SOURCING PERSPECTIVE · AUGUST 2026

CHINA · INDIA · BANGLADESH · VIETNAM

THE NEXT DECADE OF SOURCING: FOUR COUNTRIES, ONE DECISION

A data-backed read for buying directors and brand owners, on 2025 WTO trade data and the July 2026 US duty reset.

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OUR VIEW: THERE IS NO SINGLE WINNER

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Each of the four has a real edge. None has all four things brands now need — cost, capability, duty position and speed. The answer is not a country; it is a governed multi-country base.

CHINA

THE POWERHOUSE

Scale, integration and technical fabric are unmatched — and it is now the most duty-burdened origin into the US.

$157bn · 27.4%

INDIA

THE BALANCED BET

Fibre, craft and duty position all on the right side — and the widest gap between potential and execution.

$17.2bn · ~3.0%

BANGLADESH

THE VOLUME KING

Keeps basic-knit volume on cost — and must trade up before LDC benefits lapse from 2029.

$38.8bn · 6.8%

VIETNAM

THE FTA CHAMPION

Speed and preference access — on the highest US duty of the low-cost four, and imported fabric.

$37.5bn · 6.5%

WHERE THE FOUR STAND TODAY

PARAMETER	CHINA	INDIA	BANGLADESH	VIETNAM
Apparel exports 2025 ($bn)	157.1	17.2	38.8	37.5
World apparel share 2025	27.4%	~3.0%	6.8%	6.5%
Growth 2025 vs 2024	–4.9%	+5.5%	+0.9%	+10.5%
World textile (fabric, yarn) share	43.3%	3.9%	<1%	~2%
US apparel duty, Aug 2026	~50%	26.5%	26.5%	29.0%
Labour cost, entry ($/month)	~300	~155	~104	~195
Lead time, order to gate (days)	75–105	90–135	110–155	90–125
Fibre skew · fabric self-sufficiency	MMF · high	Cotton · high	Cotton · knits	MMF · low
Sector employment	~8 mn	~45 mn	~4 mn	~2.5 mn
Population (mn) · GDP ($bn)	1,408 · 18,750	1,451 · 3,910	173 · 450	101 · 476
Structural edge	Scale	Fibre + craft	Cost, knits	FTAs, speed

WTO World Trade Statistics 2025 · India Ministry of Commerce · EPB / BGMEA · VITAS · wage boards. Duty = MFN base plus the Section 301 forced-labour tariff in force from 24 July 2026.

