Global fashion industry suffers adverse pandemic impact in 2020
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The aggregate revenue of the leading fashion multinationals plummeted by 21.8% in the first nine months of 2020 owing to the impact of the coronavirus pandemic, according to a survey by the research office of Italian investment bank Mediobanca that was published on Wednesday.

This revenue slump is five-times worse than the 4.3% shortfall suffered in the same period by major international industrial groups. A decline caused by the lockdown measures introduced worldwide at the peak of the pandemic, which led to the closure of countless stores, to a halt in international exchange and the collapse of tourism.

In the first nine months of 2020, the fashion market in Europe lost 23.7% in revenue, while in Asia, Japan excluded, the downturn was only 10.1%.

Online sales instead rose by 60%, without however compensating for the fall in total revenue.

According to the study, a glimmer of hope can be glimpsed after Q4: the initial results reported by fashion companies for the period have hinted at a rise in revenue of approximately 17%, compared to the year’s first three quarters.

In Q3, the decline was actually beginning to level out, thanks to positive results recorded in China, South Korea and Taiwan.

In 2019, the world’s 80 largest fashion industry players, each with a turnover of over €1 billion, recorded revenues for €471 billion, equivalent to a 4.9% increase compared to 2018 and a 26.5% increase over 2015.

Among the top 38 European fashion names, Italy was the most represented country, with 10 groups. While France, with a 36% share of the aggregate turnover, was Europe’s number one country revenue-wise.
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French group LVMH topped the global fashion giants’ ranking, with a revenue of €53.7 billion, ahead of Nike (with €33.3 billion), Inditex, owner of Zara (with €28.3 billion), Adidas (with €23.6 billion) and Swedish group H&M (with €22.3 billion).

Prada, ranked 34th globally with a revenue of €3.2 billion, was the first Italian group in the ranking. In terms of the Italian fashion industry, which generated a revenue of €71.1 billion in 2019, the aggregate revenue of the companies with an annual turnover above €100 million is estimated to have dropped by 23% in 2020.

According to the study, Italy's fashion sector is expected to start recovering in 2021, with the prospect of growing back to pre-pandemic levels by 2023. In 2019, the fashion industry’s contribution to Italy’s GDP was 1.2%, up from 1% in 2015.

Translated by Nicola Mira

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