otton imports fall 6.1pc in 2025

ASIM UDDIN

Bangladesh's cotton imports declined in 2025 after a strong rebound a year earlier, as spinning mills cut purchases amid subdued global apparel demand while diversifying sourcing towards Brazil, the United States, and Australia.

The shift was driven by quality considerations, pricing advantages, and reciprocal tariff issues linked to US trade policies, industry insiders said.

The National Board of Revenue (NBR) data shows total cotton imports fell to 7.82 million bales in 2025 from 8.33 million bales in 2024, marking a 6.1 per cent decline.

In value terms, imports dropped to $3.52 billion from $3.92 billion, reflecting both lower volumes and softer international cotton prices.

The contraction followed a sharp recovery in 2024, when cotton imports surged by nearly 33 per cent as mills replenished stocks after a prolonged slowdown in export orders.

Meanwhile, Bangladesh's apparel exports to the United States slipped slightly to $3,838.8 million during July-December 2025 from $3,842.6 million in the same period a year earlier, according to the Export Promotion Bureau (EPB) data.

Industry insiders said most exporting countries recorded negative growth in the US market during the period, except Vietnam.

2025 COTTON IMPORT SNAPSHOT

KEY TREND

Imports fell 6.1% to 7.82m bales

Import value: $3.52b (down from $3.92b)

WHY THE FALL

Weak global apparel demand

Mills cut buying, avoided stockpiling

SUPPLIER SHIFT

TOP SOURCES

Brazil: **2.11m** bales (27% share)

India: **1.24m** bales (15.9%)

US: **0.77m** bales (9.9%)

Australia: **0.70m** bales (8.9%)

GAINERS (%)

Brazil	US	Australia
35	30.5	32

LOSERS (%)

India	West & Central Africa	CIS countries
-21	-30 to -40	-57

They told The Financial Express due to quality and price competitiveness, cotton imports from Brazil, the United States, and Australia increased significantly in 2025.

They also noted the Trump-era tariffs encouraged US farmers to expand exports to Bangladesh.

They added that if the US administration formally announced a tariff waiver on the use of US cotton, it would further boost exports to Bangladesh.

Thanks to the Trump administration's tariff measures, Bangladesh's apparel exports to the US saw growth earlier, while most other markets experienced negative trends.

However, the apparel sector faced continuous negative growth over the past five months.

According to the NBR data, Brazil consolidated its position as Bangladesh's largest cotton supplier, accounting for 27.0 per cent of total imports in 2025, up from 18.7 per cent a year earlier.

Imports from Brazil rose to 2.11 million bales in 2025 from 1.56 million bales in 2024, while the import value increased to $943.8 million.

Industry insiders said competitive pricing, stable supply, and consistent quality helped Brazilian cotton gain market share at a time when mills were reducing overall purchases.

India slipped to second place among suppliers as imports fell by more than 21 per cent to 1.24 million bales in 2025 from 1.57 million bales in 2024.

As a result, India's share of Bangladesh's cotton imports declined to 15.9 per cent from 18.9 per cent.

In 2021, India was Bangladesh's largest cotton supplier with a 31.39 per cent market share, indicating reduced reliance amid price volatility, export policy uncertainty, and quality concerns, according to industry insiders.

In contrast, imports from the United States and Australia rose sharply in 2025.

US cotton imports increased by 30.5 per cent to 0.77 million bales, raising its market share to 9.9 per cent.

Imports from Australia grew by nearly 32 per cent to 0.70 million bales, accounting for 8.9 per cent of total imports.

Analysts attributed the rise to the growing demand for high-grade, contamination-free cotton, particularly for export-oriented garment manufacturers supplying to premium markets.

Textile millers said US buyers' recommendations and the Trump-era tariffs prompted them to increase the sourcing of US cotton.

At the same time, the Bangladesh government removed several tariff barriers, including the mandatory double-fumigation requirement, to boost the imports of US cotton as part of efforts to improve bilateral trade.

Imports from major African suppliers declined sharply in 2025, reflecting a consolidation of sourcing by Bangladeshi mills.

Shipments from Benin fell by 31 per cent to 0.80 million bales, reducing its market share to 10.2 per cent.