WHAT THE 2025 DATA CHANGED

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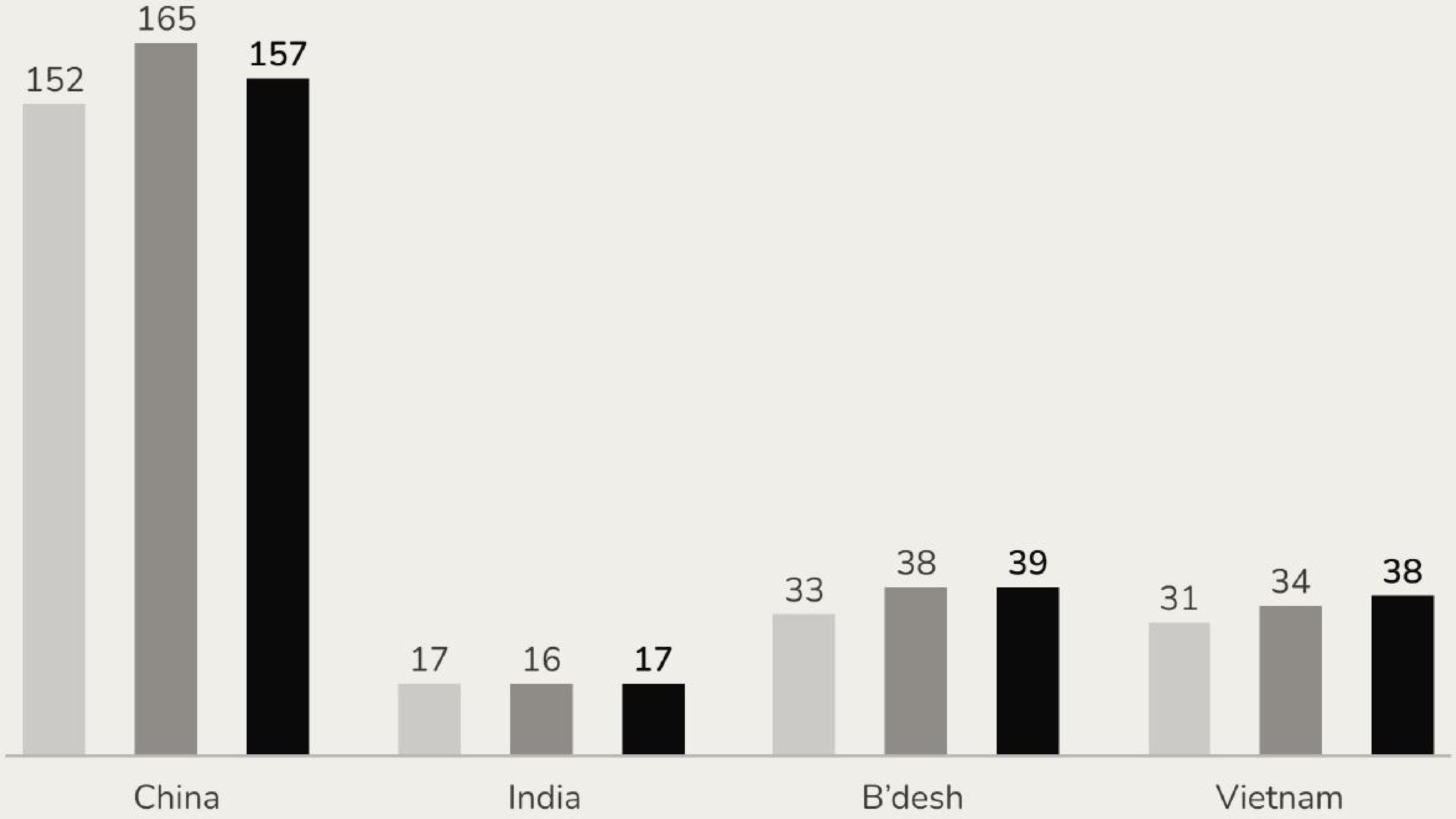
APPAREL EXPORTS, $BN · 2019 → 2024 → 2025



Light to dark: 2019, 2024, 2025. Source: WTO.

FOUR NUMBERS BEHIND THE HEADLINE

43.3% China's share of world **textile** exports, up from 41.5%. The upstream grip tightens as garment work leaves.

$1.31BN All that separates Bangladesh from Vietnam in 2025 apparel exports, down from $4.5bn.

270 LEED-certified garment factories in Bangladesh — 114 of them Platinum.

Cost stopped being the tie-breaker. World apparel imports still grew 4.5% in 2025 — the market is not shrinking, only China's share of it is. With 2.5 points of duty between the low-cost origins and twenty-plus against China, duty and lead time now outweigh the wage line.

DUTY IS NOW THE BIGGEST LINE

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The 2025 IEEPA reciprocal tariffs were struck down in February 2026 and are refundable. A flat Section 122 tariff replaced them, expired at its 150-day limit on 24 July 2026, and was replaced the same day by a two-tier Section 301 forced-labour tariff.

ORIGIN	MFN BASE	SEC. 301	TOTAL NOW	WAS, 2025	NET EFFECT
India	16.5%	10%	26.5%	~50%	Biggest improvement of the four
Bangladesh	16.5%	10%	26.5%	~53%	Cost advantage on basics restored
Vietnam	16.5%	12.5%	29.0%	~63%	Relief, but now 2.5 points behind
China	16.5%	12.5% + prior	~50%	Higher	Most burdened origin, structurally

A $10 FOB TEE, LANDED

India	B'desh	Vietnam	China
$2.70 duty	$2.54 duty	$3.07 duty	$5.70 duty
$13.45	$12.72	$14.12	$17.52

$4.80 of duty separates the same tee sourced in Bangladesh and in China — against 73 cents of FOB.

Illustrative arithmetic at current duty rates, not a quotation.

TWO THINGS TO DO ABOUT IT

Claim the refund. An estimated $20–35bn of apparel IEEPA duty collected in 2025 is refundable. If you imported between April 2025 and February 2026, that is live money.

Stop relocating for duty alone. 2.5 points is less than one season of freight variance. Capability and lead time decide again.

