

FASHION INDUSTRY IN 2020

McKinsey's latest report with the Business of Fashion defines 2020 as a difficult year for the **global fashion industry**.

The geopolitical scenario, between possible trade tariffs and the uncertainties represented by emerging markets, will play a fundamental role for companies in the fashion industry, whose growth estimates range between +3% and +4% (half a point less than the increase observed last year).

According to the analysis, the **more contained growth** in the sector will be generalized and will concern both fast fashion and premium and luxury segments, the latter however in a less remarkable way.

Slight decline in expected sales volumes in both the emerging markets of **Asia-Pacific** and **North America**. Nevertheless, the report highlights the growing interest of global markets in fashion, forecasting a potential demand of 1.2 billion young consumers in the "Beyond China" markets namely India, Brazil, United Arab Emirates and over 500 million in the People's Republic of China alone.

Among the major **trends** for the current year is the progressive **polarization of the fashion industry** between top players (top 20 global brands for profit) and other companies, while **sustainability, digitization** and **innovation** are among the themes that will help define the fashion industry's priorities in the years to come.

Overall agreement but with a more optimistic note the estimates of Consensus Altagamma, where the growth forecasts for 2020 for personal **luxury goods** are generally positive.

Among the **product categories**, the best dynamics are expected in **leather goods**, with an estimated increase of 6%, supported by new Chinese consumers and emerging markets, in particular South Korea, Indonesia and India. **Footwear** also are expected to perform positively (+5%) on the wave of success in sports lines and partnerships between luxury and streetwear brands.

The focus by nationality of **consumers** once again rewards **Chinese** customers (+10% the estimated growth), followed by **Japanese** (+4%); more moderate increases for **Europeans** (+2.5%) and **Americans** (+3%).