Imports from Burkina Faso dropped by nearly 40 per cent to 0.38 million bales, while Mali's shipments declined by

Trade disruptions, higher logistics costs, and geopolitical risks were cited as the main reasons for the sharp fall.

Despite the year-on-year decline, Bangladesh remains one of the world's largest cotton importers, driven by its export-oriented textile and apparel sector.

Market participants expect import demand to remain cautious in the near term, with mills aligning cotton purchases closely with confirmed export orders rather than stockpiling.

Envoy Textiles Founder and Chairman Kutubuddin Ahmed told The Financial Express the company had directly procured 250 tonnes of US cotton from ginners.

Of this, 200 tonnes had already arrived, while the rest was scheduled to be shipped next week. The delay occurred due to issues in Minnesota, he said.

US cotton delivered the best results when blended with Brazilian cotton, he added.

The company is using US cotton at the request of US buyers, although its cost is higher than other varieties.

For denim production, Envoy Textiles has observed that US cotton prices are around three cents higher than West African cotton and about five cents higher than Brazilian cotton.

Annually, Envoy Textiles imports around 2,200 tonnes of yarn to produce nearly 4.5 million yards of denim fabric.

The company has completed the backward process to produce 25 tonnes of blended yarn per day, of which 12.5 tonnes are already in production.

The remaining capacity will come online soon as the required machinery is currently in transit.

Sayeed Ahmed Chowdhury, director (operations) of Square Denims, said Square Textiles consumed around 200 metric tonnes of cotton daily, of which about 30 per cent was sourced from the United States.

The group had slightly increased its imports of US cotton, he added, noting that if the US government formally declared a tariff waiver on the use of its raw materials, it would further boost cotton imports from the US.

A senior official of a leading textile mill also expressed concern over the exclusion of the bond facility for yarn imports, warning that such a move could push garment

The Financial Express

22 JAN 2026

2025 CO... IMPORT...

Weak global apparel demand

Mills cut buying, avoided stockpiling

LOSERS (%)

India	West & Central Africa	CIS countries
-21	-30 to -40	-57

to US trade policies, industry insiders said.

The National Board of Revenue (NBR) data shows total cotton imports fell to 7.82 million bales in 2025 from 8.33 million bales in 2024, marking a 6.1 per cent decline.

In value terms, imports dropped to $3.52 billion from $3.92 billion, reflecting both lower volumes and softer international cotton prices.

The contraction followed a sharp recovery in 2024, when cotton imports surged by nearly 33 per cent as mills replenished stocks after a prolonged slowdown in export orders.

Meanwhile, Bangladesh's apparel exports to the United States slipped slightly to $3,838.8 million during July-December 2025 from $3,842.6 million in the same period a year earlier, according to the Export Promotion Bureau (EPB) data.

Industry insiders said most exporting countries recorded negative growth in the US market during the period, except Vietnam.

They told The Financial Express due to quality and price competitiveness, cotton imports from Brazil, the United States, and Australia increased significantly in 2025.

They also noted the Trump-era tariffs encouraged US farmers to expand exports to Bangladesh.

They added that if the US administration formally announced a tariff waiver on the use of US cotton, it would further boost exports to Bangladesh.

Thanks to the Trump administration's tariff measures, Bangladesh's apparel exports to the US saw growth earlier, while most other markets experienced negative trends.

However, the apparel sector faced continuous negative growth over the past five months.

According to the NBR data, Brazil consolidated its position as Bangladesh's largest cotton supplier, accounting for 27.0 per cent of total imports in 2025, up from 18.7 per cent a year earlier.

Imports from Brazil rose to 2.11 million bales in 2025 from 1.56 million bales in 2024, while the import value increased to $943.8 million.

Industry insiders said competitive pricing, stable supply, and consistent quality helped Brazilian cotton gain market share at a time when mills were reducing overall purchases.

India slipped to second place among suppliers as imports fell by more than 21 per cent to 1.24 million bales in 2025 from 1.57 million bales in 2024.

As a result, India's share of Bangladesh's cotton imports declined to 15.9 per cent from 18.9 per cent.

In 2021, India was Bangladesh's largest cotton supplier with a 31.39 per cent market share, indicating reduced reliance amid price volatility, export policy uncertainty, and quality concerns, according to industry insiders.