SOURCING SCORECARD

★★★★★ BEST · ★☆☆☆☆ WEAKEST

CAPABILITY	CHINA	INDIA	B'DESH	VIETNAM	WHAT IT MEANS FOR YOUR BOOK
Raw material security	★★★★☆	★★★★☆	★☆☆☆☆	★★☆☆☆	Fabric origin drives duty and traceability exposure
Cost competitiveness	★★☆☆☆	★★★☆☆	★★★★★	★★★☆☆	Decisive only on high-volume, low-complexity basics
Manufacturing scale	★★★★★	★★★☆☆	★★★★☆	★★★☆☆	Sets the floor on minimums and peak capacity
Vertical integration	★★★★★	★★★★☆	★★☆☆☆	★★☆☆☆	Fewer handoffs, shorter development, margin control
Technology & automation	★★★★☆	★★★☆☆	★★☆☆☆	★★★☆☆	Decides who can hold quality at speed
Skilled labour availability	★★★★☆	★★★★☆	★★★☆☆	★★★☆☆	Hand-work and finishing quality live here
Infrastructure & logistics	★★★★★	★★★☆☆	★★☆☆☆	★★★★☆	Port and inland variance hits on-time delivery
Policy support & stability	★★★★☆	★★★★☆	★★☆☆☆	★★★★☆	Incentives and unrest both change unit economics
Sustainability readiness	★★★☆☆	★★★☆☆	★★★★☆	★★★☆☆	Bangladesh leads on certified green floor space
Duty & FTA position	★☆☆☆☆	★★★★☆	★★★★☆	★★★★★	Market-specific: US tiers versus EU and CPTPP
Speed to market	★★★★☆	★★★☆☆	★★★☆☆	★★★★☆	Replenishment and in-season chase depend on it
Ease of doing business	★★★☆☆	★★☆☆☆	★★☆☆☆	★★★★☆	Paperwork, compliance and finance friction

THE VERDICT

Capability and duty pull in opposite directions. The deepest capability sits where the duty is worst; the best duty position sits where execution risk is highest. A single-country book buys one of those problems in full.

CATEGORY AGAINST COUNTRY

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CATEGORY	CHINA	INDIA	B’DESH	VIETNAM	PLACE IT	BECAUSE
Basic knit tees & fleece	★★★☆☆	★★★★☆	★★★★★	★★★☆☆	B’desh	Knit fabric local, lowest conversion cost
Denim	★★★☆☆	★★★★☆	★★★★★	★★★☆☆	B’desh / India	Local mills plus wash capacity at scale
Woven shirting	★★★★☆	★★★★☆	★★★☆☆	★★★☆☆	India	Cotton at source, fine-count weaving, duty
Woven bottoms & chinos	★★★★☆	★★★☆☆	★★★★☆	★★★★☆	B’desh / Vietnam	Bulk woven lines, imported fabric either way
Outerwear & down	★★★★★	★★☆☆☆	★★★☆☆	★★★★☆	Vietnam / China	Down handling, engineered trims, seam sealing
Technical & performance	★★★★★	★★☆☆☆	★★☆☆☆	★★★★☆	China	Membrane, coating and lamination base
Activewear & sportswear	★★★★☆	★★★☆☆	★★★☆☆	★★★★★	Vietnam	Brand programmes, MMF knit, FTA access
Embroidered & embellished	★★★☆☆	★★★★★	★★☆☆☆	★★☆☆☆	India	Craft skill at commercial volume
Home textiles & made-ups	★★★★☆	★★★★★	★★☆☆☆	★★☆☆☆	India	Cotton at source, established made-up base
Small-batch, in-season chase	★★★★★	★★★☆☆	★★☆☆☆	★★★☆☆	China / India	Low minimums, local trims, fastest clock

THE SPLIT WE WOULD RUN

Bangladesh for basics, denim and bulk woven; India for shirting, embellished and home; Vietnam for activewear and outerwear; China held for technical and chase. No origin above 40%.

MINIMUMS, TYPICALLY

China 300–800 pieces · India 500–1,200 · Vietnam 1,000–2,000 · Bangladesh 2,000–5,000. The reverse of the cost list.

