

ITMF's Global Textile Industry Survey (GTIS) in January 2026

by

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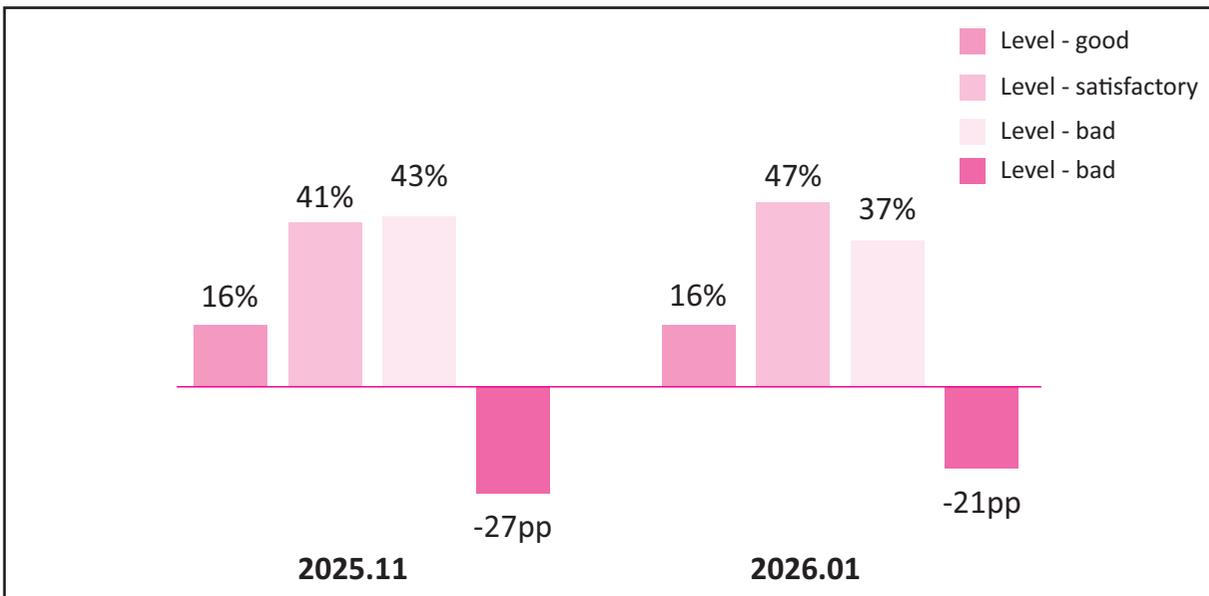
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Global business situation in January 2026

The 36th ITMF Global Textile Industry Survey (GTIS) conducted during the second half of January 2026 revealed that globally, 37% of participants rated the business situation as "Bad," 16% as "Good," and 47% as "Satisfactory." (see Graph 1). The balance between "Good" and "Poor" improved to -21 percentage points (pp) since November 2025, when it had reached -27pp.

