MINDFULLY SUSTAINABLE

Navigating India–UK FTA through Compliance Check Lens

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UK Fashion Retail Snapshot

1 Major UK Fashion Retailers: High Street & Department Stores: Marks & Spencer, John Lewis, Next, Debenhams

Fast Fashion / Online: ASOS, Boohoo, PrettyLittle Thing, Missguided, Zara (UK) Luxury / Premium: Burberry, Ted Baker, Mulberry

2 UK Fashion Market Value: Total fashion retail market: ~£66 billion (2024 estimate). Online fashion sales: ~£16 billion, growing rapidly. Clothing accounts for ~50% of total fashion spend, accessories ~20%, footwear ~15%

3 Sustainability Focus : Net-zero targets by 2030-2040 Demand for traceable, circular, low-impact products . Preference for certified fibers & eco-friendly materials

IN Indian Textile & Garment Manufacturers – Opportunities in the UK Market

FTA Advantage (Effective July 2025)	Zero duty on most textile & apparel products
Greater market access and cost competitiveness	**UK Market Highlights**
India: 4th largest supplier to the UK	Exports worth **USD 2.1 billion**
6.6% share in UK's global textile & apparel imports	**India's Manufacturing Strengths**
Vertically integrated value chain (Fibre–Fabric–Fashion)	Strong in **cotton, MMF, home textiles, and handicrafts**
Supported by **PLI, MITRA Parks, and NTTM** schemes	Focus on **sustainable and traceable manufacturing**
Business Potential	Growing demand for ethical, sustainable sourcing
Scope for collaborations with UK retailers & private labels	Opportunity to establish India as a **preferred sourcing hub**

Why India-UK FTA is Critical Now

Geopolitical uncertainty & trade disruptions (USA tariffs, inflation)

India seeking alternative high-value markets

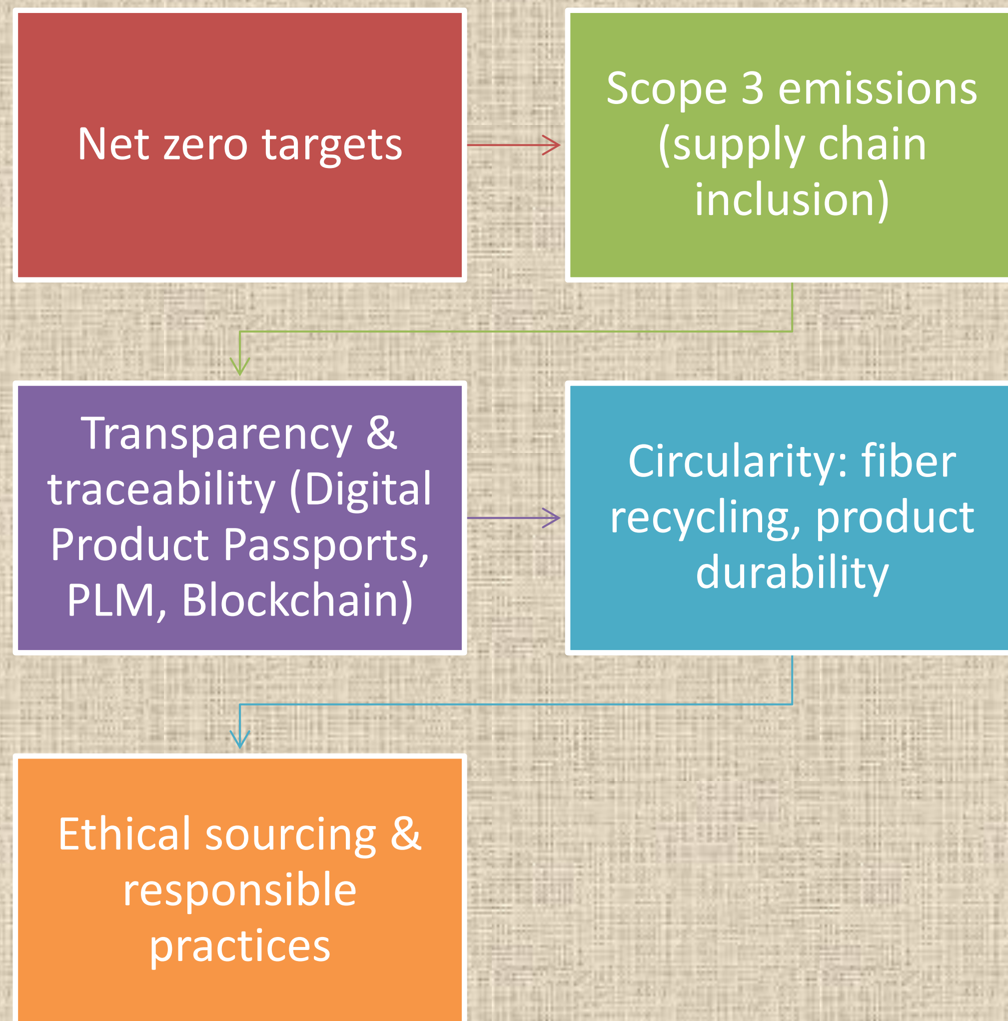
Tariff relief: 99% Indian exports duty-free

