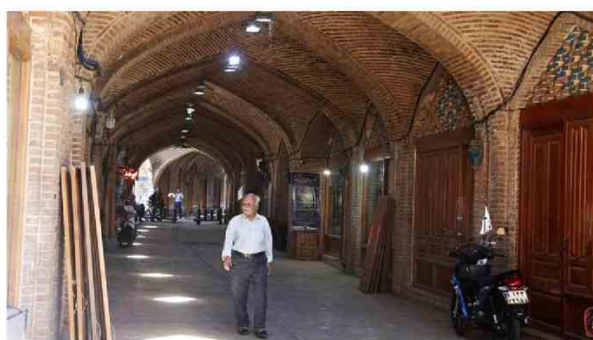




Worldview | Iran-Israel War Disrupts Local Businesses, Poses Global Risks

This week's round-up of global markets fashion business news also features JD.com's turnaround plan, pan-African e-commerce giant Jumia and Ecuador's crackdown on Chinese e-tailers.

By Robb Young



🌐 **Iran-Israel war disrupts local business, poses risks to global economy.** The conflict, which is the latest chapter in a decades-long proxy war between the two countries, has resulted in hundreds of deaths and damage to civilian areas since Israel's June 13 strike on Iran prompted intense missile exchanges. Tehran's Grand Bazaar, the city's retail epicentre, was shut last week amid a mass exodus of residents and some Tel Aviv stores were also closed. In addition to operational disruptions to local businesses in Iran and Israel, there were customs and delivery delays reported by some e-commerce companies in Jordan, which is located between the two warring nations. Due to airspace safety risks, some flights from Europe and Asia to destinations in the wider Middle East region were either cancelled or rerouted, including to Dubai and Doha, but shipping disruptions have so far been limited.

The weekend saw a significant escalation in the conflict between US-supported Israel and Iran, which is allied with 'axis of resistance' groups including Hamas in Gaza, Hezbollah in Lebanon and the Houthis in Yemen. Following direct US strikes on Iranian nuclear sites, Tehran targeted a US military base in Qatar although its missiles were intercepted. A ceasefire announced by the US and confirmed by Iran and Israel on June 24 remains tenuous, with many concerned that the conflict could either resume, escalate further or spread to global logistics chokepoints like the Strait of Hormuz, which lies between Iran and its Arab neighbours, and Red Sea routes to the Suez Canal. The latter scenarios risk pushing up energy prices and causing disruptions to international trade and supply chains, which could act as a brake on the global economy at a time when it already faces numerous other headwinds. [BBC, CNN, PBS, Al Jazeera, Haaretz, Zawya, The National]

🌐 **Pan-African e-tailer Jumia targets profitability by 2027 despite challenges.** The online retailer, which sells everything from fashion and beauty to electronics and food, must "rebuild credibility" with investors as "too much had been promised and not enough" delivered since listing on the New York Stock Exchange in 2019, said CEO Francis Dufay, declaring a "break-even [target of] 2027." The company's share price is down almost 90 percent since it went public, following numerous ongoing operational challenges and stiff competition from the likes of Shein and Temu. After becoming CEO in 2022, Dufay aggressively cut costs by slashing jobs and exiting unprofitable markets, reducing Jumia's losses from \$206 million in 2022 to \$97.6 million in 2024. Jumia now operates in Algeria, Egypt, Ghana,





Côte d'Ivoire, Kenya, Morocco, Nigeria, Senegal and Uganda, after exiting South Africa and Tunisia last year. [*Financial Times*]

EC Ecuador sets fixed tariff for Temu, Shein and Amazon packages. The Latin American country has introduced a fixed tariff of \$20 for each small imported package weighing no more than 4 kilograms and weighing no more than \$400 in FOB value, with an annual limit of \$1,600 per person set for the news system. The move follows a surge in direct cross-border trade volumes, with the number of packages increasing 637 percent from 2020 to 2024 and the value increasing by 392 percent over the period, from \$102.7 million to \$502 million, a phenomenon that the government says has harmed the local apparel, footwear and textiles sectors. Another country in the region, Costa Rica, is considering imposing limits on the trade or changing its \$500 de minimis threshold, through a bill being debate in parliament. [*Fashion Network*]

CN Chinese e-tailer JD.com unveils turnaround plan following long slump. "For JD, it's a lost five years, to put it bluntly," conceded company founder Richard Liu in a recent candid interview, referring to the period the e-commerce giant languished after a 2020 government crackdown on big tech during which rivals like PDD Holdings, owner of Pinduoduo and Temu, surged ahead. "No innovation, no growth, no progress. It should be considered the most unremarkable and least-valuable five years in my entrepreneurial history," Liu said. To turn around the fortunes of the company selling everything from fashion to electronics, Liu vowed to accelerate its overseas expansion into Europe and compete with q-commerce giants like Meituan in food delivery and travel. [*Bloomberg*]

IN Blackstone acquires Kolkata's South City Mall in India. The US-based private equity giant has purchased the mall for 3250 crore rupees (\$374.8 million) from local real estate consortium South City Projects. The mall, which spans over one million square feet and reportedly generates annual turnover of around 1800 crore rupees (\$207.6 million), houses numerous global and local fashion and beauty brand stores. The mall in the West Bengal capital is the latest addition to Blackstone's India portfolio which reportedly consists of 18 other malls across 14 Indian cities. [*Times of India, Economic Times*]