LEAD TIME, STAGE BY STAGE

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STAGE (DAYS)	CHINA	INDIA	B'DESH	VIETNAM	WHAT DRIVES IT, AND WHERE IT SLIPS
1. Enquiry to costed quote	3–7	5–10	5–12	5–10	Tech-pack completeness. Missing trim detail causes the re-quote.
2. Proto and fit sample	7–12	10–18	12–20	10–15	Trim libraries and in-house pattern rooms. China wins here.
3. Fabric booking to in-house	15–25	20–32	30–50	30–45	**The decisive stage.** Domestic mills versus imported woven. Bangladesh knits are faster, 20–30.
4. PP sample approval	5–8	7–12	7–14	7–10	Buyer response time, not factory speed.
5. Cut, make, trim, finishing	25–35	35–50	40–55	30–45	Line productivity and order size. Wash and print add 5–12 days.
6. Inline and final QC, AQL	3–5	4–7	4–7	3–6	A failed final AQL costs two to three weeks of rework.
7. Docs, port handling, vessel	3–6	5–9	6–12	4–8	Chattogram and Nhava Sheva carry the most variance.
8a. Ocean transit to EU	30–35	22–28	28–34	30–36	India is closest to Europe by sea — rarely shows in cost comparisons.
8b. Ocean transit to US west coast	18–24	30–38	32–40	20–28	The Pacific flips the ranking entirely.
Total, order to gate (excl. transit)	75–105	90–135	110–155	90–125	Add stage 8a or 8b for door-to-door.

HOW TO TAKE THREE WEEKS OUT

Book fabric before the PO (10–20 days). Fix a two-day approval SLA in writing (a week). Inline QC, not final-only. Match the ocean leg to the market.

WHERE THE MONTH GOES

The fabric spread between fastest and slowest origin is 25–35 days. The entire sewing spread is 15. Half of most overruns start in the buyer's inbox.

DEEP DIVE: CHINA AND INDIA

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CHINA

$157BN apparel, 2025	**−4.9%** year on year	**43.3%** textile share

Unmatched at. Mill-to-ship integration, technical fabric, membranes and coatings, trims, automation, and a development clock nobody else meets.

Exposed on. Share down from 31.7% in 2021; an outright contraction in 2025 while the market grew 4.5%. Labour roughly 3× Bangladesh, and the worst US duty by twenty points.

What is actually moving. Not the supply chain — the last stitch. Much new capacity elsewhere is Chinese-owned and Chinese-supplied.

Use it for. Complex fabric, engineered product, intimates, in-season chase. For US-bound basics the duty maths no longer works.

INDIA

$17.2BN apparel, 2025	**+5.5%** year on year	**~45MN** employed

Strong at. The only one of the four with fibre, spinning, weaving, processing and garmenting all at domestic scale — plus craft skill at commercial volume and the shortest sea leg to Europe.

Lags on. Unit scale, factory productivity, logistics friction. Apparel of $17.2bn against ~$20.6bn of textiles: it still sells more fabric than garments.

What changed in its favour. The duty reset put it at 26.5%, level with Bangladesh and roughly half China — and the FTA cycle finally moved (UK CETA, EFTA, EU talks advanced).

Still missing. No apparel quota exemption, and PM MITRA / PLI scale-up is slower than the $100bn-by-2030 curve.

DEEP DIVE: BANGLADESH AND VIETNAM

BANGLADESH

$38.8BN	+0.9%	270
RMG, 2025	year on year	LEED factories

Wins on. The lowest conversion cost of the four on a ~$104 entry wage, huge knit and denim capacity across ~3,500 export factories, and the world's largest concentration of LEED-certified plants — 114 Platinum, 68 of the global top 100.

Fragile on. Imported woven fabric, the longest lead times, the most port variance, and roughly half the book going to the one market whose preference expires.

The 2026–29 cliff. LDC graduation in November 2026; EU duty-free access phases out from 2029. Price it in now.

Also live. The minimum wage has been static since December 2023 — the next board review is a real cost event.

VIETNAM

$37.5BN	+10.5%	$25BN
apparel, 2025	year on year	fabric imported

Wins on. Preference through CPTPP, EVFTA, UKVFTA, RCEP and the EAEU deal; the most reliable ship dates of the four; strong outerwear and sportswear; fastest growth two years running.

Exposed on. $25bn of textile imports against ~$46bn of exports — a fabric shock upstream is a Vietnam shock. Labour now second-highest, and its 12.5% US tier puts it 2.5 points behind India and Bangladesh.

Where it is heading. Second place in world apparel exports is $1.31bn away. At +10.5% against +0.9%, that changes hands inside two years.

Use it for. EU and CPTPP programmes where preference is real money, and anything where the ship date is the product.

FLAIRSOURCE INSIGHTS FROM THE FLOOR

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01 FABRIC IS THE SCHEDULE

The CMT spread across the four is fifteen days. The fabric spread is thirty-five. Nominate the mill and book greige at development stage.

02 COST PER MINUTE, NOT PER HOUR

A line at 45% efficiency against one at 65% erases the whole wage gap between Bangladesh and Vietnam.

