

## World Textile and Clothing Trade: Key Patterns and Emerging Trends

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This article comprehensively reviewed the world textile and clothing trade patterns in 2023 based on the newly released [World Trade Organization statistics](#) and data from the United Nations (UNComtrade). Affected by the shifting macroeconomic environment and fashion companies' evolving sourcing strategies, the world's textile and clothing trade in 2023 displayed several critical patterns that deserve attention.

**Pattern #1: With a slower global economy and reduced consumer demand, world textile and clothing exports experienced a notable decline in 2023, marking their worst performance since the 2020 pandemic.**

### Growth Rate of World GDP and Merchandise Export (by value)

Year	World GDP	Total merchandise export	Textiles export	Clothing export
2021	6.3%	26.5%	7.8%	21.9%
2022	3.0%	12.4%	-4.2%	5.0%
2023	2.6%	-4.6%	-5.9%	-9.6%

Table: by Dr. Sheng Lu • Source: WTO (2024); World Bank (2024) • Created with Datawrapper

[https://www.datawrapper.de/\\_0zIQJ/](https://www.datawrapper.de/_0zIQJ/)

Specifically, the world's clothing exports totaled \$520 billion in 2023, down nearly 10 percent year over year. Slowed economic growth, coupled with persistent high inflation in major apparel import markets—particularly the United States and Western European countries—adversely affected consumers' budgets for discretionary spending, including clothing purchases.

The clothing sector was not alone in this downturn. With global Gross Domestic Product (GDP) increasing by only 2.6 percent in 2023 (down from 3.0 percent growth in 2022 and 6.3 percent growth in 2021), the world's total merchandise trade volume also decreased by 4.6 percent in 2023, compared to double-digit growth between 2021 and 2022.

On the other hand, the world's textile exports fell by 5.9 percent in 2023, totaling \$319 billion, lagging behind most industrial sectors. The combined impact of reduced clothing consumption and production and shrinking demand for PPE textiles likely contributed to this trend.

Furthermore, the [World Bank's June 2024 outlook](#) expected the world economy in 2024 to grow at around 2.6 percent, with no significant improvement from 2023. Even more concerning, some leading emerging economies that used to serve as the "growth engine" of the world economy, including China, were predicted to experience slower growth in 2024 than the previous year. Likewise, the World Trade Organization (WTO)'s [April 2024 outlook](#) projected the world's merchandise trade volume to grow only modestly at around 2.6 percent in 2024. Given

the limited aggregate demand and ongoing economic uncertainties, **the world textile and clothing trade in 2024 will likely expand but at a slow pace.**

**Pattern #2: While China remained the world's largest clothing exporter in 2023, rising geopolitical tensions and Western fashion companies' ongoing de-risking efforts pose increasing challenges to its export outlook.**

### China's Market Share in World Textile and Clothing Exports

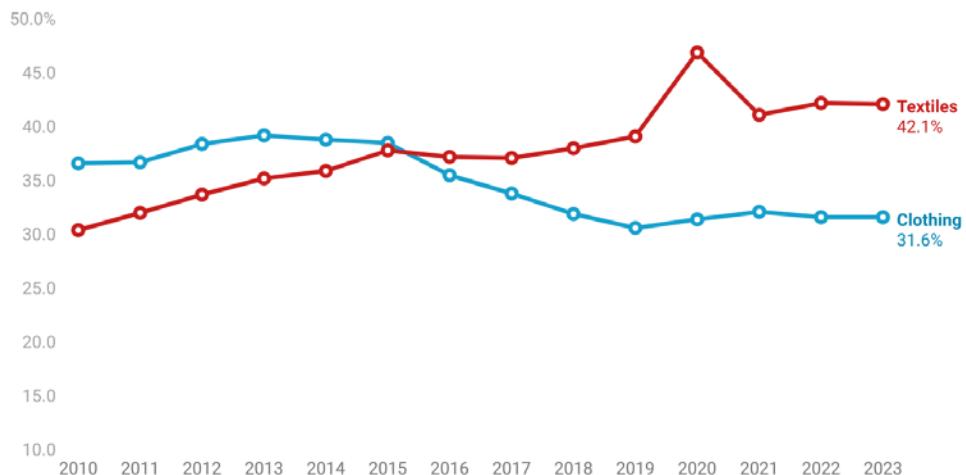


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### Top Apparel Exporters in 2023 (By value)