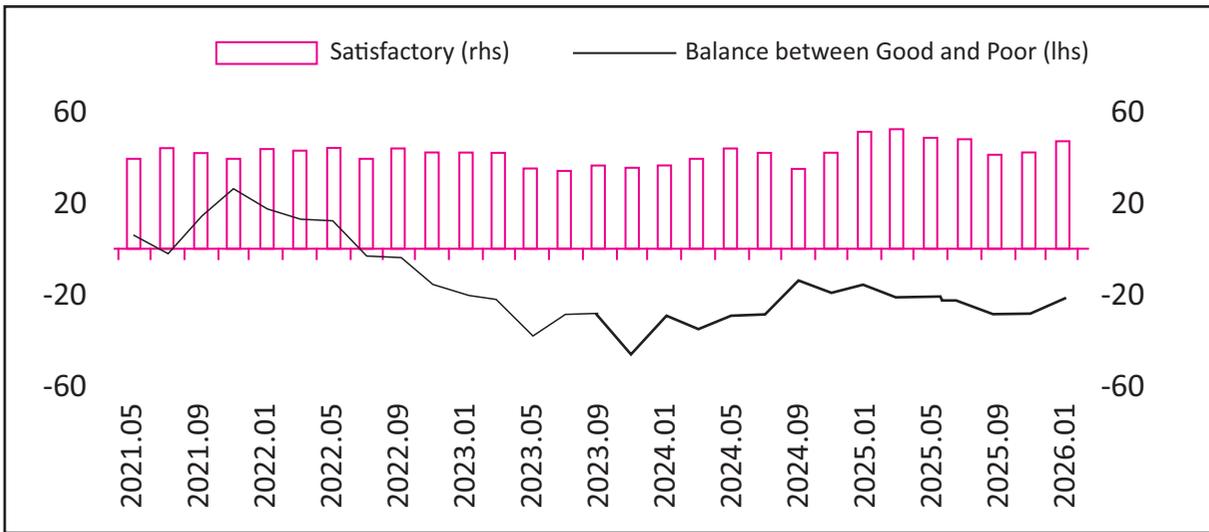
Graph 1 : Business Situation (World balance*) in Jan 2026



*Balance = share of respondents answering good vs. poor Source: 8-36th ITME Global Textile Industry Survey (36th: 20 - 28.01.2026) Last data point = Jan 2026

Behind this improvement is a reduction of "Bad" from 43% (Nov 2025) to 37% (Jan 2026). At the same time the percentage of "Satisfactory" increased from 41% to 47%, while the percentage of "Good" remained unchanged at only 16%. This shift could be interpreted as a sign of an ongoing adaptation process in the value chain. Companies see the need to adapt to a new reality that is marked by unprecedented uncertainty and unpredictability.

Graph 2 : Business Situation (World balance*) Since May 21



*Balance = share of respondents who answer good vs. poor | Source : 8-36th ITME Global Textile Industry Survey (20 - 28.01.2026) | pp : percentage point | Last data point = Jan 2026

Looking at the evolution of the business situation over time, it becomes evident that the slow but steady recovery that began in 2024 was interrupted and reversed in 2025 (see Graph 2). It is reasonable to assume that this reversal was a direct consequence of the introduction of the so-called "reciprocal tariffs" by the U.S. administration in April 2025. U.S. trade policy created substantial uncertainty, as the final tariffs still had to be negotiated, a process that in most cases took around six months. During this period, many investment decisions were put on hold until greater clarity emerged regarding the scale and scope of the new U.S. trade policy.

A further source of uncertainty and unpredictability at the time of the survey stemmed from discussions about the future of Greenland, which dominated international news coverage. While the direct economic consequences of these discussions were negligible, the indirect repercussions were significant. President Trump's remarks about bringing Greenland - a part of Denmark and a close NATO ally - under U.S. control "one way or the other" generated widespread disbelief and uncertainty. Although this issue ultimately did not escalate into a major conflict, it nevertheless underscored the unpredictability of the U.S. administration. In addition, the ongoing war in Ukraine, as well as the conflicts involving Gaza, Venezuela, and Iran, continue to heighten geopolitical uncertainty. This environment is clearly not conducive to strengthening global trade and economic growth.

From an economic perspective, U.S. trade policy has disrupted industries and global supply chains even more directly. The continued imposition of tariffs and the issuance of new

threats - targeting, for example, European countries supporting Denmark (since withdrawn), as well as Canada or South Korea - have kept Governments and industries alike in a prolonged state of uncertainty.

On the positive side, it must be acknowledged that other developments are supporting global trade. The free trade agreements between the EU and Mercosur (signed and ratified), as well as between the EU and India (signed but not yet ratified), indicate that major economies continue to favor negotiated trade arrangements over unilateral measures. Moreover, despite the elevated level of uncertainty, global growth in 2026 remains stable at around 3.3%, as projected by the IMF in January 2026 (slightly revised upward from 3.2% in October 2025). IMF projections for 2027 foresee global growth of 3.2%.

