Chinese textile & apparel groups Fung, Ruyi sign major joint operations deal for Africa

By Matthieu Guinebault - April 1, 2019

Chinese apparel sourcing and production groups Fung and Ruyi have announced they signed a strategic partnership agreement to set up together in Africa “one of the world’s largest cross-sector textile and apparel ecosystems.”

The goal of this partnership is to tap, on the one hand, the logistics organisation and manufacturing expertise of the Fung group, which operates across fifty countries worldwide. On the other, to benefit from the Ruyi group's fifty-year experience in textile production, from raw materials to the finished product, including weaving, dyeing and tailoring, not forgetting the group's know-how in managing international brands.

“We have a first-class, worldwide sourcing platform, and we are constantly seeking new partners in order to strengthen our competitive edge,” said Victor Fung, adding that “as Africa is going to become a leading sourcing destination for the future, the strategic complementarity between the Fung and Ruyi groups will enable us both to join forces and explore a market that holds such promise for our consumers.”

“Africa is an important market for us, and we believe that through the partnership with Fung Group, with its extensive network of suppliers, brands and retailers, we will be able to accelerate the expansion of our business in the continent,” said Ruyi’s director, Yafu Qiu. “This partnership will allow us to create [in Africa] the largest and most comprehensive vertically integrated organisation in the textile/apparel sector,” added Qiu. Together, the two groups will develop value-chain operations in denim, shirts, suits and apparel in general.

The Ruyi Group has extensive manufacturing capabilities, and recently incorporated the Lycra brand as well as Invista’s entire Apparel & Advanced Textiles division. In addition, the group currently holds in its portfolio some thirty international labels, among them Sandro, Maje, Claudie Pierlot, Cerruti 1881, Durban and Aquascutum. These labels are distributed via the group's more than 6,000 stores in 81 countries.

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The Fung Group on the other hand does business via its listed companies Convenience Retail Asia, Li & Fung and the Global Brands Group. The latter two were created in 2014, when the trade/logistics and brand management organisations of Li & Fung were split up. Global Brands Group currently has in its portfolio, either as licensed or directly operated brands, labels like Juicy Couture, Calvin Klein, Ellen Tracy, Frye, Kenneth Cole, Katy Perry, AllSaints, Kate Spade and JLO.

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