

ITMF Survey Shows Cautious Recovery in Global Textile Industry

HFT

Latest ITMF survey reports improved business sentiment, orders and capacity utilisation, while weak demand and rising costs continue to challenge the global textile industry.

The global textile industry recorded modest improvements in business conditions during May 2026, according to the **38th ITMF Global Textile Industry Survey**. While business sentiment, order intake, order backlogs and capacity utilisation all improved compared with March, the survey indicates that overall market conditions remain below historical averages and continue to face pressure from weak demand and rising production costs.

Conducted worldwide during the second half of May 2026, the survey suggests that the sector may be entering a cautious recovery, although industry performance remains vulnerable to geopolitical developments and energy price fluctuations.

Business sentiment improves but remains below historical levels

The survey reported that the **business situation balance** improved to **-17 percentage points (pp)** from **-25pp** recorded in March.

Other key indicators also showed improvement:

- **Business expectations:** +16pp (up from +5pp)
- **Order intake:** -9pp (up from -25pp)
- **Order backlog:** Increased to **2.5 months**
- **Capacity utilisation:** Rose to **74%**

The survey noted that order cancellations remained limited while inventory levels continued to stay relatively low.

Despite these gains, ITMF observed that current performance levels remain weak by historical standards, indicating that the recovery is still fragile.

Regional performance remains uneven

The improvement was not uniform across global markets.

According to the survey:

- **Africa** recorded the strongest performance in business conditions, order intake, order backlog and business expectations.
- **Europe** and **North & Central America** also registered improvements.
- **East Asia** remained the weakest-performing region in terms of both current business conditions and six-month expectations.

Across the textile value chain, downstream segments closer to end consumers performed relatively better than upstream and capital goods segments.

Weak demand and rising costs remain key concerns

Despite improving indicators, textile manufacturers continue to face several operational challenges.

Among survey respondents:

- **53%** identified **weak demand** as their primary concern.
- **52%** cited **raw material prices**.
- **42%** pointed to **energy prices**.
- **42%** also highlighted **geopolitical developments**.

The survey stated that the conflict involving Iran has contributed to higher crude oil prices, with oil reaching around **USD 100 per barrel** and gasoline prices increasing by approximately **50%** **since March**, adding inflationary pressure and affecting industry margins.

Outlook depends on energy prices and geopolitical stability

According to the survey, whether the improvement recorded in May continues will largely depend on future energy price movements and the resolution of ongoing geopolitical conflicts.

While business confidence has strengthened compared with earlier in the year, ITMF indicates that the industry's recovery remains dependent on external economic and geopolitical conditions.