TR Turkish textile giant Ulusoy Tekstil to invest \$18 million in Egypt facility. The Adana-based company has signed an agreement with the Suez Canal Economic Zone to establish a spinning and yarn production facility in the Qantara West Industrial Zone, joining a growing number of textile and garment players from Turkey, China and other countries investing in the Egyptian region. "The zone continues to evolve as a regional hub for labour-intensive, export-oriented industries. Ulusoy Tekstil's investment further validates our position as a competitive destination for international manufacturers," said SCEZ chairman Waleid Gamal El-Dien. [*Kohan Textile Journal*]

🌐 Galleries Lafayette hosts pop-up shop of designers from Africa. The French luxury department store has invited three partners to curate a showcase of designers from across the African continent from 18 June to 8 July. CANEX, the Creative Africa Nexus programme of Egypt-based Afreximbank, selected brands Late for Work (Morocco), Boyedoe (Ghana), Wuman (Nigeria) and We Are Nbo (Kenya). Dakar Fashion Week founder and designer brand Adama Paris chose fellow Senegalese brand Sisters of Afrika. Studio Ka x Africa Fashion Up selected Algueye (Senegal), Bandame (Cote d'Ivoire) and Colle Sow Ardo. [*BoF Inbox*]

IN India's troubled beauty group Good Glamm delays paying salaries again. The Mumbai-based company, which started as DTC makeup brand MyGlamm before acquiring a stable of beauty, personal care and media brands, has reportedly delayed payment to workers for a second month "They are waiting for investor funding to clear dues. It just shows how bad things are. Every time I emailed someone, they had already left the company—even my point of contact," said company copywriter Babita Bharati. The latest roll-over follow a slate of financial challenges, high-profile executive departures and layoffs in recent months. [*Economic Times*]





JP TikTok Shop set to launch e-commerce service in Japan. The social commerce platform is preparing to open in Japan where the app already has 33 million monthly users, according to the Japan External Trade Organization, in a move that will see it compete for market share with e-commerce giants Rakuten, Zozo and Amazon Japan. Major Japanese ad agencies Hakuhodo, Dentsu Group's Septeni Japan and MicroAd have recently developed new services to help clients set up shop on TikTok and manage their marketing and advertisement services. Japan would be the latest market to see TikTok Shop open following launches in Mexico, Brazil, France and other countries earlier this year. [*Japan Times*, BoF Inbox]

CN Chinese resale giant Zhuanzhuan Group opens Beijing flagship. The second-hand goods app founded by Wei Huang in 2015 unveiled Super Zhuanzhuan, its first multi-category warehouse-style store, in the Chinese capital last month, selling everything from luxury fashion, jewellery and watches to small home appliances. The move follows Zhuanzhuan's acquisition of second-hand fashion app Plum (also known as Hongbulin) late last year. [*Jing Daily*]

IN Meesho moves its domicile back to India from the US ahead of IPO. The Bengaluru-based online marketplace for fashion (much of it unbranded), homewares and electronics secured approval from the Indian authorities to reverse merge its Delaware, US-registered entity Meesho Inc. with its Indian counterpart to redomicile the company. Meesho is expected to pay about \$280-300 million in US taxes and file an IPO draft with an Indian stock exchange. [*Economic Times*]

CN Chinese lab-grown diamond brand Caraxy foregoes discounts. According to Caraxy founder Guo Sheng, rival De Beers' Lightbox had undercut other brands in China in a race-to-the-bottom before announcing its closure last month. "Many in the industry treat lab-grown diamonds as raw materials to be sold cheaply, engaging in cutthroat price competition that has thrown the domestic market into disarray," he said. [*Jing Daily*]

IN Indian fashion q-commerce company Slikk appoints fashion head. The platform offering 60-minute delivery in its home city Bengaluru has tapped former Nykaa executive Sachin Kataria to be the division head of its beauty and personal care business. The firm was founded in 2023 by Gulati, Om Prakash Swami and Bipin Singh. [*Economic Times*]

CN China's textile and garment exports increase slightly in Jan-May period. The sector's exports were up 0.97 percent year over year, reaching \$116.67 billion in the first five months of 2025. Textile category exports rose 2.5 percent while garment exports fell 0.5 percent. In 2024, total exports increased to \$301.1 billion. [*Fibre2Fashion*]

IN Adidas taps Vijay Chauhan to be general manager of its India unit. The German sportswear brand has appointed Chauhan, a US-based executive at American Eagle Outfitters who worked at Adidas earlier in his career. Chauhan will succeed Neelendra Singh, effective Aug. 1. [*Economic Times*]

UG Uganda reduces import duties on garments and textiles. The government of the East African nation has brought down the levy as part of its 2025-26 budget. Starting July 1, fabric duties will drop from \$3 per kg to \$2 per kg, or by 35 percent, whichever is higher; garment duties will fall from \$3.5 per kg to \$2.5 per kg, or by 35 percent. [*Nile Post*]

IN Skechers names Bollywood actor Kartik Aaryan its brand ambassador. The American footwear brand has tapped the actor who stars in Hindi films like Bhool Bhulaiyaa 2 and has over 46 million Instagram followers for an endorsement deal in the India market. [*Economic Times*]