Strategic partnership: long-term bilateral growth

Impact of India–UK CETA on UK Textile & Fashion Industry

Sector	Impact Summary	Opportunities / Strategic Response
Fast Fashion / High Street	Low-cost Indian imports increase price competition	Use selective Indian sourcing; strengthen quality, speed-to-market & ethical positioning
Mid-Market Brands	Mixed effect — cost savings but margin squeeze	Combine UK/India sourcing; highlight sustainability & design value
Luxury & Designer	Positive — easier India market access & sourcing options	Target Indian premium consumers; collaborate with Indian artisans
Technical Textiles	Strong opportunity for innovation & exports	Partner with Indian mills; focus on R&D & certification
Footwear & Leather	High import competition from India	Differentiate via design, comfort & eco-materials
Home Textiles	Price pressure on UK basics	Move to bespoke, sustainable, quick-turn products
UK Manufacturers / SMEs	Risk of displacement in low-value goods	Upskill, automate, and shift to niche or premium markets
Sustainability & Compliance	Key differentiator post-CETA	Leverage certifications (GOTS, REACH, ZDHC) & transparent supply chains

UK Retailers' Sustainability Priorities



Tier-Wise Supply Chain Impact

Tier 4 – Fiber Manufacturers: Traceable cotton, recycled polyester, certified wool/leather

Tier 3 – Spinners/Yarn: Chemical, water, energy compliance

Tier 2 – Fabric Manufacturers: ZDHC MRSL, water impact, renewable energy, EPR/ESPR

Tier 1 – Garment Manufacturers: Social compliance, fair wages, PLM integration, on-time delivery

Carbon Contribution: Fiber (~10%), Yarn (~10%), Fabric (~40%), Garment (~8%)

Fiber Level Expectations

- Cotton: Traceable, BCI, Organic
- Viscose / Lyocell: Canopy, EU BAT, Liva Eco, Ecovero
- Linen / Hemp: Low-impact, European Flax, Masters of Linen certification
- Polyester: GRS-certified recycled
- Wool / Leather: RWS, LWG

Estimated %-share breakdowns (conventional vs sustainable) — consolidated, citation-backed table

- The table below is a practical, sourced estimate for a **typical mid-weight garment** lifecycle (cradle-to-retail / cradle-to-consumer use excluded variability). Numbers are **ranges** reflecting different studies and geographies.

Estimated %-share breakdowns

Supply-chain stage	Conventional fabric (example: virgin polyester / conventional cotton) — % of total emissions	Sustainable fabric (example: recycled polyester / organic cotton / low-impact viscose) — % of total emissions	Notes & sources
Raw material / fibre production	**40–60%**	**20–40%**	Fibre stage dominant in conventional fibres. Recycled/organic fibres reduce this share and absolute kgCO_2e. (McKinsey; Textile Exchange; IFEU). McKinsey & Company+2Textile Exchange+2
Yarn / spinning / fabric formation (weaving, knit)	**10–20%**	**10–20%**	Similar process steps; absolute values fall if upstream fibre footprint falls. globalclimateinitiatives.com
Wet processing (dyeing, finishing)	**10–25%**	**10–25% (but can be less if low-impact processes used)**	Wet processing energy and chemistry are big contributors; cleaner processes reduce this stage's share. (ILO; Higg MSI guidance). International Labour Organization+1
Cut & sew / garment assembly	**2–6%**	**2–6%**	Low relative share, but varies if long transport to low-carbon markets. McKinsey & Company
Transport & logistics (pre-retail)	**2–8%**	**2–8%**	Depends on shipping mode, distance and modal mix. Not the largest share. McKinsey & Company
Use phase & consumer care	**variable (wash/dry) — often ~5–20% depending on garment**	**variable**	For garments that are washed frequently, consumer use can be large (esp. for durable garments). Not a fibre vs fibre constant. ScienceDirect
End-of-life	**small-to-moderate** (but can be higher if incineration)	**can be lower for recyclable fibres**	Recyclability reduces end-of-life impacts over time. cf-assets-tup.thredup.com

Yarn Stage

- Chemical management: ZDHC MRSL
- Energy & water efficiency
- Worker health & safety
- Traceability from fiber

Fabric Manufacturing

- Ethical & sustainable materials
- Chemical, water, and energy management
- Renewable energy adoption
- EPR & ESPR compliance
- Business levers: cost, quality, lead time, sustainability

Wet Processing (High-Risk Area)

- Chemicals → REACH, ZDHC compliance
- Wastewater → ZDHC ETP standards
- Renewable energy transition
- Packaging → recycled/recyclable, minimal plastic

Garment Manufacturing (CMT Units)

- Social compliance: SMETA, SA8000
- Fair wages, gender equity
- Digitalization: PLM, 3D sampling
- Reliability: quality & timely delivery

EPR & ESPR Explained

- EPR: Extended Producer Responsibility — brands accountable for product lifecycle
- ESPR: EU/UK Sustainable Products Regulation — circular, low-impact product design
- Implications: traceability, recyclability, chemical & waste reporting
- Action: compliance documentation, certified materials, digital product passports

UK Retailers’ Lens

- Transparency
- Reliability
- Innovation in sustainability
- Competitive pricing
- Dedicated Support Team

Challenges & Opportunities

Challenges: Fragmented supply chain, coal dependency, audit fatigue, limited traceability tech

Opportunities: Duty-free access, sustainability edge, long-term UK partnerships, India’s vertical integration & IT strength

Way Forward

- Invest in traceability platforms
- Upgrade mills to ZDHC & wastewater standards
- Renewable energy roadmap
- Use certifications for market access
- Collaboration on circularity & digital product passports

🌍 India–UK FTA: A Partnership Beyond Trade

- The India–UK FTA is more than a tariff agreement —
  it's a partnership built on **trust, sustainability, and shared progress**.
- As Indian manufacturers lead with **innovation and transparency**, they will not just enter the UK market — they will **inspire it**.
- **We look forward to seeing you soon in the UK!** 🇮🇳🤝🇬🇧
- **Thank you!**