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UK Shein Sales Surge, Overtaking Boohoo in Growth

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Shein, the online fast-fashion giant originally founded in China, has boosted its UK sales by nearly a third to over £2 billion last year, surpassing British rival Boohoo and edging closer to Asos.

The retailer's accounts, filed with Companies House, show profits rising by 56% to £38.2 million, with £9.6 million paid in corporation tax. The strong performance follows the opening of new offices in King's Cross, London, and Manchester, along with a pop-up store in Liverpool and a Christmas bus tour across 12 UK cities.

Shein, now headquartered in Singapore and operating primarily from China, has also expanded into toys, beauty, and other consumer goods. Its rapid growth has intensified competition with UK fashion retailers such as Asos, Boohoo, and high street discount chains like Primark.

The company's success is expected to add pressure on Chancellor Rachel Reeves to address the "de minimis" import rule. This regulation currently allows overseas sellers to send goods valued at £135 or less directly to UK customers without paying customs duty. Retail leaders, including Simon Wolfson of Next and Simon Roberts of Sainsbury's, have criticised the rule, arguing it disadvantages domestic businesses.

Graham Bell, CEO of B&Q, recently described the rule as "killing the high street more than anything." The issue has gained further attention after the US revoked its own de minimis exception for Chinese-made goods in May and announced plans to scrap the tax break for all countries later this month. The EU has also committed to phasing out its low-value parcel exemption.

Shein's acquisition of the Misguided brand from Mike Ashley's Frasers Group in 2023 further cemented its UK presence. The retailer nearly tripled its UK workforce in the past year to 91 employees and, in 2022, was valued at \$100 billion, making it the third-most-valuable startup globally at the time. However, recent US trade changes and ongoing supply chain scrutiny have lowered valuation expectations.

Earlier this year, Shein executives appeared before a UK parliamentary committee to address concerns over the use of cotton from China's Xinjiang region, which has been linked to forced Uyghur labour. MPs expressed dissatisfaction with the company's responses, with one accusing a representative of "wilful ignorance."

Despite these controversies, Shein continues to grow its UK market share through aggressive pricing, product variety, and promotional campaigns. Its expansion reflects a broader shift in retail towards global e-commerce platforms, challenging traditional high street models and prompting renewed debate over the UK's trade rules and competitive fairness in retail.