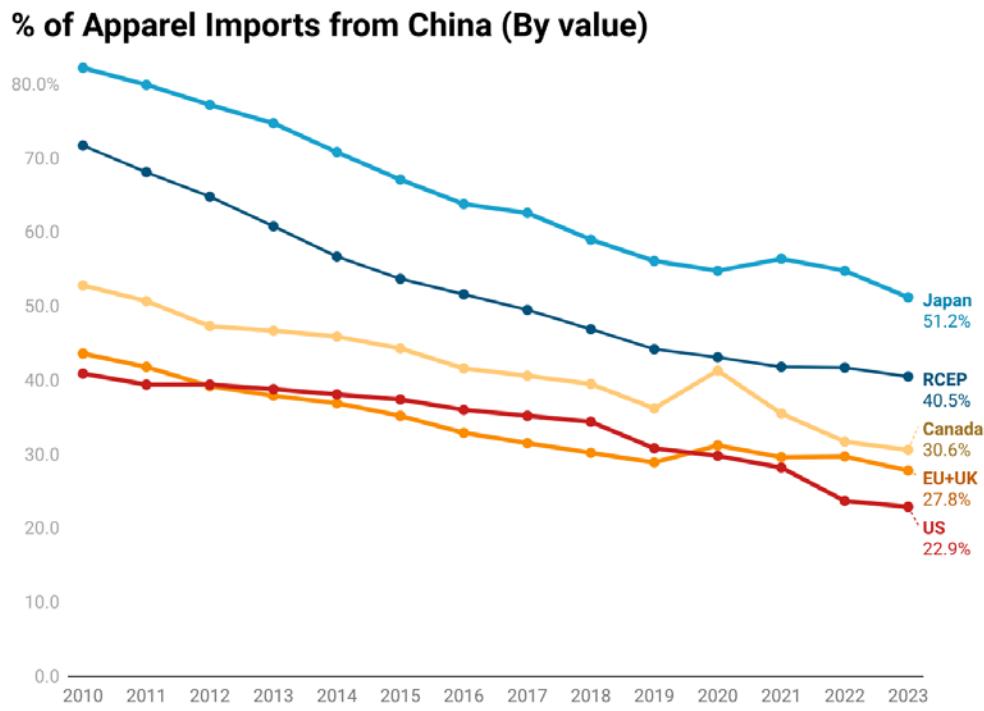
	Exporters	Value of exports (\$bn)	Growth rate (2022-2023)	Market shares
1	China	165.0	-9.7%	31.6%
2	European Union	162.0	3.2%	31.2%
3	Bangladesh	38.0	-16.0%	7.4%
4	Viet Nam	31.0	-12.1%	6.0%
5	Türkiye	19.0	-5.9%	3.6%
6	India	15.0	-12.9%	3.0%
7	Indonesia	8.0	-17.3%	1.6%
8	Cambodia	8.0	-12.7%	1.5%
9	USA	7.0	0.3%	1.4%

"Apparel" refers to SITC code 84; About 72% of European Union (EU)'s clothing exports went to other EU members.

Table: by Dr. Sheng Lu • Source: WTO (2024) • Created with Datawrapper

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To some extent, 2023 wasn't too bad for clothing "Made in China." In value, China's clothing exports totaled \$164 billion, accounting for 31.6% of the world—unchanged from 2022. While China's clothing exports decreased by 9.7 percent in 2023 compared to the previous year due to weaker market demand, this performance was better than most other top ten suppliers, including Bangladesh (down 16 percent), Vietnam (down 12 percent), India (down 13 percent), and Indonesia (down 17 percent).



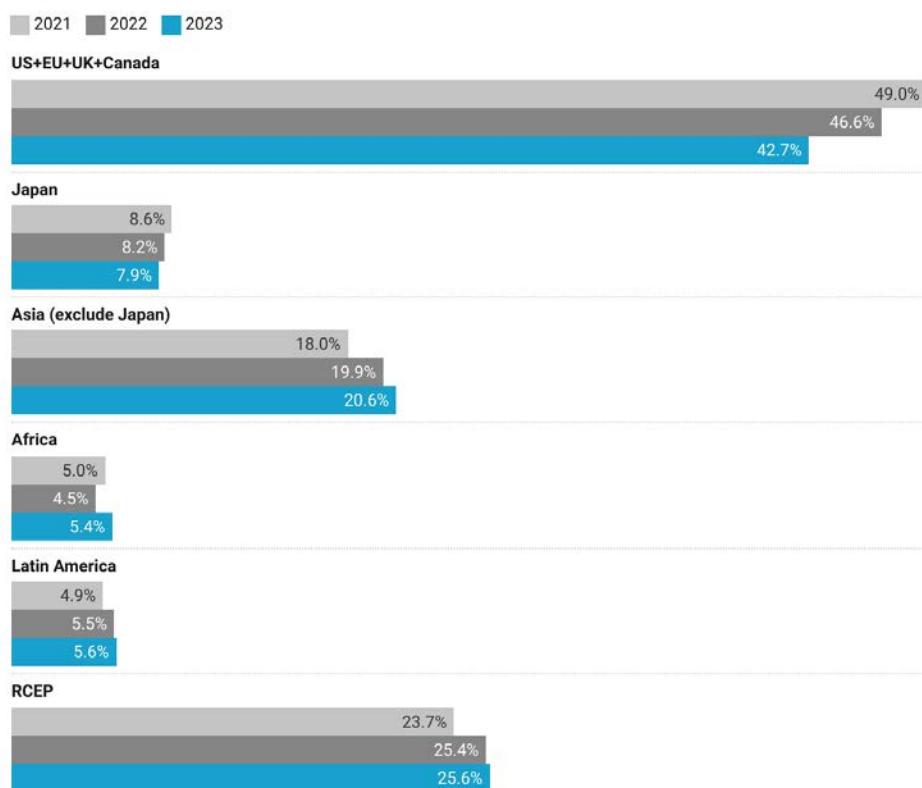
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**However, China's clothing exporters face significant challenges ahead.** Despite maintaining its overall market share, China is losing momentum in nearly all key Western clothing markets, including the United States, the European Union, the UK, and Canada. This trend is primarily driven by perceived heightened sourcing risks associated with China, ranging from concerns over forced labor in the Xinjiang region to escalating geopolitical tensions involving the country.