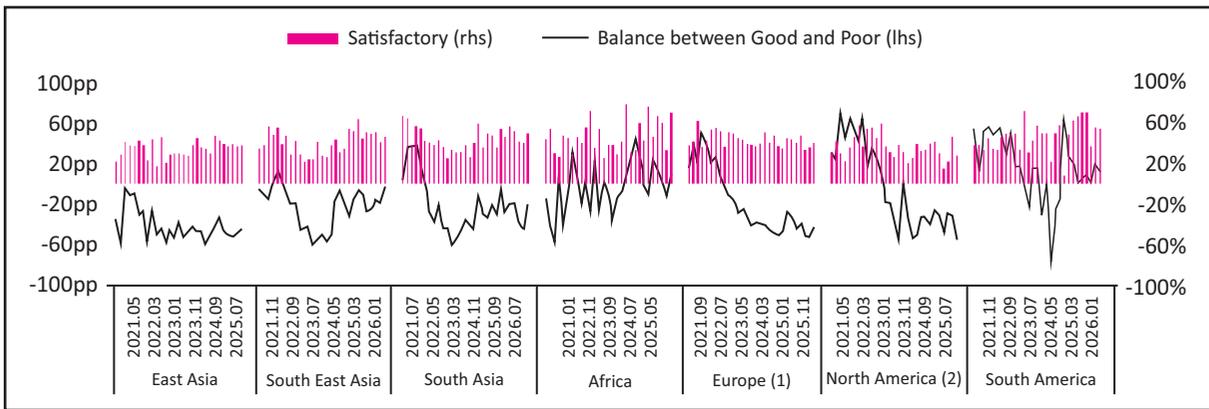
Nevertheless, with the Government of the world's largest economy disrupting global trade and numerous geopolitical issues remaining unresolved, the global business environment lacks the stability and predictability required for investment to proceed at normal levels and for consumers to spend with confidence.

For the entire textile value chain, the primary concern has been - and continues to be - weak demand, followed by geopolitical tensions and tariffs. Given that global growth has hovered around 3.2% for several years and is expected to remain at this level in 2026 and 2027, it appears that an imbalance between supply and demand has developed which needs to be addressed. At this level of global growth, certain overcapacities seem to exist on the supply side. As noted above, a process of consolidation or rebalancing appears to be underway, but this adjustment will require time.

Business Situation by Regions

Analyzing the results by region (see Graph 3), Africa had the highest indicator for business situation with +10pp, followed by South America with +9pp. South-East Asia had a balance of -2pp following a long-term positive trend since May 2023. South Asia has slightly improved (-20pp) but Europe (incl. Türkiye and Central Asia), East Asia, and North & Central America remain in very challenging situations.

Graph 3 : Business Situation by region Since May 21



1) incl. Türkiye and Central Asia | (2)incl. Central America | *Balance = share of respondents answering good vs. poor Source : 8-36th ITMF Global Textile Industry Survey (36th : 20-28.01.2026) | last data point = Jan 2026

