

# Burberry sales hit by Covid outbreaks in Mainland China

High-end fashion label [Burberry](#) has been hit by the resurgence of Covid in its largest market and key growth country China posting only a 1% rise in store sales across the group for the three months until the beginning of July.

The fashion brand worn by celebrities including James Bond theme singer [Billie Eilish](#), [Stormzy](#), [Rihanna](#) and Harry Potter star [Emma Watson](#), was forced to close 24 of its 64 stores in the territory in February as the virus ripped through the population once again.

However, taking the China market out of the equation, Burberry reported a 16% increase in overall sales during the period with the European, Middle Eastern and African (EMEIA) market doing impressive business. [Store sales in EMEIA grew by 47% on the previous year, according to a trading update from the brand.](#)

Burberry said it would continue to target “high-single digit revenue growth” and 20% margins in the medium term.

“While the current macro-economic environment creates some near-term uncertainty, [our performance in mainland China has been encouraging since our stores reopened in June and we are actively managing the headwind from inflation,](#)” the group said.

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Based on the foreign rates as of 11 July, Burberry said it now expected a “currency tail wind” of £190 million on revenue and £90 million adjusted operating profit in for its full year 2023.

The business said that it had achieved “double-digit comparable growth” in leather goods and outerwear outside mainland China [and that it had seen good performance from its iconic rainwear and jackets across the group.](#)

Only this morning it was announced that China’s economic growth had been battered in the second quarter of the year due to damage created by the widespread Covid lockdowns.

Output dived by 2.6% between April and June compared with the previous quarter. On an annual basis the economy expanded 0.4% in the second quarter. However this was the worst growth since the first months of the pandemic in 2020.

Jonathan Akeroyd, chief executive officer of Burberry, said: “Our performance in the quarter continued to be impacted by lockdowns in Mainland China, but I was pleased to see our more localised approach drive recovery in EMEIA, where spending by local clients was above pre-pandemic levels.”