For example, according to the [2024 Fashion Industry Benchmarking Study](#) released by the US Fashion Industry Association (USFIA) in July, a record 43 percent of surveyed leading US fashion companies reported sourcing less than 10 percent of their apparel products from China in 2024, compared to only 18 percent in 2018. Likewise, nearly 60 percent of respondents no longer use China as their top apparel supplier in 2024, much higher than the 25-30 percent range before the pandemic. Additionally, nearly 80 percent of respondents plan to further reduce their apparel sourcing from China over the next two years through 2026, citing perceived high sourcing risks as the primary concern.

On the other hand, **China has been diversifying its clothing exports beyond traditional Western markets in response to the “de-risking” movement**. For example, the US, EU, UK, and Canada combined accounted for 43-45 percent of China’s clothing exports in 2023, lower than over 50 percent in the past. In comparison, these four Western markets typically accounted for 70 to 90 percent of an Asian country’s clothing exports. Meanwhile, since 2021, Asian economies, especially members of the Regional Comprehensive Economic Partnership (RCEP) and Africa, have become more important export markets for China. Nevertheless, **since RCEP members and those in Africa primarily consist of developing economies with ambitions to expand their own clothing production and exports, the long-term growth prospects for their demand for “Made in China” clothing remain uncertain**.

### China's Apparel Export Market (by value)



“Apparel” refers to SITC code 84

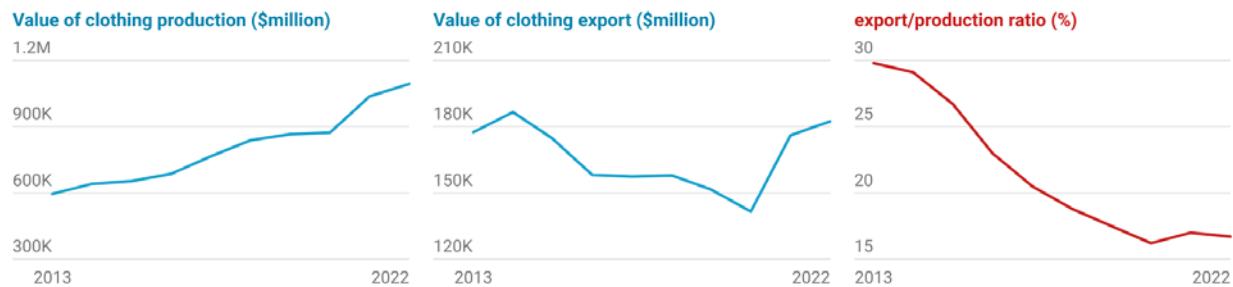
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Additionally, despite being the world’s largest clothing exporter, between 2013 and 2022 (the latest available data), **over 70%–80% of clothing produced in China was consumed domestically, with only about 20%–30% being exported**. However, as China’s economic growth has slowed and consumer spending on clothing has stalled, more clothing made in China could enter the international market and intensify the price competition. Notably, between June 2023 and June 2024, the average unit price of US apparel imports from China decreased unusually by 7.6 percent, signaling that an increased supply of Chinese clothing

began to suppress market prices. The growing influx of cheap Chinese products also raises the risk of market disruptions, potentially leading to additional trade tensions and restrictive measures against Chinese products.

