

Tariff Buyer Guide

Apparel & Textiles

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Table of Contents

What's Changed	1
Overview & Introduction	2
Key Takeaways	2
Risk & Import Assessment	3
Supply Chain Risk – Best Practices & Overview	5
Creative Procurement Strategies	6
Contract Clauses	7
Negotiation Questions	8
Related Reports.....	8



Overview & Introduction

- The Trump administration announced sweeping tariffs that would apply to all imports from most US trade partners.
- The de minimis shipping exemption for imports under \$800 was also suspended, exposing these imports to all applicable tariffs; however, the repeal is currently paused until July 1, 2027. The United States International Trade Commission reports that 83.0% of total US e-commerce imports were de minimis imports, and 67.4% originated from Chinese companies like Alibaba, Temu, and Shein, which provide apparel.
- As the average effective tariff rate in the clothing and footwear industry is already over five times higher than other US imports, the higher tariff will contribute to upward pressure on industry prices as these additional costs are passed on to buyers. The suspension of the exemption on low-value imports will impact large e-commerce brands in China that leverage this exemption to lower costs and extend lead times, as these packages come under additional scrutiny.
- Apparel and footwear imports would decrease as the relative price of imports from China rises. The reduction in Chinese imports will reduce competition and allow domestic producers to raise prices.
- According to Bloomberg Intelligence estimates, tariffs could cause clothing prices for some brands to rise about 2.0% as roughly 30.0% of all apparel is imported from China. The National Retail Federation estimates that footwear prices could increase by 18.1%, as about 70.0% of all footwear is imported from China.

Country	Tariff Rate	Trade Deal Info	Start Date
China	54.0	No trade deal	In effect
Vietnam	20.0	Signed	8/7/2025
Bangladesh	20.0	Signed	8/7/2025
India	25.0	No trade deal	8/7/2025
Indonesia	19.0	Signed	8/7/2025

Key Takeaways

- Apparel and textile importers are expected to face higher prices and supply chain disruptions with the imposition of broad-based tariffs on large trading partners.
- The effect of tariffs will likely lead businesses to shift supply chains to countries not subject to tariffs.
- Buyers can expect higher prices for apparel and textile products or products that rely on these inputs due to rising production costs, which are typically passed on to buyers.



- Shipping and lead times for apparel and textiles are expected to be longer, with delays at the border as packages take longer to go through customs.

Risk & Import Assessment

- Overall Risk Level: **High**
- The United States is a net importer of many textiles and apparel products, exposing buyers to more risk.
- China is a significant player in the sector, accounting for over 20.0% of imports in most major markets.
- Canada and Mexico account for a smaller share of imports, but the potential for tariffs and the subsequent risk associated with imports could be higher.
- The tables below highlight the top ten countries by share of imports for a variety of products impacted by tariffs on electronic goods.
- Buyers can look to other top-sourcing destinations to procure goods from to mitigate rising costs of goods from China, Canada, Mexico, and other impacted nations.

Share of US Apparel & Textiles Imports by Origin Country

Knitted Apparel – % of Total US Imports

Country	Import Share
China	21.8%
Vietnam	18.2%
Cambodia	6.0%
Bangladesh	5.4%
India	5.1%
Indonesia	4.9%
Honduras	4.4%
Nicaragua	3.6%
Jordan	3.2%
Guatemala	3.2%

Non-Knitted Apparel – % of Total US Imports

Country	Import Share
China	20.8%
Vietnam	19.1%
Bangladesh	13.2%
India	7.0%
Indonesia	5.9%
Mexico	5.0%
Italy	4.0%
Cambodia	3.4%
Pakistan	2.8%
Sri Lanka	2.1%





Tariff Buyer Guide – Apparel & Textiles

Manmade Textiles – % of Total US Imports

Country	Import Share
India	14.4%
China	14.0%
South Korea	8.2%
Vietnam	7.8%
Canada	7.7%
Turkiye	7.4%
Germany	5.7%
Mexico	4.8%
Netherlands	3.9%
Japan	3.8%