03 A PAPER SECOND SOURCE IS NOT ONE

It becomes real the day it has made your style, on your fabric, and passed your AQL. Until then it is a phone number.

04 "CHINA+1" IS OFTEN STILL CHINA

Moving the last stitch does not move the fabric, the trims or the ownership. Ask who owns the plant.

05 WASH AND PRINT ARE THE HIDDEN PATH

Every value-add outside the sewing line adds 5–12 days and a second quality gate, wherever it sits.

06 DUTY ENGINEERING IS UNDERUSED

Blend and construction move the HTS line, and the HTS line moves the duty. Design it in at tech-pack stage.

07 COMPLIANCE IS A LEAD-TIME ITEM

Fibre-origin declarations and mill lists sit on the critical path now. Collect them at PO stage, not at shipment.

08 MINIMUMS BEND, PEAK CAPACITY DOES NOT

Almost every factory will move on MOQ. None will find you a line in August that was booked in April.

09 HALF OF DELAYS START IN YOUR INBOX

A two-working-day approval SLA, written into the vendor manual on both sides, is the cheapest week you will buy back.

10 TERMS ARE A LEVER, NOT PAPERWORK

LDP/DDP, consolidated warehousing and vendor financing move working capital without touching unit price.

WHAT WE WOULD DO FIRST

Take your ten highest-volume styles. For each, write down the mill, the country, the cost per standard minute, the duty line and the named second source. Most buying teams cannot fill that table today — and the gaps are where the next two years of cost and risk sit.

RISKS AND THE 2035 SCENARIO

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RISK WATCHLIST

Duty instability. Two complete regime changes in eighteen months. Treat any duty number, including ours, as a position to re-check at order placement.

Duty cliffs. Bangladesh's LDC graduation in Nov 2026 and the EU phase-out from 2029 reset the cost base of every basic programme placed there.

Fabric dependency. Diversifying the sewing without diversifying the fabric is not diversification.

Traceability and forced labour. The current US tariff is named for it. Fibre-level proof is a shipping condition.

Concentration. Any origin above 40% of the book is a single point of failure, whatever its scorecard says.

Wage resets. Bangladesh's minimum has been static since Dec 2023, and energy costs are already biting.

A 2035 SCENARIO, NOT A FORECAST

China	India	B'desh	Vietnam
21–24%	**4–6%**	**7–8%**	**8–10%**
27.4% 2025 actual	3.0% 2025 actual	6.8% 2025 actual	6.5% 2025 actual

Share of world apparel exports. FlairSource scenario extending 2019–25 WTO trends with announced duty and FTA changes — directional, not a point forecast. **What would move it:** a faster fabric build-out in India or Vietnam pushes both to the top of their range; Bangladesh absorbing the 2029 duty step without price relief moves volume out sooner.

NINETY DAYS, THEN EVERY QUARTER

WHEN	MOVE	OUTCOME
Weeks 1–4	Re-run landed cost by origin on the top 20 styles, at current duty. File any IEEPA refund claim.	A true comparison, and possibly cash back
Weeks 4–8	Name a live second source in a different country for every core style, and sample it.	Switching becomes a decision, not a project
Weeks 6–10	Add fibre traceability and mill declaration to the tech pack and the PO terms.	Compliance ready before enforcement
Weeks 8–12	Re-price every Bangladesh programme running past 2028 on post-graduation duty.	No surprise in 2029
Every quarter	Standing review of landed cost, duty position and origin mix against the 40% cap.	A decision you make, not a bill you receive

WHAT WE TELL BUYERS

- ✓ Split the book by product, not by country loyalty.
- ✓ Compare landed cost per standard minute, not FOB.
- ✓ Diversify the fabric, not just the sewing.
- ✓ Match the ocean leg to the destination market.
- ✓ Cap any single origin at 40% of the book.

THREE QUESTIONS FOR EVERY VENDOR

Who owns the mill that makes my fabric, and in which country does it sit? What is your line efficiency on my style, measured, not estimated? If I double this order in week six, what moves — the price, the date, or the quality?

The next decade will not belong to the cheapest country. It will belong to the most competitive, responsible and resilient supply base — wherever it sits.

BUILD YOUR MULTI-COUNTRY BASE

22+ years in sourcing · 40+ vetted factories · Bangladesh, India, China, Vietnam, Sri Lanka. Product development, material sourcing, factory selection, production management, AQL quality control, LDP/DDP terms.

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