In contrast, imports from the United States and Australia rose sharply in 2025.

US cotton imports increased by 30.5 per cent to 0.77 million bales, raising its market share to 9.9 per cent.

Imports from Australia grew by nearly 32 per cent to 0.70 million bales, accounting for 8.9 per cent of total imports.

Analysts attributed the rise to the growing demand for high-grade, contamination-free cotton, particularly for export-oriented garment manufacturers supplying to premium markets.

Textile millers said US buyers' recommendations and the Trump-era tariffs prompted them to increase the sourcing of US cotton.

At the same time, the Bangladesh government removed several tariff barriers, including the mandatory double-fumigation requirement, to boost the imports of US cotton as part of efforts to improve bilateral trade.

Imports from major African suppliers declined sharply in 2025, reflecting a consolidation of sourcing by Bangladeshi mills.

Shipments from Benin fell by 31 per cent to 0.80 million bales, reducing its market share to 10.2 per cent.

Imports from Burkina Faso dropped by nearly 40 per cent to 0.38 million bales, while Mali's shipments declined by more than 41 per cent to 0.35 million bales.

Purchases from Cameroon, Chad, and the Ivory Coast also declined or remained marginal.

Collectively, West and Central African suppliers lost market share as mills adopted a more cautious procurement strategy amid weak yarn and fabric orders.

Cotton imports from the Commonwealth of Independent States (CIS) recorded the steepest decline, plunging by more than 57 per cent to 0.06 million bales in 2025, with mills aligning cotton purchases closely with confirmed export orders rather than stockpiling.

Envoy Textiles Founder and Chairman Kutubuddin Ahmed told The Financial Express the company had directly procured 250 tonnes of US cotton from ginners.

Of this, 200 tonnes had already arrived, while the rest was scheduled to be shipped next week. The delay occurred due to issues in Minnesota, he said.

US cotton delivered the best results when blended with Brazilian cotton, he added.

The company is using US cotton at the request of US buyers, although its cost is higher than other varieties.

For denim production, Envoy Textiles has observed that US cotton prices are around three cents higher than West African cotton and about five cents higher than Brazilian cotton.

Annually, Envoy Textiles imports around 2,200 tonnes of yarn to produce nearly 4.5 million yards of denim fabric.

The company has completed the backward process to produce 25 tonnes of blended yarn per day, of which 12.5 tonnes are already in production.

The remaining capacity will come online soon as the required machinery is currently in transit.

Sayeed Ahmed Chowdhury, director (operations) of Square Denims, said Square Textiles consumed around 200 metric tonnes of cotton daily, of which about 30 per cent was sourced from the United States.

The group had slightly increased its imports of US cotton, he added, noting that if the US government formally declared a tariff waiver on the use of its raw materials, it would further boost cotton imports from the US.

A senior official of a leading textile mill also expressed concern over the exclusion of the bond facility for yarn imports, warning that such a move could push garment manufacturers to import fabrics from Pakistan and other countries, potentially affecting the local apparel orders.

"If the readymade garment (RMG) sector does not receive sufficient orders, how will local mills sell their yarns and fabrics?" the official questioned.

Seeking anonymity, a leading textile mill director said their company supplied yarn to nearly 200 garment factories, with suppliers to H&M and Inditex accounting for around 50 per cent of the total yarn buyers.

newsmanjasi@gmail.com

The Business Standard

2 2 JAN 2026

Will Commerce ministry step back on yarn duties amid garment exporters' pushback?

RMG – BANGLADESH

REYAD HOSSAIN

The commerce ministry may backtrack on a plan to withdraw bonded facilities and impose duties on yarn imports amid a standoff between the government and garment exporters over the issue, industry insiders say.

After industry leaders flagged the potential blow to export competitiveness, officials are signalling a possible rethink, suggesting that the matter may now be examined by independent economists rather than enforced immediately.

This came after a meeting yesterday between top representatives of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) with Commerce Adviser SK Bashir Uddin.

"The adviser has understood our concerns. He will review all the data and re-evaluate the issue," said Faisal Samad, a BGMEA director.

BKMEA President Mohammad Hatem added, "We are more or less confident that the initiative will not go ahead. The issue will be analysed by three independent economists before a final decision is taken."