Non-Woven Textiles – % of Total US Imports

Country	Import Share
China	22.0%
India	8.2%
Germany	7.7%
Mexico	6.7%
Canada	6.7%
Japan	6.0%
Turkiye	5.0%
South Korea	3.7%
Vietnam	2.6%
Taiwan	2.3%

Woven Textiles – % of Total US Imports

Country	Import Share
China	28.1%
Taiwan	15.7%
India	9.6%
Mexico	9.3%
Vietnam	5.23%
Italy	4.7%
South Korea	4.0%
Canada	3.8%
Turkiye	3.4%
France	2.6%

Footwear – % of Total US Imports

Country	Import Share
China	35.7%
Vietnam	32.3%
Indonesia	9.3%
Italy	7.1%
Cambodia	3.3%
Mexico	2.6%
India	1.7%
Germany	1.4%
Bangladesh	0.9%
Brazil	0.9%



Supply Chain Risk – Best Practices & Overview

Upstream Suppliers	Risk Before Tariffs	Risk After Tariffs	Tariff Impact
Textile Mills	Moderate	High	- Higher tariffs on imported raw materials will raise production costs for domestic manufacturers. - Higher tariffs reduce the competitiveness of foreign suppliers' textile products in the United States, which tends to decrease import volume, hurting these firms. - Suppliers are pursuing alternative manufacturing strategies, such as leveraging domestic production facilities, to avoid increased tariffs and supply chain disruptions.
Synthetic Fiber Manufacturers	Moderate	High	- Higher tariff rates on imported synthetic fibers will drive up operating costs for upstream suppliers, negatively impacting financial health. - Suppliers may face difficulties securing raw materials amidst disruptions brought on by tariffs.
Inorganic Chemical Manufacturers	High	High	- New tariffs on chemical imports will disrupt supply chains and raise operating costs for domestic chemical manufacturers. - Increased input costs (intermediate products are the main chemicals imported) are typically passed on to buyers in the form of higher prices.

Risk levels are determined based on revenue volatility, reliance on imports, and the expected impact of tariffs on lead times and product availability.

Downstream Buyers	Risk Before Tariffs	Risk After Tariffs	Tariff Impact
Clothing Stores	High	High	As clothing stores rely heavily on apparel and textiles, the additional tariffs will put upward pressure on operating costs, squeezing profit margins.
Fashion Designers	High	High	- Due to the highly competitive nature among US fashion retailers, tariffs make it difficult for these firms to adapt to supply chain disruptions. - Fashion brands and retailers are looking to diversify sourcing to mitigate the impact of tariffs on operations. - Larger firms are expanding domestic production and reducing imports to mitigate cost increases, and others are offering limited-time promotions to maintain customer loyalty.



Downstream Buyers	Risk Before Tariffs	Risk After Tariffs	Tariff Impact
Shoe Stores	High	High	• More than 60.0% of footwear retailers and distributors reported they estimate operating costs to rise this year as a result of tariffs, according to a survey. • Due to the highly competitive nature of the industry, profit margins are squeezed due to the inability to pass on costs to end buyers entirely. • Footwear companies are looking to diversify sourcing and production to mitigate the impact of tariffs, a trend that started during the 2018 tariff hike.
Furniture Stores	Moderate	High	• Furniture and upholstery suppliers are reliant on textiles and fabrics to provide products, so the increase in tariff rates will push production costs upward. • Furniture suppliers are looking to diversify supply chains to mitigate China and Mexico risks and are looking to increase inventory levels to reduce the risk of supply chain disruptions.

Risk levels are determined based on revenue volatility, reliance on imports, and the expected impact of tariffs on lead times and product availability.

Creative Procurement Strategies

- The price shock caused by tariffs is typically most severe immediately after tariffs have been imposed and becomes less severe in the months and years that follow as global supply chains readjust to the policy. Thus, **stockpiling impacted apparel or textile products** can give buyers valuable time to avoid the initial price shock and react more deliberately following the implementation of new tariffs.
 - By stockpiling goods, buyers have more time to test the market after tariffs have taken effect, allowing them to contact more suppliers and engage in more comprehensive negotiations.
 - However, this strategy requires significant inventory space and upfront investment, which may limit its viability for buyers.
- In the face of rapidly escalating tariffs on apparel and textile products from major exporting nations, buyers should seek out **alternative suppliers or unique strategies** to mitigate risks associated with supply chain integrity and rising costs.
 - Buyers can attempt to form partnerships with suppliers in non-tariffed regions, which can help reduce dependency on imports from tariffed regions.



