

BRITISH FASHION COUNCIL

PRESS RELEASE

Thursday 16th July 2020

THE BRITISH FASHION INDUSTRY CALLS ON GOVERNMENT FOR SUPPORT

The British Fashion Council (BFC) today releases new data from Oxford Economics that reinforces the stark reality of the impact of the global pandemic on the British fashion industry. The COVID-19 recession could hit the fashion industry twice as hard compared to the UK overall, effectively wiping out the above-average growth achieved by the industry in the past ten years. The data shows that alongside the economic impact, an entire generation of creative talent is threatened to disappear, putting in danger the UK's position as the creative crucible of global fashion.

In an industry that employs 890,000 people (2019), 240,000 direct job losses are predicted

If you include indirect jobs through the supply chain and consumer spending this rises to 350,000

which equals 1% of all UK jobs

The level of contribution to GDP is forecasted to drop from £35billion (2019) to £26.2billion

Revenues are predicted to drop from £118billion in 2019 to £88billion in 2020

(Oxford Economics, 2020)

Whilst the BFC welcomes the support measures implemented by the Government throughout the Covid-19 pandemic, research found that many fashion businesses have not been able to access the schemes. Therefore, in order to ensure future employment, whilst re-setting the industry with a

focus on clean growth and positive change on the planet and its people, the BFC is asking Government to consider the future of the sector through a series of seven measures outlined below:

1.) Helping keep retail open, protecting our towns and cities

With almost no tourism and projected long-term limited footfall due to low office occupancy and remote working in towns and cities, the commercial value of leases and cost of business rates makes it difficult to sustain retail. The BFC asks for Government support to enable lease re-negotiations where landlords aren't acting responsibly and measures such as grants or long-term interest free loans to offset the costs of leases, as well as rent & rates relief for all businesses to ensure that our cities and towns don't see a swathe of closures resulting in mass job losses, and further reduced footfall.

2.) Funding for Small to Medium Size Enterprises (SMEs)

Grants or interest free loans to SMEs that are not eligible for proposed Government measures, but were viable pre COVID-19.

3.) Innovation and research & development funding for clean growth

Support the creation of an eco-system to allow the industry to reset including smarter manufacturing, waste management, recycling, upcycling, and business models for a world-leading British circular fashion economy.

4.) Responsible retailing

Mitigate the inventory crisis by legislating and regulating it so that large retailers support small businesses, stopping the cancellation of goods and sell-through guarantees on agreed orders.

5.) Access to finance and future proofing

Explore financial mechanisms that will de-risk businesses for the future, such as supply chain finance. The global pandemic has further spotlighted the financial challenges of fashion businesses. It is essential that a fiscal framework is created to help develop more robust businesses that are less reliant on leveraging cash flow within the supply chain.

The BFC asks for the Future Fund to be made more appealing to private investors by offering EIS relief; the creation of a new Fashion Investment Fund with industry mentoring support and fiscal incentives for investment in business and inward investment.

6.) Taxes

A moratorium on payment of duty and tariffs to support the restart of international supply chains and further support liquidity and cash flow in the industry.

7.) British Manufacturing & Local Personal Protective Equipment (PPE) Supply

Support the growing opportunity to re-onshore responsible fashion and textile manufacturing throughout the UK through investment in innovation, capital and skills, as part of the Clean Growth Strategy while creating the right trading environment through tax relief and negotiations in new Free Trade Agreements. Following Downing Street's commitment to producing 2 billion pieces of British-made PPE, work with industry to co-invest in British manufacturing, to support not just PPE required now, but the development of material innovation to create the most resilient, environmentally friendly PPE for the future.

The BFC continues to fund raise for its BFC Foundation Fashion Fund for the Covid Crisis to support creative fashion businesses and individual to survive the pandemic. In May 2020, it gave financial support and mentoring to 37 British designer businesses, with grants taken from the £1,000,000 emergency fund allocated to viable businesses depending on their urgency and capability to come through and thrive post crisis. A portion of funds was allocated to students, underpinning the future generation of creative talent. The fund will re-open for further rounds of applications so that more meaningful support can be given, every time the £500,000 milestone is reached.

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ABOUT BRITISH FASHION COUNCIL

The British Fashion Council (BFC) was set up in 1983 to promote British fashion internationally and co-ordinate this promotion through fashion weeks, exhibitions and showcasing events. BFC now supports designers beginning at college level and extending to talent identification, business support and showcasing schemes. The BFC promotes British fashion and its influential role at home and abroad, helping

British designer businesses develop their profiles and business globally. BFC Foundation (Registered Charity Number: 11852152) was created for charitable purposes and grant giving; attracting, developing and retaining talent through education and business mentoring. BFC Colleges Council offers support to students through BA and MA scholarships and links with industry through design competitions and Graduate Preview Day. Through grant-giving and business mentoring the BFC support designers through four talent identification and business support schemes: BFC/Vogue Designer Fashion Fund, BFC/GQ Designer Menswear Fund, NEWGEN which includes womenswear, menswear and accessories, and the BFC Fashion Trust, a charity supporting UK based designers. The BFC showcasing initiatives and events include London Fashion Week, London Fashion Week Men's, LONDON show ROOMs and the annual celebration of creativity and innovation in the fashion industry: The Fashion Awards.