### China's Clothing Production and Export (by value)



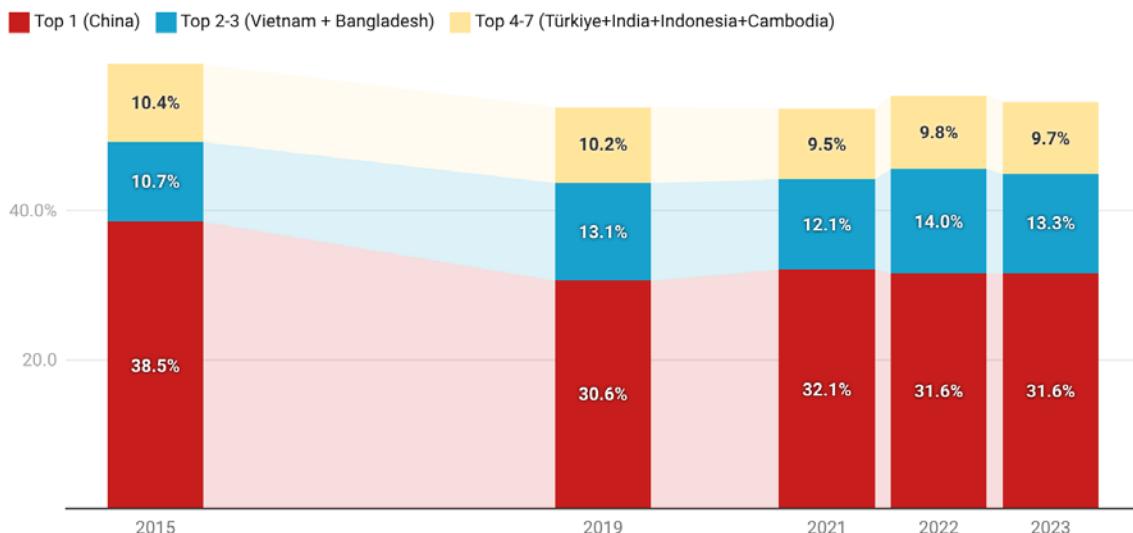
Production data is from the UNIDO INDSTAT Revision 3 database, where clothing refers to code 18 (Wearing Apparel). Export data is from the World Trade Organization, where clothing refers to SITC code 84; Export/production ratio=value of export/value of production

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**Pattern #3: Reflecting fashion companies' sourcing diversification strategies, top suppliers have less dominated world clothing exports, creating new opportunities for other emerging and smaller exporters.**

### Market Share of World Top Clothing Exporters: 2015-2023 (by value)



Clothing refers to SITC code 84

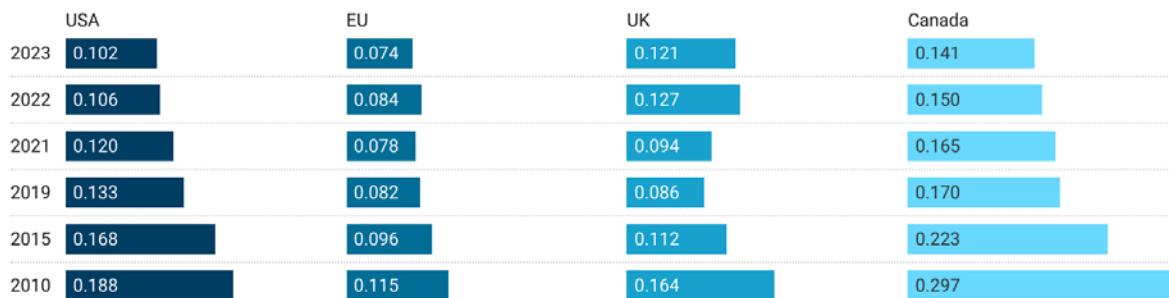
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Contrary to conventional thinking, as fashion companies reduce sourcing from China, **NO single country has emerged as the clear “next China.”** Instead, companies are increasingly leveraging **sourcing diversification** to respond to market uncertainties and mitigate rising sourcing risks of various kinds.

Specifically, in 2023, **Bangladesh, Vietnam, Türkiye, India, Indonesia, and Cambodia** were among the world's top 2<sup>nd</sup> to 7<sup>th</sup> largest clothing exporters at the country level. However, measured in value, Bangladesh and Vietnam accounted for 13.3 percent of world clothing exports, down from 14 percent the previous year and similar to 13.1 percent in 2021. Likewise, Türkiye, India, Indonesia, and Cambodia accounted for 9.7 percent of world clothing exports in 2023, lower than 10.2 percent in 2021. In other words, no single country has emerged as the main alternative to sourcing from China and enjoyed substantial market share growth, particularly since the pandemic. **This trend also reminds us that clothing export is increasingly less about a “winner takes all” game.**

### Clothing Import Diversification HHI Index (by value)



HHI refers to Herfindahl–Hirschman index. A smaller value means a higher degree of market diversification. Clothing refers to SITC code 84  
Chart: Calculated and created by Dr. Sheng Lu • Source: UNComtrade (2024) • Created with Datawrapper

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Another indicator of the ongoing sourcing diversification trend is the **consistent decline in the value of the Herfindahl–Hirschman Index (HHI)** across nearly all major Western markets, including the US, the European Union (EU), the UK, and Canada. This pattern reveals that apparel imports in these markets come from increasingly diverse sources. Also, based on the HHI values, the apparel sourcing base for US and EU companies has become highly diversified, with their top supplying countries accounting for smaller market shares.

