CHINA APPAREL MARKET UPDATE 2019

PART 1: MARKET OVERVIEW AND COMPETITIVE LANDSCAPE ANALYSIS

Asia Distribution and Retail
Jun 2019
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**China’s apparel market faces headwinds**

- The apparel market continued its uptrend in 2018, posting the highest yoy growth since 2014.
- However, mounting economic uncertainty is posing significant challenges for the apparel market.
- Sales growth of the market is estimated to decelerate to 3.5% and 3.2% in 2019 and 2020 respectively.

**Womenswear remains the largest sub-sector; childrenswear and sportswear show vast growth potential**

- Both womenswear and menswear sectors have shown some improvements in sales after several years of decline led by growing saturation.
- Childrenswear has delivered strong growth momentum following the full implementation of two-child policy starting January 2016.
- Sportswear posts the highest sales growth among all other key apparel sectors.
- But due to overall macro uncertainty, sales growth of all apparel sub-sectors is expected to decline in 2019.

**Specialist retailers, department stores take hold in China apparel distribution**

- Apparel sales at department stores have been falling over the years amid stiffer market competition and challenges from e-commerce players.
- Internet retailing has kept delivering strong growth in recent years, making it the fastest-growing retailing channel in China’s apparel market.

**Market share of top 5 apparel brands, 2018**

1. Adidas, 1.9%
2. Nike, 1.9%
3. HLA, 1.1%
4. Uniqlo, 1.0%
5. Anta, 1.0%

**Local apparel brands accelerate expansion at home and abroad**

- Diversifying product lines to increase market size to invigorate brand values.
- Launching flagship stores and concept stores to boost brand image.
- Entering new markets and expanding store networks overseas to ramp up international presence.

**Foreign apparel brands seek opportunities in China; yet, some struggle to make headway**

- Foreign players continue to crack the lucrative China market.
- A number of players have expanded local store networks and launched their first/largest global flagship store in the country.
- Yet, some failed to make a profit and finally exited the market.
Market Overview
China’s apparel sales reached 2,077.4 billion yuan in 2018, increasing at a rate of 7.8% yoy, the highest yoy growth since 2014.

Driven in part by the consumption upgrading trend and stable demand among local consumers with improved living standard and higher income growth, the apparel market regained its growth momentum in 2017 and continued the uptrend in 2018.

However, mounting economic uncertainty is posing significant challenges for the apparel market. Sales growth of China’s apparel market is estimated to decelerate to 3.5% and 3.2% in 2019 and 2020 respectively.
By category, **womenswear** remained the **largest sub-sector** of China’s apparel market in terms of sales in 2018.

Both sportswear and childrenswear saw double-digit yoY sales growth in 2018, outperforming that of womenswear and menswear. But due to overall macro uncertainty, sales growth of all apparel sub-sectors is expected to drop significantly in 2019.
After several years of decline as a result of growing saturation, the womenswear sector picked up pace in 2017 and 2018 with sales growth rising to 6.3% yoy and 7.6% in 2017 and 2018 respectively.

That said, due to the overall market uncertainty, sales growth of womenswear is estimated to drop significantly to 2.7% in 2019.
Menswear has the **second largest market share** in China’s apparel market, just behind womenswear. In 2018, sales of menswear represented 27.6% of the total apparel sales in China.

Similar to the womenswear sector, the menswear sector has also become increasingly saturated. It showed some improvements in sales in 2017 and 2018. However, as with the womenswear sector, sales growth is expected to drop significantly this year due to the uncertain market economic environment.
Although childrenswear took up only 10.1% share in China’s apparel market, the sector has delivered strong growth momentum following the full implementation of two-child policy starting January 2016.

The National Health and Family Planning Commission predicted that the number of newborns to reach 17.5 – 21.0 million annually during the 13th FYP period (2016 – 2020), up from the annual births at around 16 million between 2003 and 2013. Baby and toddler wear is expected to be the main powerhouse for the childrenswear sector.
Sales of sportswear in China’s apparel market, 2014-2019

Sales of sportswear in China’s apparel market, 2014-2019

Market share of sportswear in China’s apparel market, 2018

Sportswear registered sales growth of 19.5% yoy in 2018, well above the total apparel sales growth of 7.8% yoy. Sportswear also posted the highest sales growth among all other key apparel sectors, indicating its vast growth potential.
By category, sports-inspired footwear and sports-inspired apparel are the two largest segments in China’s sportswear market. The combined sales of the two segments totaled 144.5 billion yuan in 2018, or around 54.5% of the total sportswear sales in China.