- Buyers can attempt to source from a single supplier, which increases buyer leverage in negotiations with other competing suppliers, which can drive down tariff-related price increases across the category.
- As relocating production facilities or working with different suppliers may not be a viable short-term strategy in this market, buyers should consider **restructuring contracts** with their suppliers to add tariff cost-sharing clauses.
 - Tariffs are likely to reduce demand for the impacted manufacturers in targeted countries, which buyers may be able to leverage to negotiate new, more favorable contract terms with incumbent suppliers.
 - This strategy also minimizes operational impact as the buyer will continue to work with their current supplier. However, with this strategy, buyers will still need to pay a share of the tariff cost.
- Buyers can attempt to **redesign products** to rely on textiles less impacted by the tariff or that utilize more readily available local products. While this strategy may be more costly and time-consuming upfront, it can help limit potential impacts should tariffs remain in place for an extended period.

Contract Clauses

- **Implement price-adjustment clauses to account for tariff fluctuations:**
 - Buyers should include clauses that allow for price adjustments based on changes in input and component costs due to tariffs.
 - Price-adjustment clauses ensure that both parties have transparent expectations for cost fluctuations, protecting buyers from unforeseen expenses.
 - Adjustment clauses should outline clear thresholds for triggering price changes.
 - Price adjustment clauses provide a safety net against cost surges that result from tariff implementations. Clear additional clauses can help maintain financial stability.
- **Implement liquidating agreements to mitigate risk:**
 - Employing liquidating agreements enables businesses to mitigate liability linked to cost increases due to tariffs.
 - Liquidating agreements offer a way for companies to minimize risk from escalating expenses by distributing the responsibility for these costs among all involved parties.
 - Through liquidating agreements, companies can handle claims without incurring undue financial strain, resulting in efficient resolution.
 - Clear and precise language is crucial for safeguarding companies, ensuring timely claims resolution, managing risks, and supporting seamless operations and continuous business activities.



- **Lock-in rates and prices with long-term agreements:**
 - To ensure stable pricing for essential materials, buyers are encouraged to enter long-term contracts with suppliers, which can prevent sudden cost increases for both suppliers and manufacturers of final goods.
 - Fixed pricing can reduce the risks tied to market volatility, particularly during periods affected by tariffs.
 - Establishing long-term contracts can strengthen relationships with suppliers, resulting in improved service quality and priority access to crucial components that may be scarce due to global supply chain disruptions.

Negotiation Questions

1. How do current tariffs impact the pricing structure of your products?
2. What contingency plans do you have to manage supply chain disruptions caused by tariffs?
3. Can you provide a breakdown of what percentage of your apparel and textiles are sourced internationally, particularly those subject to tariffs? Are you planning to reallocate sourcing to different destinations? If so, where?
4. How are you managing inventory levels to ensure product availability despite potential delays from tariffs?
5. Are there any anticipated changes to your lead times due to tariffs, and how do you intend to communicate these?
6. Can you offer alternative sourcing options or product adaptations to minimize tariff impacts?
7. How do you manage currency fluctuations and tariff impacts when setting prices for contracts?
8. What are the terms and conditions for pricing adjustments if tariffs increase or decrease?
9. How are you assisting other clients in similar industries in adapting to tariff-related challenges?
10. What guarantees do you offer regarding quality and compliance amid changes in the supply chain due to tariffs?

Related Reports

- [Face & Head Protection](#)
- [Finished Broad-Woven Cotton Fabrics](#)
- [Flame-Resistant Uniforms](#)
- [High-Visibility Uniforms](#)
- [Medical Gloves](#)
- [Medical Uniforms](#)
- [Protective Gloves](#)
- [Safety Apparel](#)
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- [Safety Harnesses](#)
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