

FASHION CONSUMPTION STILL APATHETIC IN FRANCE

After declining for two consecutive years in 2008 and 2009, end consumption of fashion and textile articles in late April was still not back on a positive track in France. For the first four months of 2010, turnover for retailers dropped 1.9 % in value in comparison to the same period in 2009. In addition, preliminary data on sales for the month of May are far from encouraging. Therefore, end consumption of fashion and textile articles should fall for the third consecutive year in 2010. What is the situation like in other European countries?

When it comes to other European Union member countries, while there has been some noticeable improvement, results remain extremely uneven nonetheless. Indeed, in early 2010, consumption in the United Kingdom was nearly back up to the same level as before the crisis: i.e. +5.3 % in value for consumption of fashion articles (Including shoes) during the first quarter of 2010. The same is true of Germany, where, after declining in 2008 and 2009, consumption seems to be back on a slightly positive track this year, with a 2 % increase in value during the first four months of 2010. Italy, on the other hand, has continued to experience a drop in consumption this year. After falling 1.8 % in value in 2009,

consumption of fashion and textile articles slid 0.6 % during the first two months of 2010. On a rather positive note however, sales of men's knitwear and women's blouses have held steady. As for Spain, it has continued to suffer from a sharp downturn in apparel consumption: - 3.2 % in value during the first quarter of 2010. It is true that the Spanish economy has just barely emerged from the recession, with a slight increase in its Gross Domestic Product during the first quarter 2010 (+ 0.1 %), after six months of decline. Within the European Union, countries in northern Europe (e.g. United Kingdom and Germany) seem to have the best results, while countries in southern Europe (e.g. Italy, Spain and France) suffer more from downtrends in consumption.

On the other side of the Atlantic, the economic environment in the US seems to be significantly more advantageous. The Gross Domestic Product went up 0.8 % during the first quarter of 2010 in comparison to the last quarter of last year, while in the European Union the GDP rose only +0.2 %. Fashion consumption in the United States this year is thus back at exactly the same level as before the crisis (+4.5 % for the first four months of 2010).

For the coming months, the outlook is not very encouraging. European governments, austerity policies, however necessary they may be, nonetheless do end up putting a damper on growth. The fact remains that the end of the year should show a certain improvement, if only because the period of reference (the third quarter 2009) was so low.

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