



# Monthly Newsletter

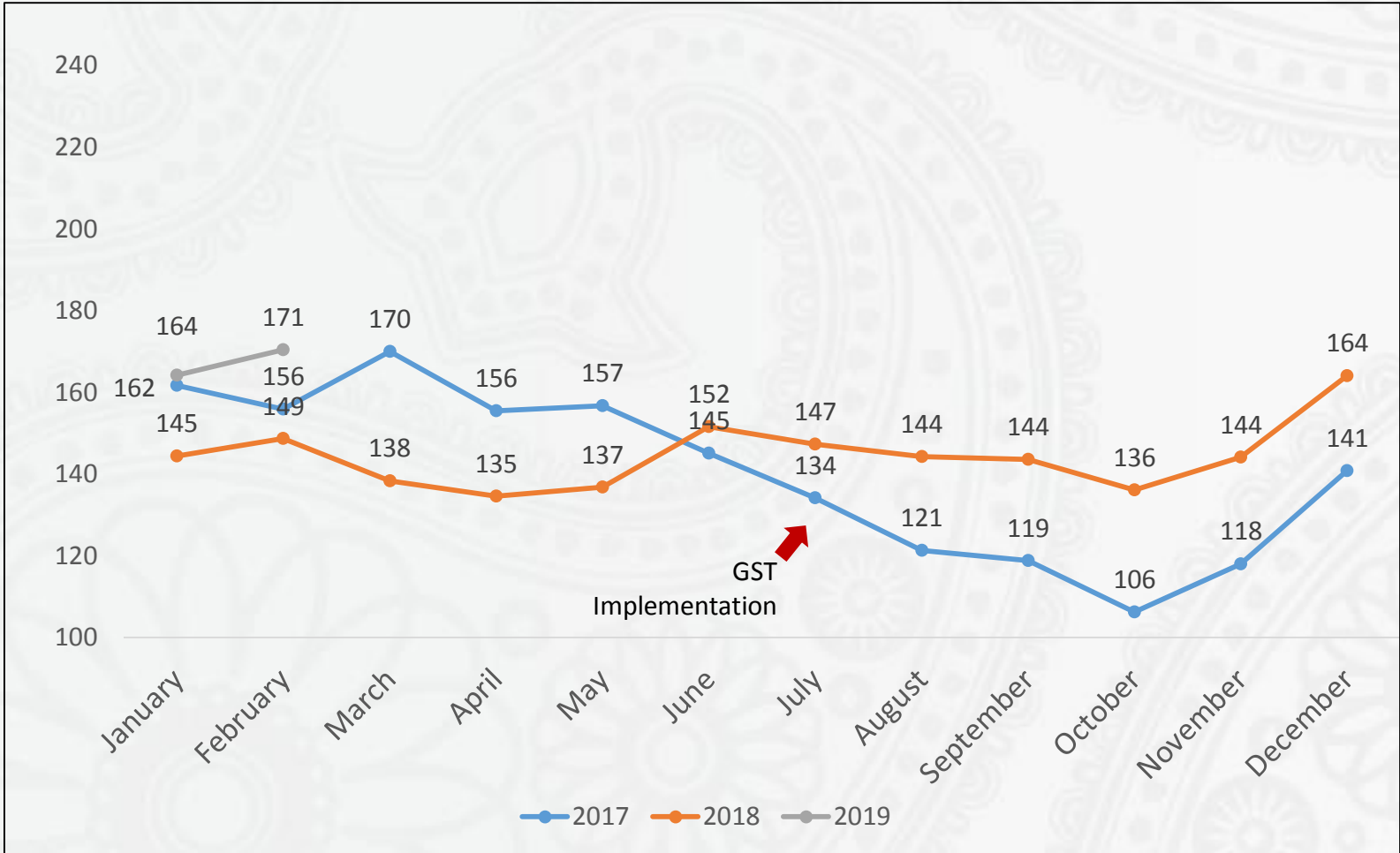
April 2019 Edition



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- The apparel IIP was 171 in February 2019, which was 4% higher than January 2019. The IIP index has continuously grown from a value of 136 in October 2018, indicating growth in apparel manufacturing in the country.
- The apparel CPI in March 2019 was 148, which is same for last 5 months, indicating that the prices have remained stagnant.
- The apparel exports (excluding exports to UAE) posted a miniscule growth of 1% in FY 2019 (Apr-Feb) as compared to FY 2018 (Apr-Feb). The apparel exports have declined to majority of the countries among the top 10 markets. However, the exports to the largest market, USA registered 7% growth.
