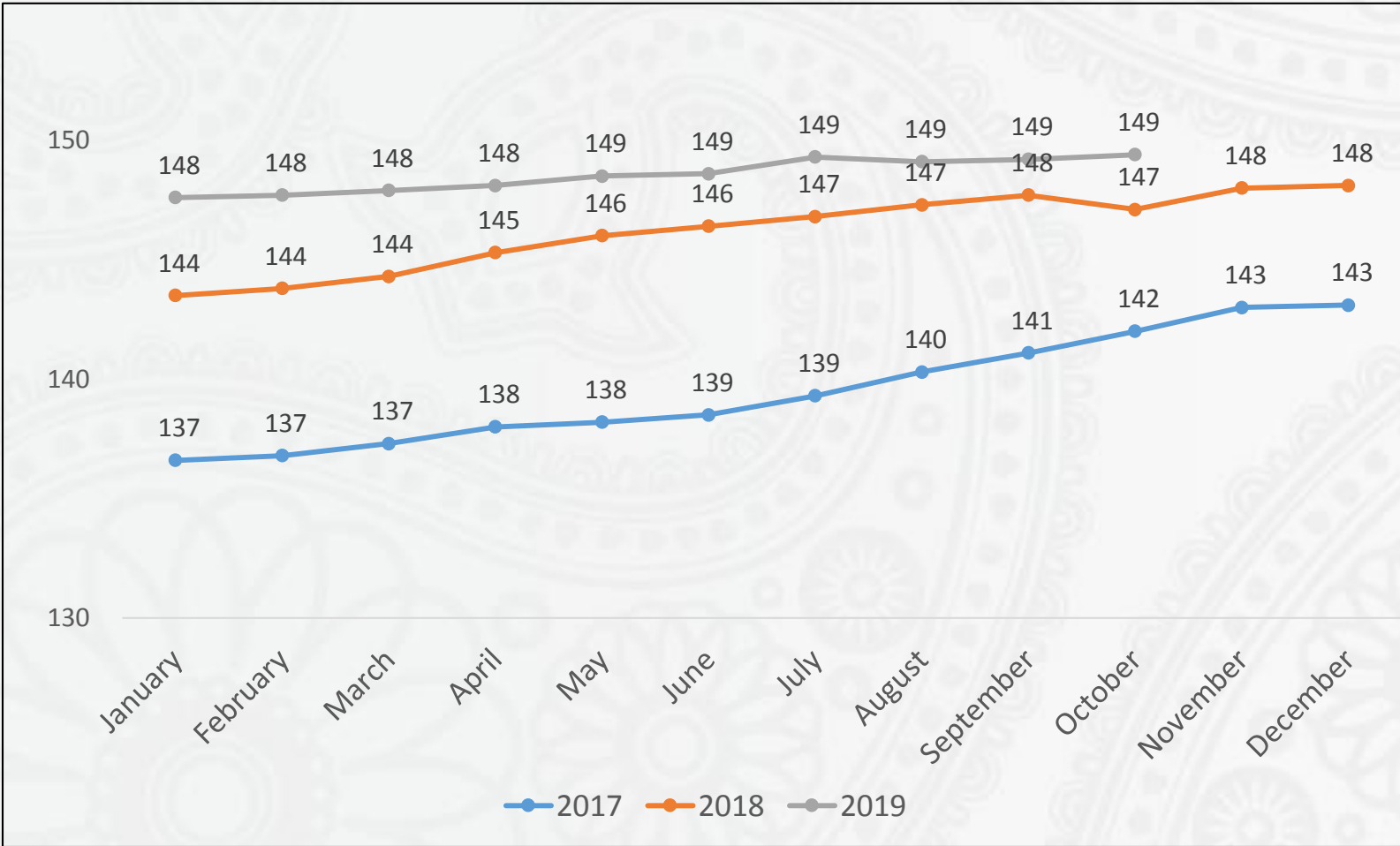
- The apparel IIP was valued at 147 in September 2019, recording a sudden decline of 9% as compared to that in August 2019.
- The apparel CPI has remained constant for the past six months at a value of 149.
- The apparel exports in September 2019 stood at US\$ 1,081 million, showing a decrease of 14% from that in August 2019 and 2% decrease from that in September 2018. The apparel exports to the largest market USA increased, however, the apparel exports to other major markets declined. The provisional data for October 2019 indicates 3% growth as compared to September 2019.
- The apparel imports in September 2019 stood at US\$ 117 million, which is 4% higher than that in September 2018 but 7% lower than that in August 2019. Apparel imports from Bangladesh, the largest apparel exporter to India, has increased by 20% in Apr-Sep 2019 as compared to that in Apr-Sep 2018. India's imports from China, Hong Kong, Vietnam, etc. 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 147 in September 2019, recording a sudden decline of 9% as compared to that in August 2019.
- The apparel IIP in September was lowest in the first two quarters of FY 20.