Business Situation by Segments

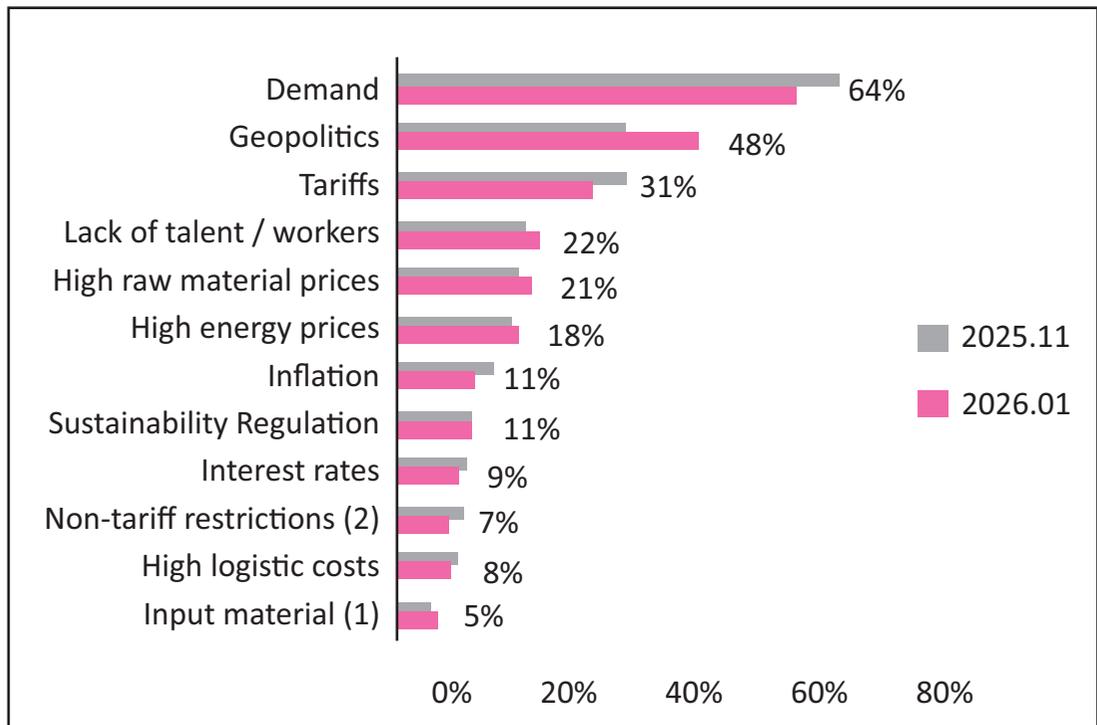
In terms of segments, brands and retailers reported the highest indicator at +25pp. Garment producers had a balance of -5pp, close to a neutral situation. Producers of home textiles and finished fabrics constitute a second group with scores around -25pp. All other segments continue to experience rather difficult times, with technical textiles at -45pp, spinners at -46pp, textile chemical/dyes/auxiliary at -48pp, fiber producers at -50pp, and textile machinery manufacturers with the lowest balance at -57pp. Despite these weak results, business situation improved for several segments from their respective lows.

The Biggest Concerns

The ITMF survey shows that "demand" clearly dominates global-level concerns (see Graph 4), despite a decline compared to November 2025. Since the end of 2022, the textile supply chain has been suffering from persistently weak demand. At the beginning of 2022, demand was not yet a major concern relative to other factors, such as high raw material, input, energy, and logistics costs, which had surged due to the significant pent-up demand following the end of the pandemic in 2021 and 2022 (see Graph 5).