- The apparel imports in FY 2019 (Apr-Feb) stood at US\$ 1,019 million, which is 47% higher than that in FY 2018 (Apr-Feb). Imports from Bangladesh, the largest apparel exporter to India, has increased by 96% in FY 2019 (Apr-Feb) as compared to FY 2018 (Apr-Feb).
- The analysis of financial filings for Q3 FY 2019 shows that there is a growth in operating revenue as well as operating profit margins for all the considered fashion brands & retailers. Shoppers Stop has shown a phenomenal growth in Q3 FY 2019 with an operating profit margin of 9.7% as compared to 3.7% in FY 2018. In apparel manufacturing, Page Industries, Kitex Garments and S P Apparels have registered operating profit margins higher than 20%.

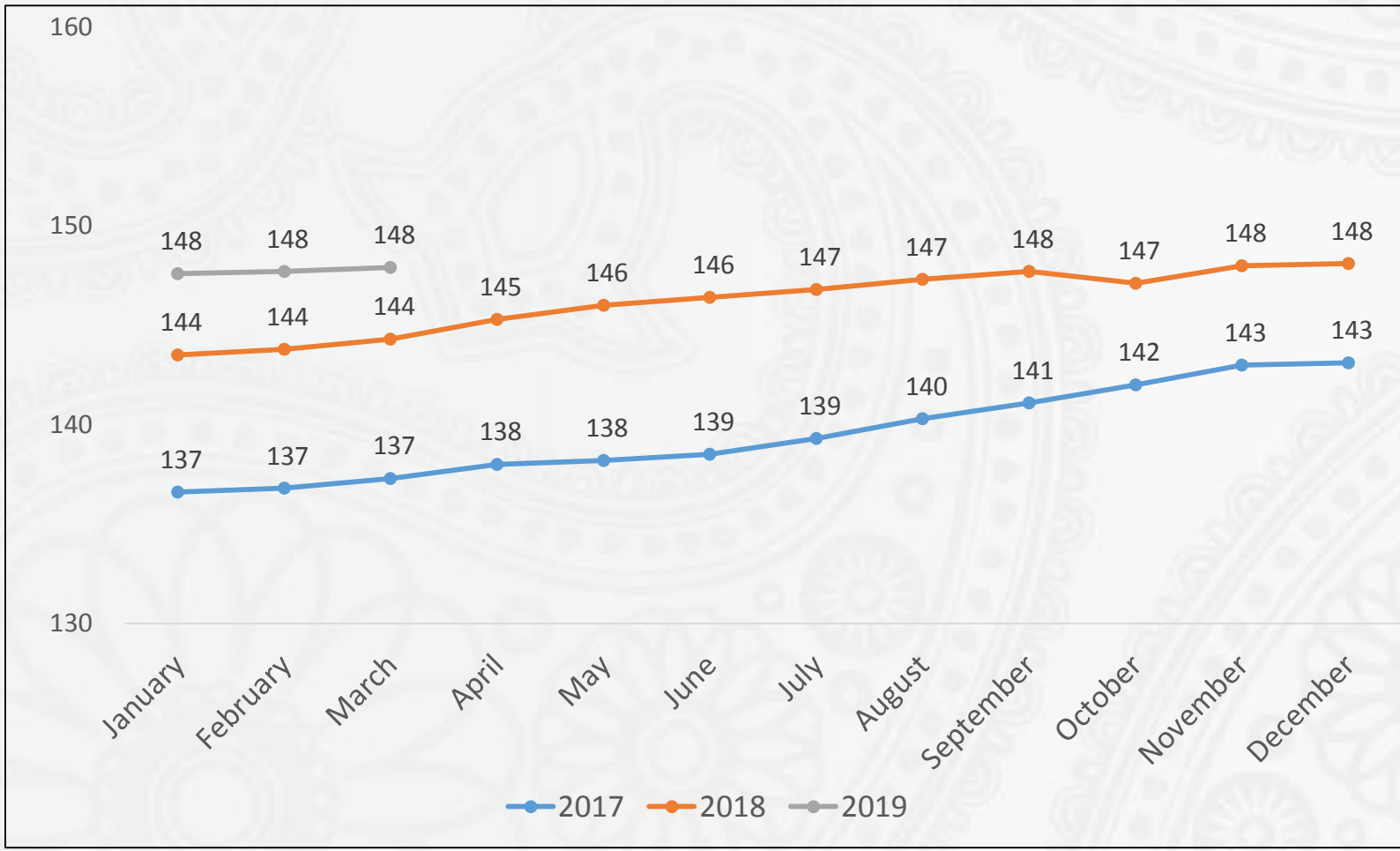
# Apparel Index of Industrial Production (IIP) Update



