Undaunted by the “significant impact” the pandemic had on its Ireland business, Spanish fashion giant Inditex remains on the hunt for new Irish stores for its star brand Zara.

“In the event that no unforeseen circumstances arise, the directors plan to open further stores as soon as suitable opportunities arise, and for the company to increase profitability as a result of the continuing increase in sales,” Inditex said in its latest trading update for the Republic of Ireland business.

The operation suffered a loss of €893,000 in its last financial year as it weathered the Covid pandemic, newly-filed accounts seen by the Irish Independent show. It had made a €4.5 million profit in the previous year.

The retailer said that the pandemic meant Zara sales also fell 16% to €91.3 million in the 12 months to the end of last January. It currently trades from nine stores and online.

“Mandated store closures, limitations on capacity and travel restrictions have led to a decrease in the company’s earnings and profitability,” its directors confirmed.

But they added that those declines were partially offset by an increase in online sales coupled with “responsible
cost management decisions”.

They added that while the Irish arm didn’t open any new stores during the financial year, it took the opportunity during the crisis to revamp its outlet at the Pavilions shopping centre in Swords, north Dublin. The refurbishment was undertaken to “keep the store’s layout and atmosphere in line with the Zara brand image,” it added.

In December, Inditex said that its sales in recent weeks were a third higher than they were in the same period last year, and up on levels seen in 2019 before the pandemic struck.

By Nigel Taylor

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