The dialogue, however, has not bridged all divides. Textile millers, represented by the Bangladesh Textile Mills Association (BTMA), met separately with the finance adviser without success.

"Despite understanding the situation, they are choosing not to acknowledge it," said BTMA President Showkat Aziz Russell.

Bangladesh imports around $2.4 billion of yarn annually, mostly from India, where incentives allow a cheaper supply than local mills can match. Spinning mill owners have struggled with underused capacity and mounting stockpiles, with nearly 100 mills partially or fully shut down.

Entrepreneurs in the sector – representing investments of about $23 billion – have sought urgent government intervention to survive.

Garment exporters warn that duties could increase knitwear production costs by 8-10%, translating into $2.4 billion in annual extra expenses, threatening the country's $28 billion knitwear export sector. Textile mill owners argue that open-costing agreements with buyers could absorb some of the increase, but exporters contend that higher prices risk lost contracts and market share.

The Business Standard

22 JAN 2026

BY THE NUMBERS

THE UNITED STATES IS THE EU'S BIGGEST EXPORT PARTNER

European Union's top export partners in Jan-Nov 2025

On **17 January 2026**, President Donald Trump threatened higher tariffs on eight European countries, including Denmark, France and Germany, over the Greenland dispute. The EU planned an emergency summit and considered retaliatory measures, including tariffs of up to **€93** billion (**$107.7** billion), if the US proceeded.