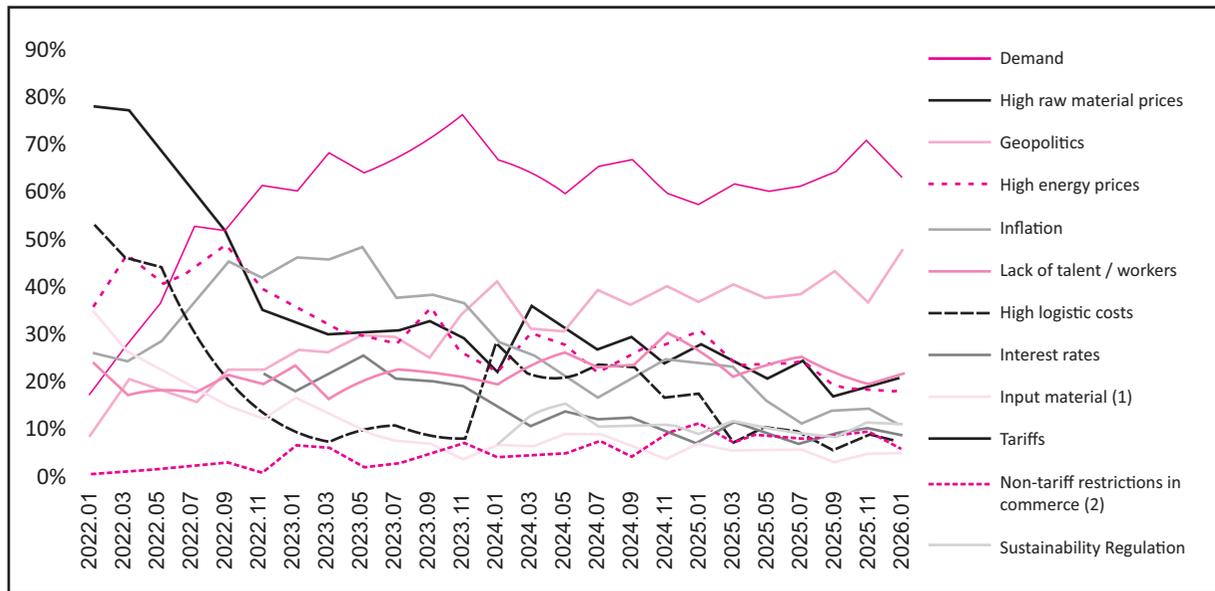
A second tier of concerns consists of "geopolitics" and "tariffs," which have ranked as the second and third most important issues for survey respondents for roughly a year. Geopolitical concerns gained further prominence since the November survey, driven by heightened tensions in Iran and destabilizing statements by the U.S. administration regarding Greenland.

Graph 4 : Major concerns



Source : 36th ITMF Global Textile Industry Survey (20-28.01.2026)

Graph 5 : Major concerns since January 2022



1) Lack of or delayed receipt of | (2) (2) Adoption of non-tariff restrictions in commerce | Source : 8 - 36th | TMF Global Textile Industry Survey (36th : 20 - 28.01.2026)

Traditional manufacturing concerns, namely inflation, production costs, and raw material prices, follow next, indicating continued cost pressures across the industry. In addition, the shortage of skilled workers and talent remains a serious challenge for textile manufacturers, as recruitment continues to be difficult.

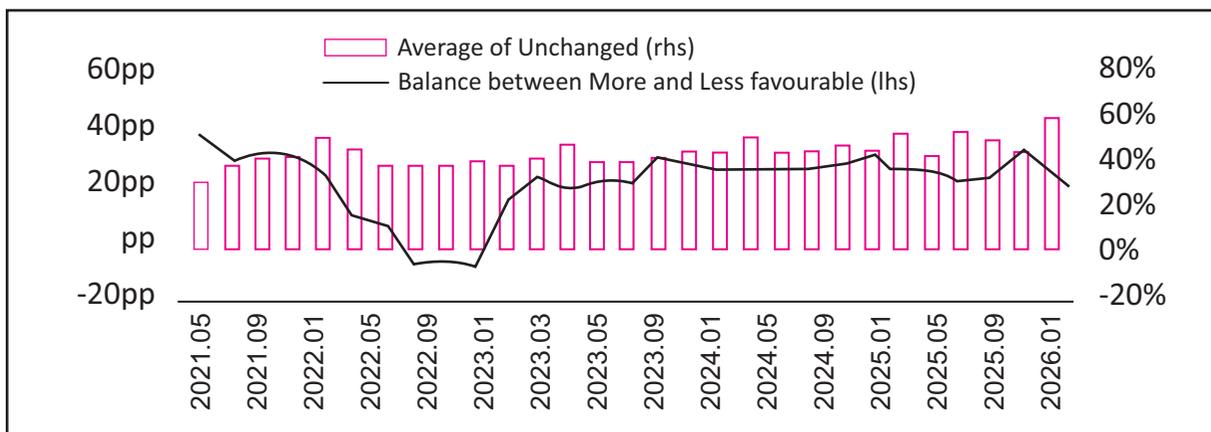
All other concerns fall into a lower-score category, suggesting that while they remain relevant, they are currently overshadowed by weak demand, geopolitical tensions and conflicts, and U.S. tariffs. For more than three years now, the global textile value chain has been navigating a prolonged period of weak demand with a high level of uncertainty that is unprecedented in both scale and scope over the past 50 years.