Apparel Consumer Price Index (CPI) Update



- The apparel CPI has remained constant for the past six months at a value of 149.
- As compared to October 2018, the apparel CPI showed an increase of 2% in October 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% |
| YTD | 7,723 | 7,880 | 2% | |
| Provisional Data for Latest Month | | | | |
| October | 1,132 | 1,109 | -2% | 3% |

- The apparel exports in September 2019 stood at US\$ 1,081 million, showing a **decrease of 14%** from that in August 2019.
- As compared to September 2018, the apparel exports **decreased by 2%** in September 2019.
- The provisional data for October 2019 indicates an **increase of 3%** on MoM basis and a **decrease of 2%** on YoY basis.

Country wise Apparel Exports Update

| In US\$ Million | FY19 (Apr-Sep) | FY20 (Apr-Sep) | Change | % Growth |
|-----------------|----------------|----------------|------------|-----------|
| USA | 2,010 | 2,120 | 111 | 6% |
| UAE | 928 | 881 | -47 | -5% |
| UK | 798 | 786 | -12 | -1% |
| Germany | 571 | 471 | -100 | -17% |
| Spain | 389 | 376 | -13 | -3% |
| France | 337 | 318 | -20 | -6% |
| Netherland | 224 | 208 | -17 | -7% |
| Saudi Arab | 176 | 262 | 86 | 49% |
| Italy | 170 | 160 | -10 | -6% |
| Canada | 119 | 111 | -9 | -7% |
| Others | 2,000 | 2,187 | 187 | 9% |
| Total | 7,723 | 7,880 | 157 | 2% |

- The apparel exports to the largest market USA **increased by 6%** in Apr-Sep 2019 as compared to that in Apr-Sep 2018.
- The apparel exports to Saudi Arab also increased by 49% 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% |
| YTD | 541 | 585 | 8% | |
| Provisional Data for Latest Month | | | | |
| October | 110 | 112 | 2% | -4% |

- The apparel imports in September 2019 stood at US\$ 117 million as compared to US\$ 113 million in September 2018.
- The apparel imports in September 2019 showed an **increase of 4%** as compared to that in September 2018, while a **decrease of 7%** as compared to that in August 2019.
- The provisional data for October 2019 indicates a **growth of 2%** on YoY basis and a **decline of 4%** on MoM basis.

Country wise Apparel Imports Update

| In US\$ Million | FY19 (Apr-Sep) | FY20 (Apr-Sep) | Change | % Growth |
|-----------------|----------------|----------------|-----------|-----------|
| Bangladesh | 166 | 199 | 33 | 20% |
| China | 165 | 176 | 11 | 7% |
| Spain | 48 | 45 | -2 | -5% |
| Hong Kong | 22 | 34 | 12 | 55% |
| Sri Lanka | 41 | 26 | -14 | -36% |
| Vietnam | 15 | 19 | 4 | 29% |
| Cambodia | 10 | 10 | 0 | -1% |
| Italy | 8 | 10 | 1 | 15% |
| Turkey | 9 | 8 | -1 | -11% |
| Indonesia | 5 | 7 | 2 | 29% |
| Others | 53 | 52 | -2 | -3% |
| Total | 541 | 585 | 44 | 8% |

- Apparel imports from Bangladesh, the largest apparel exporter to India, has **increased by 20%** in Apr-Sep 2019 as compared to that in Apr-Sep 2018.
- India has also reported an **increase** in its apparel imports from other nations such as China, Hong Kong, Vietnam, etc., however, the increment in value terms is low.
- India's apparel imports from Sri Lanka has shown a significant **decline of 36%**.

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!