The propelling growth in the sportswear sector is mainly driven by the following factors:

- **Rising levels of health and well-being awareness and increased sports participation.**
- **Government policies to promote national health and sports participation** serve as a boost to the sports industry. Recent policies include the “2016-2020 National Fitness Plan” released in June 2016; the “13th Five Year Plan for the Development of Sports Industry” released in July 2016; and the “Guiding Opinions of the State Council on Speeding up the Development of the Competitive Sports Industry” released in December 2018.
### Market share (retail sales) by distribution channel for apparel and footwear in China, 2014-2018

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Store-based retailing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Grocery retailers</td>
<td>4.8</td>
<td>4.0</td>
<td>3.3</td>
<td>2.6</td>
<td>2.1</td>
</tr>
<tr>
<td>II. Non-grocery retailers</td>
<td>44.1</td>
<td>42.2</td>
<td>41.1</td>
<td>39.8</td>
<td>39.6</td>
</tr>
<tr>
<td>• Clothing and footwear specialist retailers</td>
<td>20.8</td>
<td>20.7</td>
<td>20.5</td>
<td>20.2</td>
<td>20.0</td>
</tr>
<tr>
<td>• Leisure and personal goods specialist retailers</td>
<td>11.8</td>
<td>11.5</td>
<td>11.8</td>
<td>12.1</td>
<td>12.6</td>
</tr>
<tr>
<td>• Other non-grocery retailers</td>
<td>11.5</td>
<td>10.1</td>
<td>8.7</td>
<td>7.5</td>
<td>7.1</td>
</tr>
<tr>
<td>III. Mixed retailers</td>
<td>38.6</td>
<td>35.3</td>
<td>31.9</td>
<td>29.0</td>
<td>26.4</td>
</tr>
<tr>
<td>• Department stores</td>
<td>38.6</td>
<td>35.3</td>
<td>31.9</td>
<td>29.0</td>
<td>26.4</td>
</tr>
<tr>
<td><strong>Non-store retailing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV. Home shopping</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>V. Internet retailing</td>
<td>12.4</td>
<td>18.4</td>
<td>23.7</td>
<td>28.5</td>
<td>31.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Euromonitor International; compiled by Fung Business Intelligence

Apparel sales at **department stores** have been falling over the years amid intensifying market competition and challenges from e-commerce players.

**Internet retailing** has kept delivering strong growth over the past few years, making it the fastest-growing retailing channel in China’s apparel market. The channel is predicted to keep growing at a faster rate in the coming years.
### Market share of Top 10 apparel brands in China, 2018

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Market Share</th>
<th>Year-over-Year Change (yoy)</th>
<th>Major Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adidas</td>
<td>1.9%</td>
<td>↑ 0.3</td>
<td>Sportswear</td>
</tr>
<tr>
<td>2</td>
<td>Nike</td>
<td>1.9%</td>
<td>↑ 0.3</td>
<td>Sportswear</td>
</tr>
<tr>
<td>3</td>
<td>HLA</td>
<td>1.1%</td>
<td>↑ 0.1</td>
<td>Menswear</td>
</tr>
<tr>
<td>4</td>
<td>Uniqlo</td>
<td>1.0%</td>
<td>↑ 0.1</td>
<td>Womenswear, menswear, childrenswear</td>
</tr>
<tr>
<td>5</td>
<td>Anta</td>
<td>1.0%</td>
<td>↑ 0.2</td>
<td>Sportswear</td>
</tr>
<tr>
<td>6</td>
<td>Li Ning</td>
<td>0.6%</td>
<td>--</td>
<td>Sportswear</td>
</tr>
<tr>
<td>7</td>
<td>Skechers</td>
<td>0.6%</td>
<td>↑ 0.2</td>
<td>Sportswear</td>
</tr>
<tr>
<td>8</td>
<td>Balabala</td>
<td>0.5%</td>
<td>↑ 0.1</td>
<td>Childrenswear</td>
</tr>
<tr>
<td>9</td>
<td>Jack &amp; Jones</td>
<td>0.5%</td>
<td>--</td>
<td>Menswear</td>
</tr>
<tr>
<td>10</td>
<td>Xtep</td>
<td>0.5%</td>
<td>↑ 0.1</td>
<td>Sportswear</td>
</tr>
</tbody>
</table>