### Pattern #4: Developed countries remain critical textile exporters, and middle-income developing countries gradually expand their new textile production and exports.

Unlike garment manufacturing, making textiles is a highly capitalized and technology-intensive process. Thus, developed countries with abundant capital and advanced technology play a more significant role as textile producers and exporters than developing countries that rely on cheap labor.

Consistent with the patterns, the **European Union members** and the **United States** stayed critical textile exporters, accounting for 25.9 percent of the world's textile exports in 2023, up from 24.5 percent between 2021 and 2022. In particular, highly capital and technology-intensive **industrial textiles** (SITC code 657) accounted for over one-third of the US and EU total textile exports in 2023, much higher than around 25 percent ten years ago. In contrast, today's US and EU textile exports include fewer traditional yarns and fabrics used for apparel manufacturing purposes.

## Top Textile Exporters in 2023 (By value)

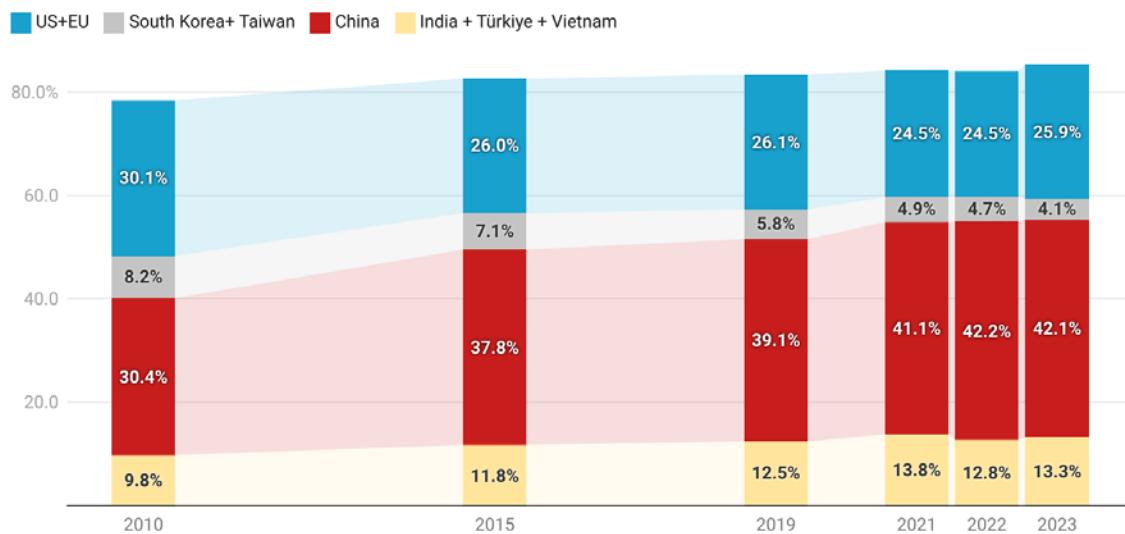
Exporters	Value of exports (\$bn)	Growth rate (2022-2023)	Market shares
1 China	134.0	-9.3%	42.1%
2 European Union	70.0	-2.9%	22.0%
3 India	18.0	-6.7%	5.7%
4 Türkiye	13.0	-9.1%	4.2%
5 USA	12.0	-10.0%	3.9%
6 VietNam	11.0	0.1%	3.5%
7 South Korea	7.0	-16.1%	2.2%
8 Taiwan	6.0	-27.1%	1.9%
9 Japan	6.0	-5.1%	1.8%
10 Pakistan	5.0	-41.8%	1.7%

"Textile" refers to SITC code 65

Table: by Dr. Sheng Lu • Source: WTO (2024) • Created with Datawrapper

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## Market Share of World Top Textile Exporters: 2010-2023 (by value)