Business Expectations in Six Months

It is noteworthy that survey participants continue to express optimism regarding the next six months (see Graph 6). Although this optimism declined from over +32 percentage points in November 2025 to +23 percentage points in January 2026, it remains at a relatively elevated level. The source of this optimism is difficult to pinpoint. There appears to be no clear explanation other than the expectation or hope that such a prolonged period of sluggishness must eventually come to an end.

At the same time, it is important to note that a majority of respondents (58%) believe that conditions will not change within the next six months (see Graph 6). Consequently, companies across the supply chain are likely to continue focusing on strengthening their resilience by adapting to a business environment in which global demand remains structurally weaker than global supply.

Graph 6 : Business Expectations (World balance*) since May 21



* Balance = share of respondents who answer more or less favourable

Source : 8-36th TMF Global Textile Industry Survey (36th : 20 - 28.01.2026) | Last data point = Jan 2026

Kasturi Cotton - A Vision to Reimagine India's Cotton Legacy

by

Shri. Vijay Kumar Agarwal

Chairman

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India's Cotton Advantage

India's relationship with cotton is timeless. For centuries, Indian cotton and textiles have shaped global trade, culture and craftsmanship. India has the largest area under cotton cultivation of 11.23 million hectares, 36% of world acreage of 31.04 million hectares. 2/3rd of cotton cultivation in India is rainfed. We are the 2nd largest producer of cotton in the world besides being one of its largest consumers. Our distinct advantages are that we grow cotton across all fibre lengths there by supporting a wide range of yarn counts, the cotton is softer and purer because it is hand picked and we have an integrated value chain that supports the cotton eco-system.

Yet, despite our unparalleled heritage and scale, India has often remained positioned as a supplier of raw material and basic intermediates, rather than as a creator of globally admired cotton identity.

Kasturi Cotton Bharat is India's collective response to this historic paradox - a bold national vision to reimagine our cotton legacy and elevate it to a symbol of global excellence.

Kasturi Cotton is more than a brand. It is a movement of transformation, rooted in quality, sustainability, transparency and trust. It reflects India's determination to build a cotton ecosystem that is modern, responsible, globally competitive and deeply inclusive.

A National Aspiration, Not Merely an Industry Initiative

The global textile industry is undergoing profound change. Buyers are no longer driven only by cost. They now seek reliability, sustainability, traceability and ethical sourcing. Consumers demand transparency. Governments expect compliance. Brands require accountability.

Kasturi Cotton answers these imperatives with clarity and conviction. It represents India's commitment to delivering cotton that is credible, consistent and globally trusted. By creating a unified national cotton identity, Kasturi Cotton positions India not just as a large producer, but as a global benchmark for responsible cotton sourcing.

This initiative is anchored in a simple yet powerful idea - that India must move beyond volume and embrace value. By doing so, we uplift every stakeholder across the cotton value chain.

Transforming the Cotton Value Chain

For decades, India's cotton ecosystem has operated in fragmented silos - from farmers and ginners to spinners, manufacturers, exporters and brands. Kasturi Cotton bridges these divides, creating a seamlessly connected and digitally enabled supply chain.

Through its indigenous blockchain platform and QR-based traceability systems, Kasturi Cotton ensures end-to-end visibility, accountability and trust. Every participant in the chain becomes part of a shared journey - one that delivers transparency to buyers and confidence to consumers.

This integration transforms operational efficiency, reduces waste, enhances planning, and builds long-term strategic partnerships. It is this spirit of collaboration and collective growth that makes Kasturi Cotton a truly transformative initiative.

Farmers at the Heart of the Vision

No transformation can be meaningful unless it begins at the grassroots. At the heart of Kasturi Cotton stands the Indian cotton farmer.