Source: Euromonitor International; modified by Fung Business Intelligence
### Top 10 listed apparel companies in China (by market cap), 2018

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Average market cap in 2018 (billion yuan)</th>
<th>Operating income in 2018 (billion yuan)</th>
<th>Major category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Anta</td>
<td>90.43</td>
<td>23.41</td>
<td>Sportswear</td>
</tr>
<tr>
<td>2.</td>
<td>HLA</td>
<td>47.81</td>
<td>19.09</td>
<td>Menswear</td>
</tr>
<tr>
<td>3.</td>
<td>Semir</td>
<td>27.72</td>
<td>15.75</td>
<td>Menswear, womenswear, childrenswear</td>
</tr>
<tr>
<td>4.</td>
<td>Li Ning</td>
<td>15.40</td>
<td>10.51</td>
<td>Sportswear</td>
</tr>
<tr>
<td>5.</td>
<td>Dazzle Fashion</td>
<td>12.68</td>
<td>2.10</td>
<td>Womenswear</td>
</tr>
<tr>
<td>6.</td>
<td>Hongdou Group</td>
<td>12.63</td>
<td>2.48</td>
<td>Menswear</td>
</tr>
<tr>
<td>7.</td>
<td>Peacebird</td>
<td>12.44</td>
<td>7.71</td>
<td>Menswear, womenswear</td>
</tr>
<tr>
<td>9.</td>
<td>Xtep</td>
<td>8.87</td>
<td>6.20</td>
<td>Sportswear</td>
</tr>
<tr>
<td>10.</td>
<td>Lilanz</td>
<td>8.46</td>
<td>3.60</td>
<td>Menswear</td>
</tr>
</tbody>
</table>

Source: iiMedia; modified by Fung Business Intelligence
Movement of local apparel brands
LOCAL BRANDS ACCELERATING EXPANSION IN CHINA

*Diversifying product lines to increase market size to invigorate brand values – selected cases*
Diversifying product lines to increase market size to invigorate brand values
– JNBY unveils new fashion brands starting from April 2018

In April 2018, JNBY launched SAMO, a designer fashion brand targeting professional male customers in China. The philosophy of the new menswear brand is “simplified, but better”. SAMO’s design focuses on elegance, simplicity, charming and versatility.

In June 2018, JNBY announced the launch of a new sustainable fashion brand “REVERB” in China. Targeting young and fashionable millennials, the brand puts strong focus on social responsibility and sustainability.

REVERB embraces “circular fashion” as its brand philosophy, focusing on the design concepts of “Athleisure, Genderless and Sustainability”. All apparel items from REVERB uses natural materials with organic certification and high-tech materials certified by Swiss Bluesign Standard.

In February 2019, JNBY rolled out a new menswear designer brand “A Personal Note 73” . The brand targets young and aspirational consumers with knowledge about fashion and design.

Italian fashion designer Andrea Pompilio, will design two collections a year for the new brand, with the first collection available in fall 2019. JNBY plans to open 10 stores in 2019, with one-third of them in tier-1 cities.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
In December 2018, JNBY announced to launch a multi-brand store “LA SU MIN SO LA” for designer brands in China, a move to align with the company’s multi-brand strategy and expand its businesses through horizontal diversification.

LA SU MIN SO LA will serve as a platform for designer brands to showcase their products. Adopting the concept “Better Design, Better Life”, the store will operate as an incubator for designer brands and help international designer brands adapt to local operation.