Country

TOTAL EXPORT VALUE

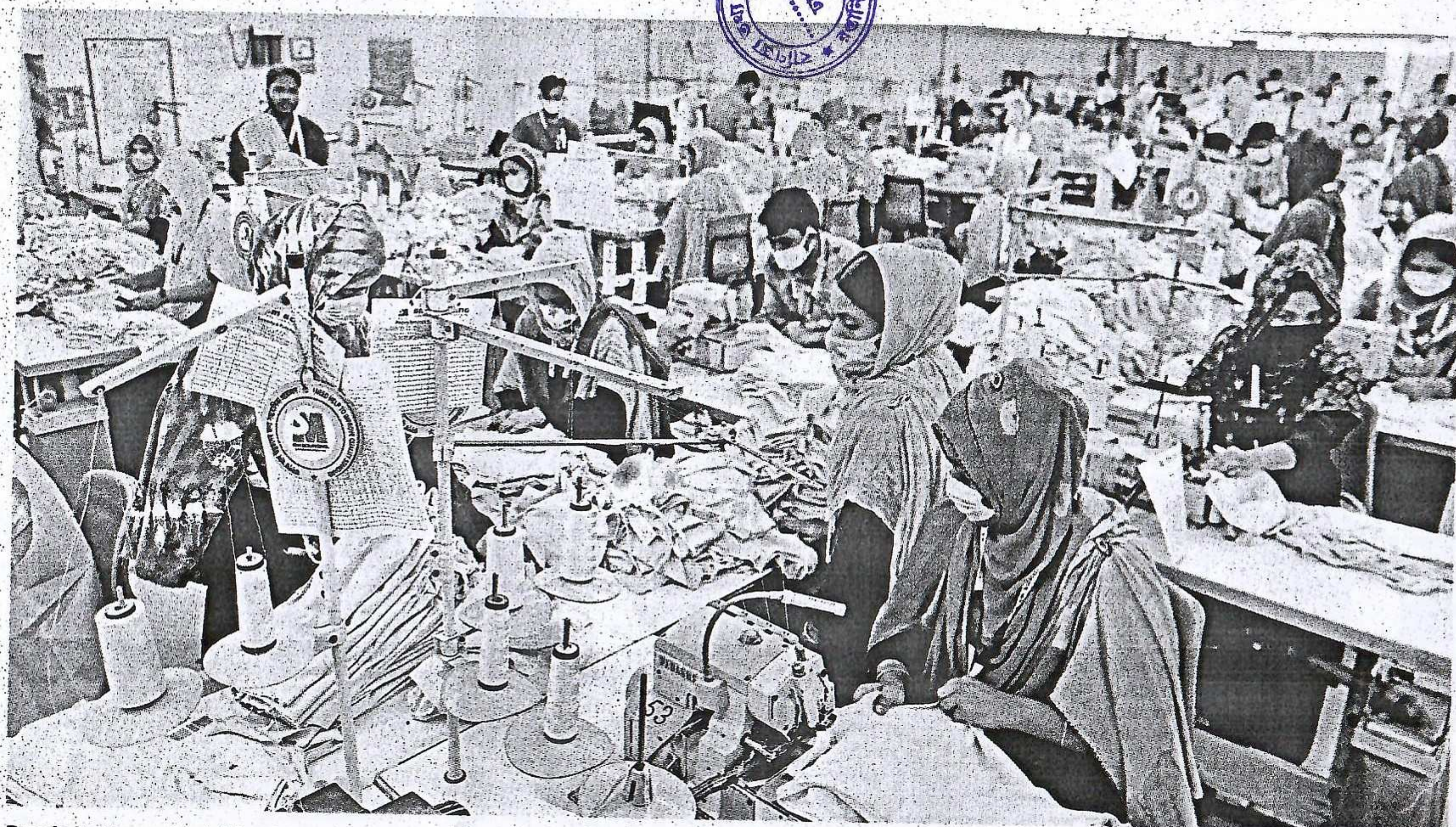
Source: Eurostat

Country	Total export value
United States	€516B
United Kingdom	€320B
Switzerland	€202B
China	€181B
Türkiye	€105B
Norway	€61B

Can Bangladesh diversify beyond the garment sector?

The Daily Star
22 JAN 2026

After more than three decades of policy debates, hundreds of research papers, and countless newspaper columns, yet another piece on export diversification in Bangladesh may seem redundant, but its very repetition underlines both the gravity of the problem and how elusive a credible way out has remained. If anything, the problem has worsened, as Bangladesh's exports have become increasingly concentrated, with readymade garments now accounting for around 85 per cent of total merchandise exports. The country's export basket is among the least diversified in the world. According to one export diversification index due to UNCTAD, where higher values indicate greater concentration and scores range from 0 (most diversified) to 1 (most concentrated), Bangladesh recorded a score of 0.87 on average during 2020–2022, far higher than the LDC average of 0.66 and well above Viet Nam at 0.54, India at 0.45, and China at 0.38. It has been estimated that since 2000, new products have contributed less than 5 per cent of Bangladesh's export growth, compared with 19 per cent in India, 22 per cent in Cambodia, 25 per cent in Sri Lanka, 33 per cent in China, 42 per cent in Viet Nam, and 62 per cent in Malaysia.



Bangladesh's export problem is not a lack of products, but a policy environment that rewards selling at home and leaves most industries unprepared for the demands of global markets. PHOTO: ANISUR RAHMAN

WHY GARMENTS WERE THE EXCEPTION, NOT THE MODEL

The dominance of the readymade garment sector did not emerge from a neutral policy environment but from a particular set of global and domestic circumstances that no other industry in Bangladesh ever enjoyed. From the 1970s until the early 2000s, the global trade regime under the Multi-Fibre Arrangement restricted textile

Asia. This diversion of global sourcing pushed investment towards lower-cost locations such as Bangladesh. Combined with duty-free market access under LDC provisions, this created an exceptional and time-bound competitive advantage for garments,

major markets are substantially higher than for most other products, in the European Union, for example, MFN tariffs on many manufactured goods are typically around 3–4 per cent, compared with roughly 12 per cent for garments, making preferential access

Domestic trade policy reinforced this asymmetry. The garment sector benefited from a suite of targeted export support measures, which facilitated it to scale rapidly.