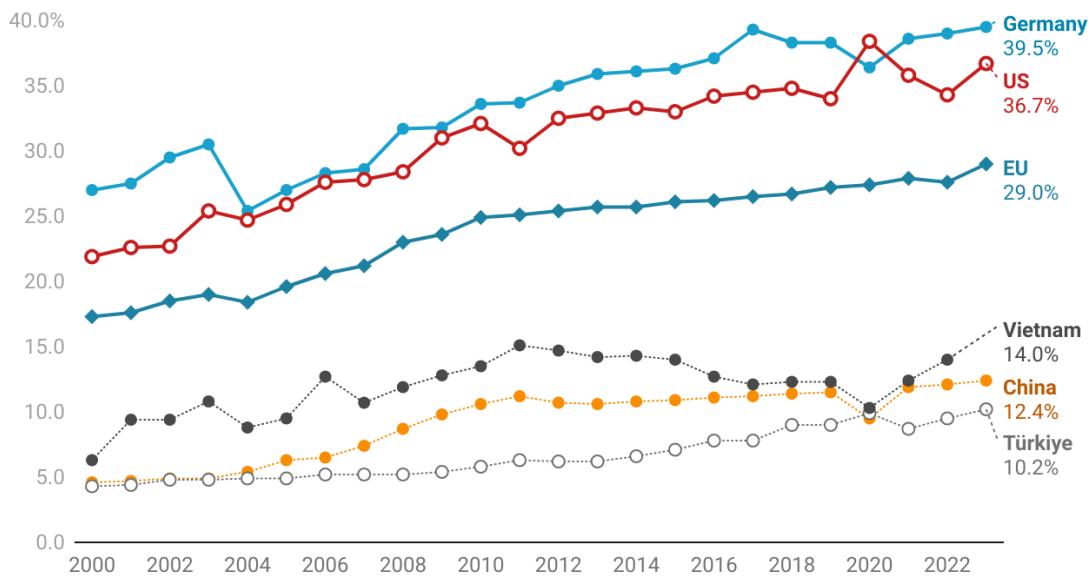


Textile refers to SITC code 65

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## Industrial Textiles as a Percentage of Textile Exports (by value)



Textiles refer to SITC 65; Industrial textiles refer to SITC code 657

Source: UNComtrade (2024) • Created with Datawrapper

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## Textile to Clothing Export Ratio (by value)

Exporters	2010	2015	2019	2023
China	<b>0.59</b>	0.62	0.79	<b>0.82</b>
Vietnam	<b>0.29</b>	0.26	0.29	<b>0.36</b>
India	<b>1.14</b>	0.95	1.00	<b>1.17</b>
Turkey	<b>0.70</b>	0.72	0.72	<b>0.71</b>
Asia	<b>0.67</b>	0.61	0.72	<b>0.81</b>
Africa	<b>0.46</b>	0.39	0.31	<b>0.40</b>

Ratio= value of textile exports / value of clothing exports in a given year

Table: by Dr. Sheng Lu • Source: WTO (2024) • Created with Datawrapper

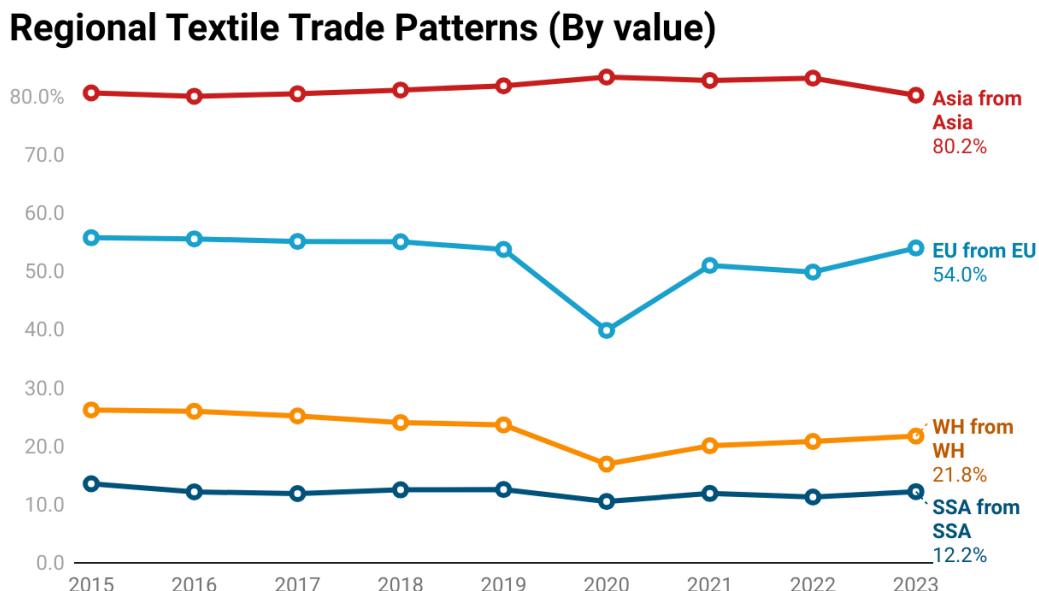
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**On the other hand, as a persistent long-term trend, middle-income developing countries have been consistently strengthening their textile production and export capability.** For example, **China, Vietnam, Turkey, and India's** market shares in the world's textile exports have steadily risen. They collectively accounted for 55.3 percent of the world's textile exports in 2023, a

notable increase from only 40 percent in 2010. Also, over time, these middle-income developing countries have achieved a more **balanced textile-to-clothing export ratio**, such as China (up from 0.59 in 2010 to 0.82 in 2023) and Vietnam (up from 0.29 in 2010 to 0.36 in 2023), and India (up from 1.14 in 2010 to 1.17 in 2023), indicating their greater self-sufficiency for textile raw materials.