LA SU MIN SO LA’s product lines cover various categories, including clothing, footwear, handbag, accessories and lifestyle products.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
In January 2018, OVV and AEX, womenswear brand and menswear brand under HLA opened its first physical store, which signifies further landing of the Group’s multi-brand strategy.

Currently, OVV and AEX’s target markets are mainly the tier-2 and tier-3 cities. Since 2017, HLA has accelerated its multi-brand, multi-category and multi-channel investment to build up its youthful image, hoping to widen the customer base of the Group.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
LOCAL BRANDS ACCELERATING EXPANSION IN CHINA

Launching flagship stores – selected cases
In October 2018, Semir opened its first fresh image, stylish concept store at Shanghai Jiading CITIC Pacific Wanda Plaza.

The store is an experiential concept store that aims to meet the needs of the young consumer group. Its design philosophy is to create a “scenario + interactive” shopping experience for customers. Semir has created a special “KOL leisure zone”, where shoppers can take photos and interact with each other while shopping at the store.
Launching flagship stores
– FILA opens two flagship stores in Shanghai in May 2018

In May 2018, sportswear brand FILA which is owned by ANTA Sports opened two flagship stores in Nanjing Road East and Huaihai Zhong Road in Shanghai. The two stores offer a full range of FILA’s products including childrenswear.

According to the annual report of ANTA Sports, by the end of December 2018, there were 1,652 FILA stores (including the independent stores of FILA KIDS and FILA FUSION stores) in the Greater China region.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
LOCAL BRANDS ACCELERATING EXPANSION OVERSEAS
Expanding footprints overseas
– HLA opens stores in Singapore in May 2018

In May 2018, HLA opened its first store in Singapore in Suntec City Mall. With an area of 350 sqm, the store has entirely different design compared to HLA’s other stores – the storefront only shows the HLA brand logo in white, instead of showing the usual brand logo with both Chinese and English characters. As of to date, HLA has opened a total of three stores in Singapore.

Indeed, HLA opened its first overseas store in Kuala Lumpur, Malaysia in July 2017; and it has more than 20 stores in the nation.

According to HLA, the brand will further expand in Singapore, Malaysia and Thailand in the next three years.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Expanding footprints overseas
– Bosideng re-launches flagship store in London in September 2018

In July 2018, Bosideng announced to re-launch its flagship store in London in September 2018. At the same time, the Group will rejuvenate its main brand “Bosideng” by focusing on down jackets business, and spinning off other non-down jacket businesses including menswear, home wear and childrenswear. It will also close around 70% to 80% of Bosideng’s nonprofitable stores over the next three years.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Expanding footprints overseas
– Lily opens first store in Europe in Barcelona, Spain in January 2019

In January 2019, Chinese apparel brand Lily announced that it has opened a flagship store in Barcelona, Spain, which is also its first store in Europe. The flagship store in Barcelona will showcase the new collections for each season at the same time as their stores in China.

Following Barcelona, Lily also plans to open new stores in other major business areas such as Madrid, as well as enter 20 department stores in Spain in the next three years.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Expanding footprints overseas
– HLA taps into the Thailand market in April 2019

HLA introduced its fast fashion brand HLA JEANS and mid- to high-end womenswear brand OVV to the Thailand market in April 2019. As the first two Chinese brands entering a tier-1 commercial hub in the Southeast Asian region, HLA JEANS and OVV are launched in Central World shopping mall, which is located in Thailand’s core commercial district and also one of the largest shopping malls in the region. Heilan Home has also adjusted their product lines in Thailand to better fit with local tastes and weather, with a focus on developing T-shirt and light jacket products.

Prior to its launch in Thailand, the company also opened its first local store in Singapore and Malaysia in May 2018 and July 2017 respectively.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Expanding footprints overseas

– Balabala opens two stores in Hong Kong in June 2018

In June 2018, Semir’s kidswear brand Balabala officially entered the Hong Kong market by opening its first two stores in Olympian City III and Hollywood Plaza.