WHY NON-RMG ENTREPRENEURS REMAINED FOCUSED ON THE

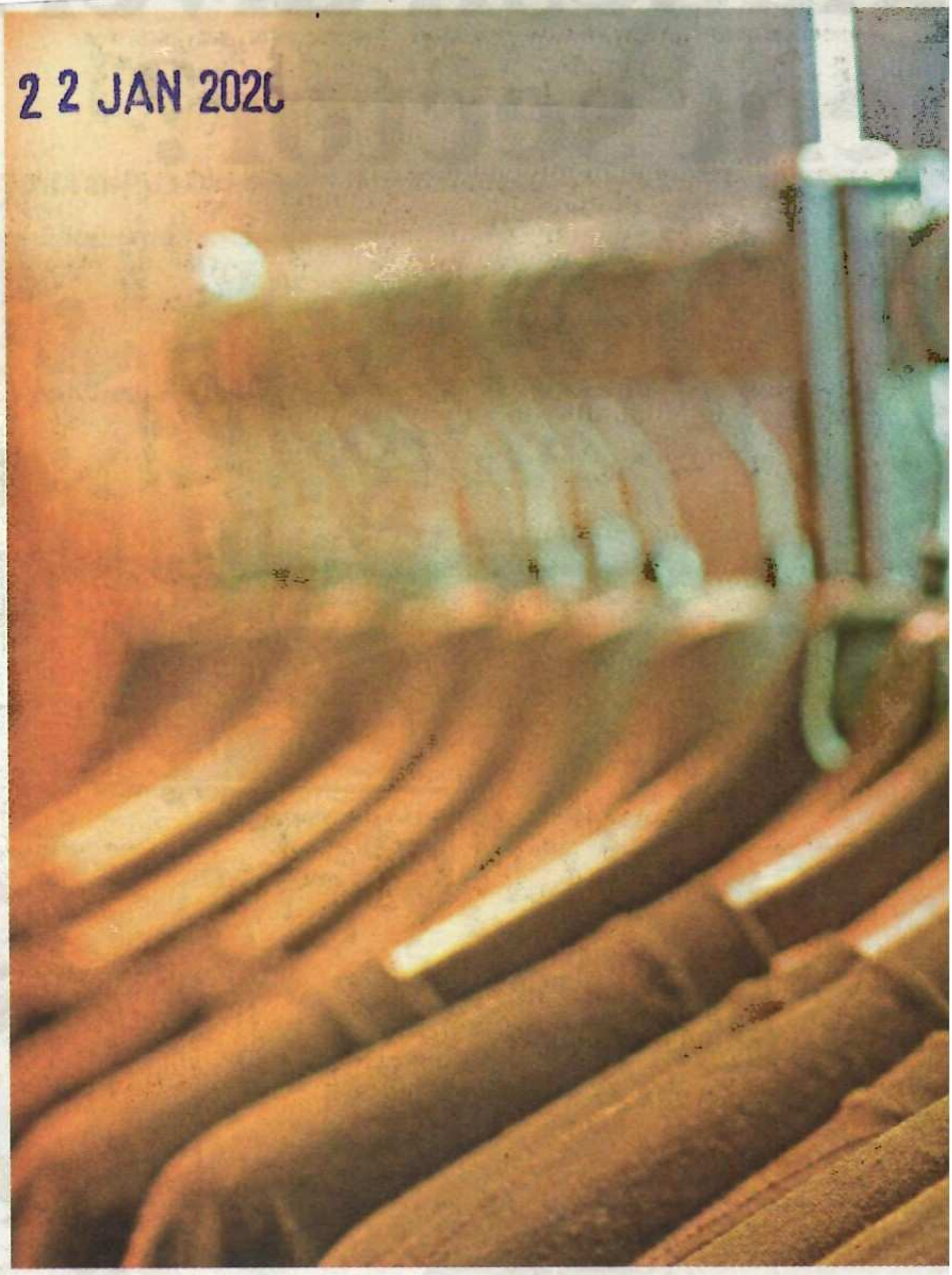
often argued that Bangladesh failed to diversify despite having policies intended to support exporting activities, particularly outside the garment sector. Trade policy in Bangladesh has, however, remained largely inward-looking. High tariffs and other trade taxes have made

The Daily Star

The average nominal protection rate is now around 28 per cent, making Bangladesh one of the most protected economies in the world. For many products, once all duties are added, protection becomes much higher. Under such conditions, investing to serve the domestic market is a safer and more profitable choice than entering export markets, which involve unfamiliar demand, stricter requirements, and higher commercial risk.

Quality and standards further worsen the lack of export diversification. Export markets require higher product quality and compliance with labour and environmental standards. In the domestic market, these standards are grossly absent. Producing for local consumers is therefore easier and often more profitable. This explains why Bangladesh has many industries thriving at home, from food to footwear to fertilisers, from cement to ceramics, and from furniture to pharmaceuticals, yet only a few are exported in any meaningful way. As a result, while we produce a wide range of goods for domestic consumers, most are simply not export-ready.