Through extensive engagement with Farmer Producer Organisations (FPOs), field workshops, training programmes and digital outreach, Kasturi Cotton equips farmers with knowledge, modern agricultural practices and quality consciousness. This empowers them to enhance productivity, improve quality and secure better returns.

By linking farmers directly to an organised, traceable and premium supply chain, Kasturi Cotton enables inclusive growth, ensuring that prosperity flows back to those who nurture the fibre at its source. This alignment of economic progress with social responsibility gives Kasturi Cotton its profound national relevance.

Sustainability as a Strategic Imperative

In today's world, sustainability is no longer a choice - it is an obligation. Kasturi Cotton integrates environmental stewardship, responsible resource use and climate consciousness into its core framework.

Life Cycle Assessment studies, development of best practice protocols and collaboration with global sustainability organisations such as Better Cotton Initiative (BCI) and Regenagri reflect the programme's commitment to continuous improvement. These efforts are reinforced by partnerships with leading research and development institutions, ensuring science-driven sustainability solutions.

By embedding sustainability across the cotton journey, Kasturi Cotton ensures that Indian cotton contributes positively to global climate goals while enhancing the competitiveness of Indian exports.

Creating Global Trust through Transparency

Trust is the currency of modern trade. Kasturi Cotton builds this trust through robust traceability systems that provide complete journey visibility - from farm to fashion.

Through QR-enabled consumer interfaces, brands can narrate the authentic story of Indian cotton - its origin, its journey, its sustainability credentials. This transparency strengthens brand credibility, deepens consumer engagement, and elevates India's reputation as a responsible sourcing destination.

In doing so, Kasturi Cotton bridges the emotional distance between the farmer and the global consumer, forging a powerful human connection across continents.

Economic Transformation through Value Creation

Kasturi Cotton is a strategic intervention designed to unlock higher economic value for Indian cotton. By shifting from commodity positioning to brand-led differentiation, the programme enhances margins, improves price realisation and strengthens market access.

This creates a virtuous cycle of growth - farmers receive better returns, manufacturers gain consistent quality inputs, exporters enhance competitiveness, and brands secure traceable, responsible fibre. The cascading benefits contribute to employment generation, rural prosperity and export growth, reinforcing India's textile leadership.

Industry Adoption and Collective Ownership

The enthusiastic adoption of Kasturi Cotton by leading manufacturers, exporters and brands reflects the industry's shared belief in this vision. Major domestic and international brands have embraced Kasturi Cotton in their premium product lines, demonstrating strong market confidence.

This collective ownership ensures that Kasturi Cotton is not a top-down programme but a shared national mission, driven by collaboration across the value chain.

TEXPROCIL: Steward of a National Mission

As the implementation partner of the Ministry of Textiles and the Cotton Corporation of India, TEXPROCIL carries the responsibility of stewarding this transformative journey. Through governance, certification management, digital platform operations, branding, global promotion and stakeholder engagement, TEXPROCIL ensures that Kasturi Cotton evolves into a globally admired cotton identity.

Our efforts are focused on creating enduring value, not short-term gains - building a foundation that will benefit generations of farmers, entrepreneurs and workers.

The Road Ahead: A Global Benchmark in the Making

The long-term vision of Kasturi Cotton is to position Indian cotton as a global symbol of quality, sustainability and trust. By aligning this initiative with national development priorities, we can build a resilient cotton ecosystem that supports farmer welfare, industrial growth, export leadership and environmental responsibility.

In the years to come, Kasturi Cotton will continue to deepen farmer engagement, expand sustainability initiatives, enhance digital innovation and intensify global outreach. Our ambition is clear - to ensure that when the world speaks of premium, responsible cotton, India stands at the forefront, led by Kasturi Cotton.

Conclusion

Kasturi Cotton represents India's collective aspiration to lead with integrity, innovate with purpose and grow with inclusivity. It is a journey of transformation - one that honours our heritage while shaping our future.

As we move forward, let us reaffirm our shared commitment to this vision, working together to build a cotton ecosystem that delivers prosperity, sustainability and pride for our nation.