U.S. Tariffs Disrupt Global Textile Supply Chains

Fashion Value Chain

Author: Fashion Value Chain

The recent decision by the U.S. administration to sharply increase tariffs on imported goods is significantly disrupting global textile and apparel value chains. These changes are straining the established multilateral trade systems, including WTO, FTAs, and regional agreements.

K. V. Srinivasan, President of the International Textile Manufacturers Federation (ITMF), warned that these steep tariff hikes—rising from 11–12% to as high as 38–65%—will deeply impact apparel imports into the U.S.

Currently, 95% of U.S. apparel is imported, with leading sources including China (30%), Vietnam (13%), India (8%), Bangladesh (6%), and Indonesia (5.5%). With tariffs spiking, American importers are scrambling to find sourcing alternatives in lower-tariff nations, though many lack the capacity or cost-efficiency.

Reshoring production to the U.S. is also not a viable solution due to high labor costs, continued reliance on imported raw materials, and a lack of skilled labor in apparel manufacturing. These issues will ultimately lead to higher clothing prices and contribute to inflation.

Mr. Srinivasan emphasized that instead of broad unilateral tariff increases, governments should focus on cooperative trade policy and negotiations to support stable, sustainable growth in the global textile and apparel industry.