A natural question then is how garments managed to overcome these difficulties while most other sectors did not. The key reason is that the RMG industry was almost entirely export-oriented from the very beginning and deeply embedded in global value chains. Producing almost exclusively for foreign buyers, garment firms aligned themselves with international sourcing networks, buyer requirements, and delivery schedules, rather than with domestic market conditions.



This allowed them to remain largely insulated from the domestic protection regime. Facilities such as bonded warehouses enabled duty-free access to imported inputs, while competition was determined by global prices and standards, not by protection at home. Preferential market access under the LDC framework further reinforced this model. Non-garment sectors, lacking such integration into global value chains, remained exposed to domestic protection and had little incentive to incur the costs and risks required to become export-ready.

WHY NON-RMG EXPORTS REMAIN LIMITED: DOMESTIC PRODUCTION, MISSING THE GLOBAL VALUE CHAIN

While applied trade policy in Bangladesh, together with weak enforcement of quality and standards, has largely encouraged firms to produce for the domestic market, far less attention has been given to integration into global value chains. In today's world, exporting is not just about manufacturing a product. Design, branding, compliance, logistics, retailing, and even after-sales services are all part of a complex but essential system. For a shoe manufacturer or a furniture maker, focusing only on production is rarely sufficient unless they are producing for established brands or retailers abroad. In a long-standing protectionist economy like Bangladesh, these realities have been largely overlooked, not only in policy debates but also in official strategy documents, which tend to treat exporting as an extension of domestic production rather than as participation in an integrated global system.

WHY FDI IS THE MISSING LINK

This is where foreign direct investment usually plays a critical role. FDI often brings with it direct links to global buyers, established brands, supply

SNAPSHOT

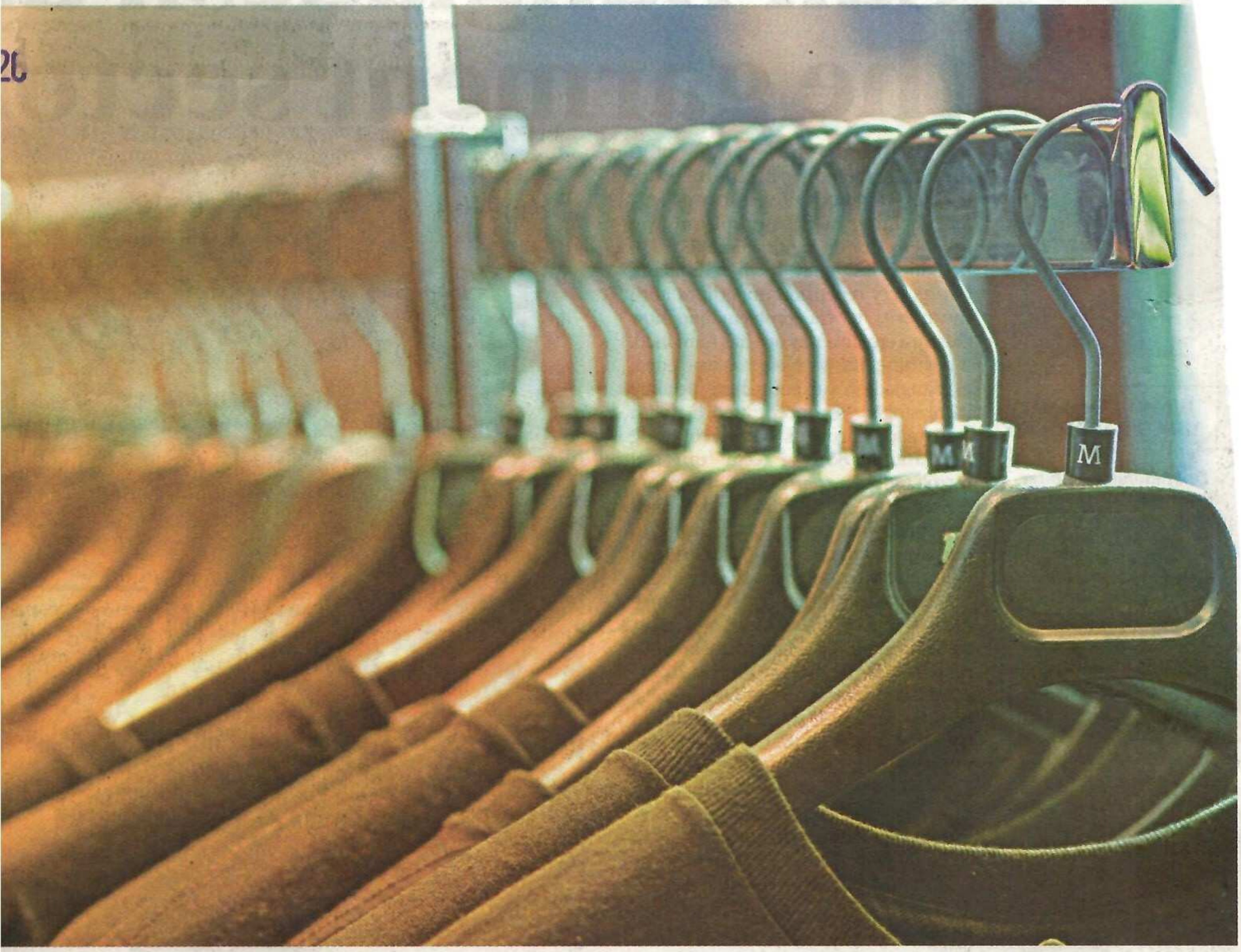
Bangladesh's exports are highly concentrated, with garments accounting for around 85% of merchandise exports.