Balabala revealed that the brand plans to open approximately 20-30 stores in Hong Kong over the next three years. It hopes to use Hong Kong as a stepping stone to execute the company’s global expansion plan in terms of acquisition, joint venture and overseas franchising.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Movement of foreign apparel brands
FOREIGN BRANDS ENTERING THE CHINA MARKET

– Selected cases
Foreign apparel brands entering China market
– German luxury skiwear brand Bogner enters the China market

In November 2018, German luxury skiwear brand Bogner opened its first store in China. With a floor space of 164 sqm, the store is designed based on the concept of “Modern Natural” and will operate seven days a week. The store is located at Thaiwoo Ski Town at Chongli County, Zhangjiakou City, Hebei Province – Chongli County is said to be the best skiing destination in China and Thaious Ski Town will be the main stadium for skiing in the Winter Olympic Games in 2022.

Currently, Bogner has 19 self-operated stores, 33 partner stores and more than 6,500 sales outlets in more than 50 countries, and it has more than 100 partners in the Asia-Pacific region (China, Japan, South Korea, Taiwan, Mongolia and Australia).

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Foreign apparel brands entering China market
– Japanese men’s shirt brand Kamakura shirts enters China via Tmall

In January 2019, Kamakura shirts officially launched its flagship store on Tmall, offering more than 600 SKUs, which include the brand’s signature products 200 count extra fine yarn shirts and 300 count extra fine yarn shirts.

Founded in 1993, Kamakura shirts, together with luxury brands Gucci, Balenciaga and Chanel, were among the most popular search terms on Tmall in 2018. Furthermore, Kamakura shirts is also one of the brands with the highest growth rate when it comes to the keyword ranking within Tmall’s search engine.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Foreign apparel brands entering China market
– American footwear brand Allbirds debuts in China

American footwear brand Allbirds has entered the China market by launching its first local store at HKRI Taikoo Hui, Shanghai in April 2019 and its second store at Taikoo Li in Beijing in May 2019.

Meanwhile, Allbirds has also launched its official website (https://www.allbirds.cn/) and its online flagship store on Tmall. Moving forward, the brand plans to open specialty stores in Beijing and Chengdu.

Founded in 2014, Allbirds is well-known for its two signature products – machine-washable wool sneakers Runner and Lounger, with each pair priced at US$95.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
FOREIGN BRANDS ACCELERATING EXPANSION IN CHINA

Store openings – selected cases
American trendy fashion brand Champion is accelerating its store expansion in China. The brand added eight new stores in China in December 2018, taking its total store count in the country to 41, according to the brand’s official WeChat account. The massive expansion was mainly driven by the shrinking domestic demand in the U.S. and the huge consumption potential in China.

Celebrity Yang Mi wearing Champion’s hoodie
ZADIG & VOLTAIRE

French apparel brand Zadig & Voltaire has expanded its presence in Asia, especially Greater China. The brand partnered with local retailer IT Group, the brand’s distribution partner to open two new stores in Beijing and Shanghai in March 2019.

Currently, Zadig & Voltaire has 378 stores worldwide, 118 of which are located in France. The Asia market, mainly Japan and South Korea, now accounts for 5% of Zadig & Voltaire’s total sales; the brand reportedly operates three stores in Beijing, one in Shanghai and another in Shenzhen. The brand targets to open 45 stores in the region, and generate between 10% and 15% of global revenue in the next five years.

Zadig & Voltaire’s first fashion show in China in 2017

Zadig & Voltaire’s “Chinese New Year Capsule Collection”

Source: News, Companies’ websites; compiled by Fung Business Intelligence
FOREIGN BRANDS ACCELERATING EXPANSION IN CHINA

Launching flagship stores – selected cases
Launching flagship store

– Nike opens its first concept flagship store in Shanghai in October 2018

In October 2018, Nike unveiled its first House of Innovation concept store “Shanghai 001”. Located at the shopping district of Nanjing East Road in Shanghai, this cross-category flagship store has four levels and an area of 3,822 sqm.

Nike Shanghai 001 brings Nike products and services to consumers through the integration of digital and offline services as well as its experiential shop design. Other than being the first Nike store in China to fully adopt mobile payments, the store has a number of unique features to enhance customers’ experiences such as “Center Court” for digitally-led trialing sessions; while for its NikePlus members, “Nike By You” sneaker customization and “Nike Expert Studio” personalized product selection in private sessions are available.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Launching flagship store

– **COS opens first global menswear store in Beijing in December 2018**

H&M’s sister brand COS launched its first global menswear store in Beijing’s Sanlitun in December 2018. With a store size of 174 sqm, the store features customized furniture for shoppers to relax and provides various books on arts, photography, as well as building and design.