- The apparel IIP showed an increase in Feb. 2019 after remaining constant for the last two consecutive months. With a value of 171, the apparel IIP was 4% higher than Jan. 2019.

- The index indicates continuous **growth in apparel manufacturing** since October 2018.

# Apparel Consumer Price Index (CPI) Update



- The apparel CPI in Mar. 2019 was 148, which is same for last 5 months.
- As compared to Mar. 2018 the apparel CPI increased by 3%.

# 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%
<b>YTD</b>	<b>15,228</b>	<b>14,437</b>	<b>-5%</b>	
<b>Provisional Data for Latest Month</b>				
March	1,493	1,717	15%	11%

- The apparel exports in Feb. 2019 stood at US\$ 1,546 million, which showed a miniscule increase of 1% from Jan. 2019.
- Apparel exports have been showing a positive growth on YoY basis since October 2018.
- However, the overall exports in FY 2019 (Apr-Feb) are **5% lower** than that in FY 2018 (Apr-Feb).
- Based on quick estimate data for March 2019, the apparel exports in FY 2019 were **3.4% lower** than FY 2018.

# Country wise Apparel Exports Update

In US\$ Million	FY 2018 (Apr-Feb)	FY 2019 (Apr-Feb)	Change	% Growth
USA	3,478	3,722	244	7%
UK	1,548	1,432	-116	-7%
Germany	1,061	1,029	-32	-3%
Spain	763	690	-73	-10%
France	689	668	-21	-3%
Netherlands	406	425	19	5%
Italy	352	383	31	9%
Saudi Arabia	383	354	-29	-8%
Canada	208	213	5	2%
Others	3,681	3,741	60	2%
<b>Total (without UAE)</b>	<b>12,569</b>	<b>12,657</b>	<b>88</b>	<b>1%</b>
UAE	2,659	1,780	-879	-33%
<b>Total</b>	<b>15,228</b>	<b>14,437</b>	<b>-791</b>	<b>-5%</b>

- Excluding UAE, the apparel exports have posted a miniscule growth of 1% in FY 2019 (Apr-Feb) as compared to FY 2018 (Apr-Feb).
- The apparel exports have declined to majority of the countries among the top 10 markets.
- However, the **exports to largest market, USA registered 7% growth.**
- Exports to UAE witnessed a significant decline worth US\$ 879 million (33% lower) in FY 2019 (Apr-Feb) as compared to FY 2018 (Apr-Feb).

# 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%
<b>YTD</b>	<b>692</b>	<b>1,019</b>	<b>47%</b>	

- The apparel imports in FY 2019 (Apr-Feb) stood at US\$ 1,019 million which is **47% higher** than that in FY 2018 (Apr-Feb).
- The apparel imports have decreased by 15% in Feb. 2019 as compared to the previous month.



# Country wise Apparel Imports Update

In US\$ Million	FY 2018 (Apr-Feb)	FY 2019 (Apr-Feb)	Change	% Growth
Bangladesh	170	333	163	96%
China	272	288	16	6%
Spain	71	90	19	27%
Sri Lanka	35	77	42	120%
Hong Kong	17	46	29	171%
Vietnam	21	28	7	33%
Italy	18	19	1	6%
Cambodia	14	19	5	36%
Turkey	12	17	5	42%
UK	6	12	6	100%
Others	56	90	34	61%
<b>Total</b>	<b>692</b>	<b>1,019</b>	<b>327</b>	<b>47%</b>

- **Imports from Bangladesh, the largest apparel exporter to India, has increased by 96% in FY 2019 (Apr-Feb) as compared to FY 2018 (Apr-Feb).**
- Sri Lanka and Hong Kong have also shown a significant rise in the apparel imports of 120% and 171%, respectively.

# Financial Health of Select Brands, Retailers and Manufacturers

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



Thank you!