1. Preferential global trade regimes and targeted domestic support gave garments advantages no other sector received.

2. High tariffs and weak standards enforcement have made domestic markets more attractive than exporting.

3. Non-garment sectors remain largely disconnected from global value chains.

4. Attracting FDI is central to any credible export diversification strategy.



remain largely
nestic protection
ch as bonded
luty-free access
nile competition
obal prices and
ection at home.
ccess under the
r reinforced this
sectors, lacking
o global value
sed to domestic
ttle incentive to
isks required to

**ORTS REMAIN
PRODUCTION,
L VALUE CHAIN**

de policy in
r with weak
y and standards,
ged firms to
mestic market,
been given to

integration into global value chains. In today's world, exporting is not just about manufacturing a product. Design, branding, compliance, logistics, retailing, and even after-sales services are all part of a complex but essential system. For a shoe manufacturer or a furniture maker, focusing only on production is rarely sufficient unless they are producing for established brands or retailers abroad. In a long-standing protectionist economy like Bangladesh, these realities have been largely overlooked, not only in policy debates but also in official strategy documents, which tend to treat exporting as an extension of domestic production rather than as participation in an integrated global system.

WHY FDI IS THE MISSING LINK

This is where foreign direct investment usually plays a critical role. FDI often brings with it direct links to global buyers, established brands, supply chains, technology, and managerial know-how. Through foreign firms or joint ventures, local producers gain access to design specifications, quality control systems, compliance practices, and international distribution networks that would otherwise be extremely difficult to achieve. Without such links, firms must independently identify buyers, meet complex standards, and establish credibility in competitive markets, all of which are costly and risky. In Bangladesh, this role of FDI has been limited outside garments. Ironically, while most garment exporters are local entrepreneurs, their success has depended heavily on close and sustained relationships with foreign buyers and global supply chains, a dimension that is often underappreciated in policy discussions.

Perhaps the most critical precondition for non-garment export success and meaningful diversification in Bangladesh is attracting foreign direct investment. Bangladesh has struggled to attract FDI because of high trade protection, regulatory complexity, weak contract enforcement, infrastructure bottlenecks, and the absence of a clear, sector-specific investment strategy. In contrast, countries that have expanded exports rapidly and diversified successfully, such as Viet Nam, China, Cambodia, and Malaysia, placed FDI at the centre of their export strategies, using foreign firms and joint ventures to anchor domestic production within global value chains. While addressing infrastructure gaps, skills shortages, and institutional weaknesses will inevitably take time, export diversification cannot wait for all these constraints to be fully resolved. What is needed now is a focused and credible push to attract FDI into non-garment sectors through targeted measures and a clearer investment policy that recognises FDI as a catalyst for export growth rather than a peripheral objective.