However, unlike in the EU and the US, middle-income countries like China, Vietnam, Turkey, and India focus their textile exports on traditional yarn and fabrics for apparel manufacturing purposes. This explains why the expansion of their textile exports appears to erode the market share once held by **South Korea and Taiwan**, which were previously the leading yarn and fabric suppliers to other Asian countries.

**Pattern #5: Regional textile and apparel trade patterns strengthened further with the growing popularity of near-shoring, particularly in the Western Hemisphere.**

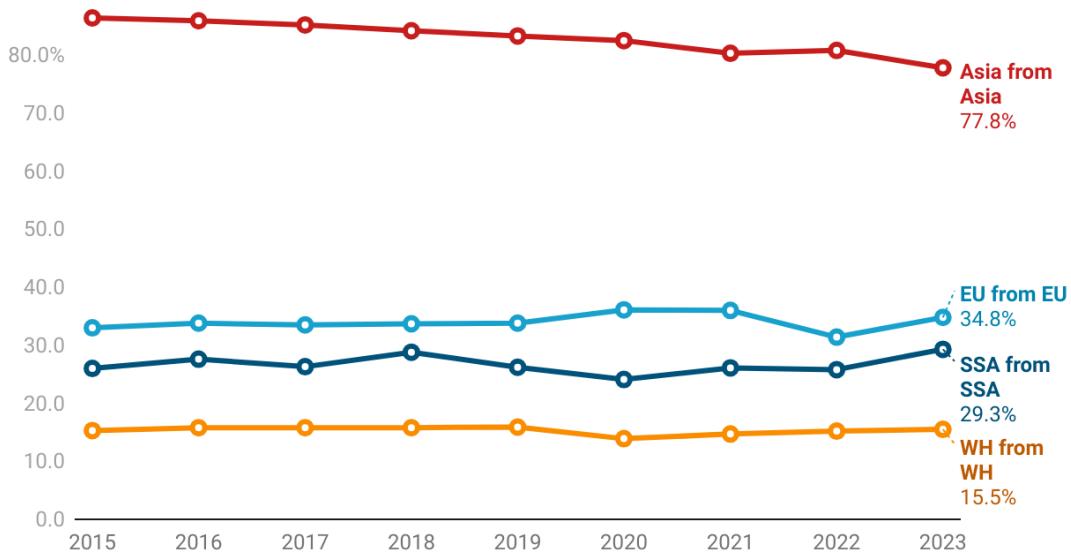


"WH" refers to Western Hemisphere; "SSA" refers to Sub-Saharan Africa; "Textile" refers to SITC code 65.

Chart: By Dr. Sheng Lu • Source: UNComtrade (2024) • Created with Datawrapper

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## Regional Clothing Trade Patterns (By value)



"WH" refers to Western Hemisphere; "SSA" refers to Sub-Saharan Africa; "Clothing" refers to SITC code 84.