Recently, COS has accelerated its expansion in the China market by opening more physical stores and launched its online flagship store on Tmall. According to COS, it will further open physical stores in Beijing, Xiamen and Guangzhou. COS entered the China market in 2012 for the first time and has around 30 stores nationwide.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Launching flagship store
– Skechers opens the brand’s largest store in Shenyang in January 2019

In January 2019, Skechers opened its 3,000th store in the world at Star Mall Shenyang Plaza, China, which is also the brand’s largest store. In the 2,982-sqm mega store, products are categorized and showcased in different zones, including D’Lites, Lifestyle, Performance, Kids, etc.

Founded in 1992, Skechers is reportedly available in 170 countries. Currently, Skechers has the largest number of stores in China (941), followed by the U.S. (472), and India (222).

Source: News, Companies’ websites; compiled by Fung Business Intelligence
In June 2019, Spanish fast fashion brand Mango signed a cooperation agreement with Hangzhou Jingzhe Clothing Co., Ltd. to accelerate its development in Asia, especially in the China market.

Under this cooperation agreement, the brand will further develop both online and offline channels – it plans to open 16 physical stores in China by the end of 2019, and launch online stores via major e-commerce platforms at the same time.

Mango’s China website
FOREIGN BRANDS EXITING CHINA MARKET

- Selected cases
Exiting the market

– Nine West withdraws from the China market in September 2018

In September 2018, U.S. footwear brand Nine West closed its last Beijing store at Hanguang Department Store after shutting down its online flagship store on Tmall and dissolving its Dongguan headquarters earlier. Indeed, the company enjoyed tremendous growth ever since its entry in the China market in 1994; however, it was reportedly struggling from increasing competition and continual declines in revenue and profits in recent years.

Before exiting the China market, the company withdrew from Taiwan and Hong Kong after filing for bankruptcy in April 2018. After completing its financial and operational restructuring, the footwear brand exited from bankruptcy in March 2019, by renaming itself as Premier Brands Group.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Exiting the market
– *New Look exits the China market by end of 2018*

In October 2018, British fast fashion brand New Look decided to withdraw from the China market and close all of its 120 stores in China by end-2018 to focus on restructuring its business in its home country. Industry experts revealed that lack of local knowledge, increased competition from Chinese brands and the sheer size of investment required are the key reasons for New Look’s withdrawal.

New Look entered the market in 2014 and has closed 20 stores in China since the beginning of 2018.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
In April 2019, U.S. fast fashion brand Forever 21 closed its online flagship stores on Tmall and JD.com. Earlier in the same month, the fast fashion apparel brand confirmed that it has decided to exit the China market entirely in the near future although it has yet to issue a formal statement.

Indeed, Forever 21 closed the stores in Tianjin, Hangzhou, Beijing and Chongqing, etc. since the end of 2018. Currently, Forever 21 has four remaining stores in the nation.

Forever 21 entered the China market by opening the first store in Changshu in 2008.
Exiting the market
– 10 Corso Como closes Shanghai branch in June 2019

Italian fashion concept store 10 Corso Como shut down its Shanghai branch in June 2019, due to the expiration of its lease and the end of its partnership with its Chinese partner Trendy Group.

Following its entry into China in 2013, 10 Corso Como opened two local stores respectively in Shanghai and Beijing’s SKP shopping mall; yet, the store in Beijing was closed in February 2017.

Founded in 1999, Trendy Group is a fashion conglomerate which operates more than 3,000 retail locations in nearly 300 cities worldwide, and holds brands such as Ochirly, Five Plus, Coven Garden, Trendiano and Miss Sixty.

Source: News, Companies’ websites; compiled by Fung Business Intelligence
Stay tuned for more updates

Coming soon...

Please stay tuned for our upcoming issues featuring the latest trends, e-commerce developments of China's apparel market, apparel supply chain, and more.
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