Chart: By Dr. Sheng Lu • Source: UNComtrade (2024) • Created with Datawrapper

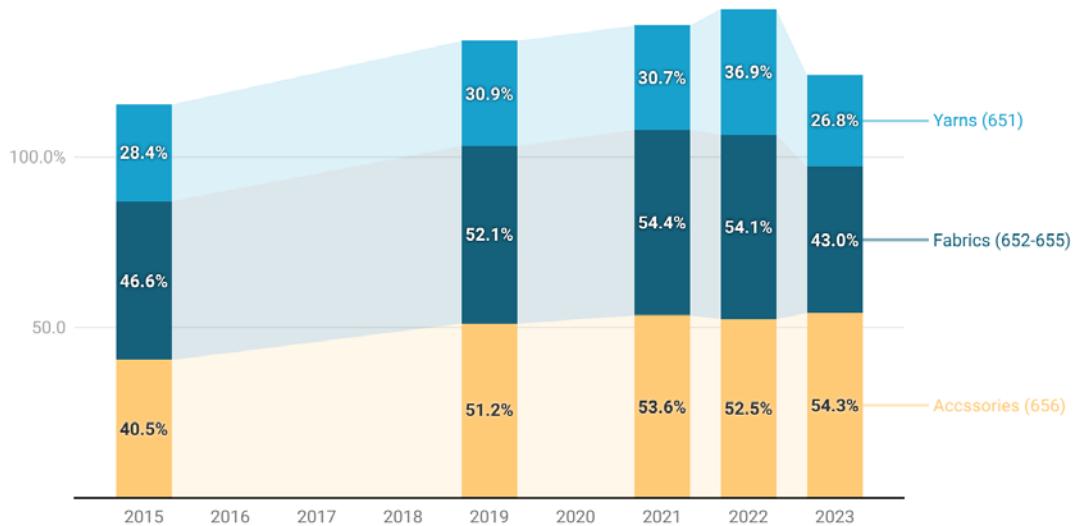
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Despite the global nature of today's apparel business, regional supply chains remain a critical feature of the textile and apparel trade. Studies show several factors support and promote regional textile and clothing trade patterns. Firstly, since clothing production often needs to be near where textile materials are available, many developing clothing-producing countries rely heavily on imported textile materials, primarily from more advanced economies in the same region. Secondly, lowered trade barriers through regional free trade agreements have financially incentivized garment producers, particularly in Asia, the EU, the Western Hemisphere, and Africa, to use locally or regionally made textile materials. Additionally, fashion companies' interest in expanding "near-shoring" under the evolving market circumstances has further supported regional supply chains and related textile and clothing trade flows between neighboring countries.

**In 2023, approximately half of the world textile trade and 40 percent of clothing trade, measured by value, were regionally based, occurring between countries in the same geographic areas, such as Asia, the EU, the Western Hemisphere (WH), and Africa. Specifically:**

**Asia:** The regional supply chain in Asia remained highly stable, with nearly 80 percent of textile inputs imported by Asian countries sourced from within the region in 2023. A similar pattern was observed in the clothing sector. Interestingly, however, Asian countries appeared to be sourcing fewer yarns and fabrics from China in 2023, possibly due to the enforcement of anti-forced labor laws, such as the Uyghur Forced Labor Prevention Act (UFLPA), and the perceived risks associated with sourcing Chinese cotton. Instead, more Asian countries' yarns and fabrics now came from regional suppliers other than China.

## China as a Percentage of Asian Countries' Textile Imports (By value)



SITC code

Chart: Figure created by Dr. Sheng Lu • Source: UNComtrade (2024) • Created with Datawrapper

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**EU:** The intra-region trade accounted for the lion's share of the EU's textile and clothing trade volumes thanks to a highly vertically-integrated regional supply chain. For example, despite the high wage level, over one-third of EU countries' clothing imports still came from within the EU region in 2023. Likewise, with leading Western EU countries such as Italy and Germany being the world's leading textile producers, over half of EU countries' textile supply also came from within the region. Furthermore, [recent studies](#) suggest that the increasing popularity of using recycled textile materials in clothing may create new opportunities to expand further the EU's regional textile and apparel supply chain and intra-region trade.

**The Western Hemisphere (WH):** The WH textile and apparel supply chain became more integrated in 2023 thanks to the booming near-shoring trends. For example, 21.8 percent of WH countries' textile imports came from within the region in 2023, the highest since 2020. Likewise, about 15.5 percent of WH countries' apparel imports came from within the region in 2023, higher than 14.7 percent in 2021 and 13.9 percent in 2022. In line with the findings, recent studies indicated that US fashion companies are strongly inclined toward expanding near-shoring from the Western Hemisphere as a critical component of their sourcing diversification strategies.

**Sub-Saharan Africa (SSA):** The development trend of the regional textile and clothing trade patterns in Sub-Saharan Africa (SSA) **is also worth watching**. Compared to Asia and the EU, SSA clothing producers used fewer locally made textiles, stagnating at around 11-12% from 2011 to 2023, reflecting the region's limited textile manufacturing capabilities. Most trade programs with SSA countries, such as the US-led African Growth and Opportunity Act (AGOA) and EU's Everything But Arms (EBA) program, adopt flexible rules of origin for clothing products, typically allowing third-party textile input to be used. However, recent [studies](#) found that clothing

exports from SSA countries primarily focused on simple items, such as shirts or T-shirts, made solely from cotton and polyester fibers. **In other words, the flexibility in rules of origin did not result in the expected availability of sufficient and varied textile raw materials in the SSA region.** Thus, additional efforts could be made to leverage existing trade preference programs better, encourage long-term investment in the SSA region, and strengthen local textile manufacturing capacity. A more vertically integrated regional textile and clothing supply chain would enable SSA countries to become a more competitive sourcing base for Western fashion companies and upgrade to producing more sophisticated, higher value-added products in the long run.

(About the author: Dr. Sheng Lu is a professor and graduate director of fashion and apparel studies at the University of Delaware)