31th ITMF Global Textile Industry Survey

Taking the pulse of the global textile industry since May 2021

Global textile industry balances persistent challenges with resilient optimism

Articles published in the ITMF Newsletters No. 106 (March 2025)

EXECUTIVE SUMMARIES

Textile industry struggles persist

[4]

The global textile industry's remains in a challenging situation. Although the business situation had been improving since November 2023, it has slightly deteriorated in March 2025. Positive developments are registered in East Asia and North & Central America, albeit from very low levels. Among segments, garment producers reported the most stable outlook.

> read more

Global business expectations remain optimistic


[5]

The textile industry remains optimistic about the outlook for Q4 2025. Optimism is strongest in Africa and the Americas, while East Asia stands out with a negative outlook. Across segments, garment, fiber, and finished fabrics producers are the most hopeful, whereas technical textiles and home textiles show limited or no improvement expectations.

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Upward trajectory of global orders tapers off

Globally, the textile industry's order intake balance deteriorated since January 2025, ending the upwards trend which started in November 2023. Regionally, South-East Asia showed resilience with a near-neutral balance, contrasting with East Asia and Europe. Among producer types, garment manufacturers maintained relatively good order intake.

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Global textile industry faces renew backlog decline, albeit small

The global textile industry reported a 2.2 month-average order backlog, slightly decreasing since January 2025. Between regions, Europe leads with the highest backlog, due to the strong presence of textile machinery manufacturers who still exhibit the highest backlog among segments.

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Capacity utilization rates hold firm worldwide


[6]

The survey revealed a worldwide capacity utilization rate of 73%, up from the low 68% in November 2023. The Asian regions led with respect to this indicator with rates above 74%. Among segments, yarn producers achieved the highest utilization at 81%, while textile chemicals producers recorded the lowest at 64%.

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Rising concerns about demand and geopolitics


[7]

The latest survey highlighted further growing concern about demand (62%) and geopolitics (41%) for the next six months. While energy prices, raw materials prices, and inflation have slightly eased, worries around interest rates and sustainability regulations are slowly gaining momentum.

> read more

Global order cancellations remain low

[8]

Order cancellations continued decreasing since November 2023. Regionally, East-Asia remained the most impacted with 4.7 %, followed by South America at 4.2%. Among producers, textile chemicals experienced the highest cancellations at 5.9%.

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Global textile inventory levels are slightly building up


[9]

The March 2025 GTIS reported a worldwide textile inventory level index of –11, increasing from its low of –18 in November 2024. Regionally, South America showed the highest inventory with a neutral index. Among segments, yarn producers exhibited the strongest inventory with an index of 4, whereas garment producers reported the lowest inventory at –29.

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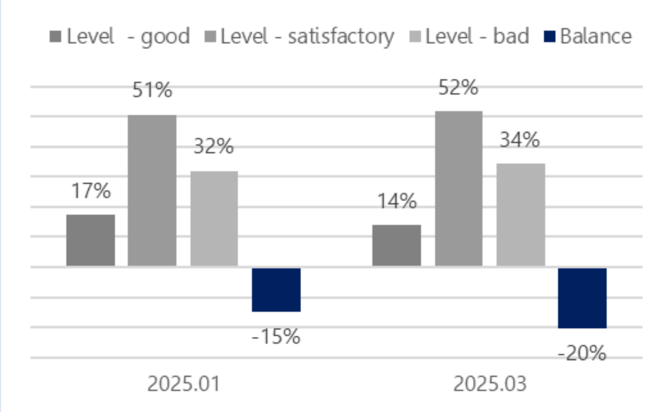
Article 1: Textile industry struggles persist

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

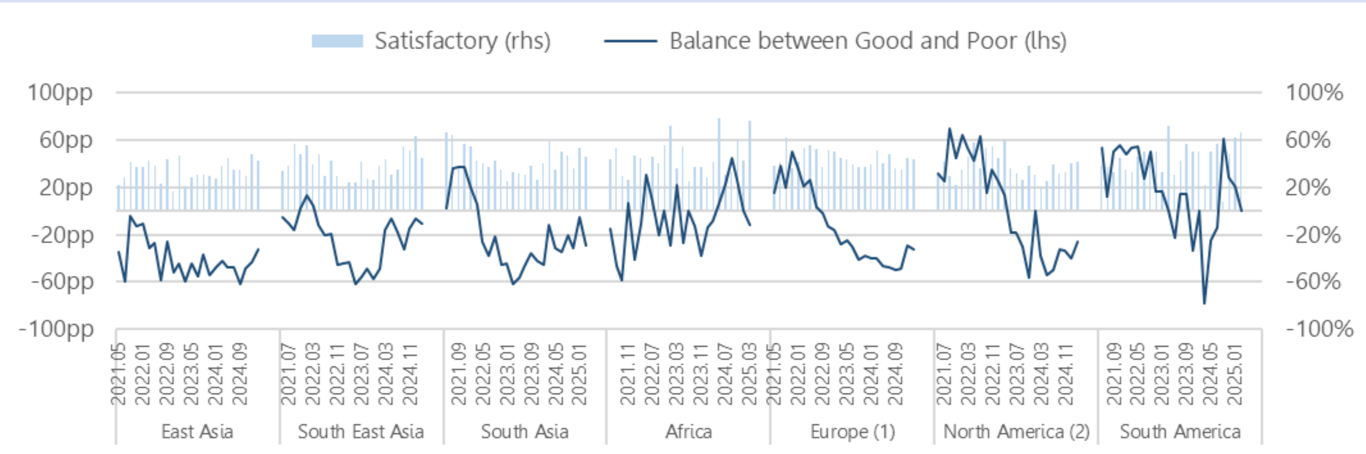
The 31st ITMF Global Textile Industry Survey (GTIS) was conducted during the second half of March 2025. Globally, 34% of participants assessed the business situation as bad, 14% as good, and 52% as satisfactory, resulting in a balance of -20 percentage points (pp). This balance has decreased compared to January 2025, although it is still significantly higher compared to its low of -46 pp in November 2023 (see Graph 1 and 4).

When looking at potential reasons for this deterioration since January, weak demand and geopolitics certainly stand out (see Article 6). Global demand has not fully recovered since the boom years 2021 and 2022 when strong pent-up demand from consumers after the pandemic was harming the situation. With the Russian

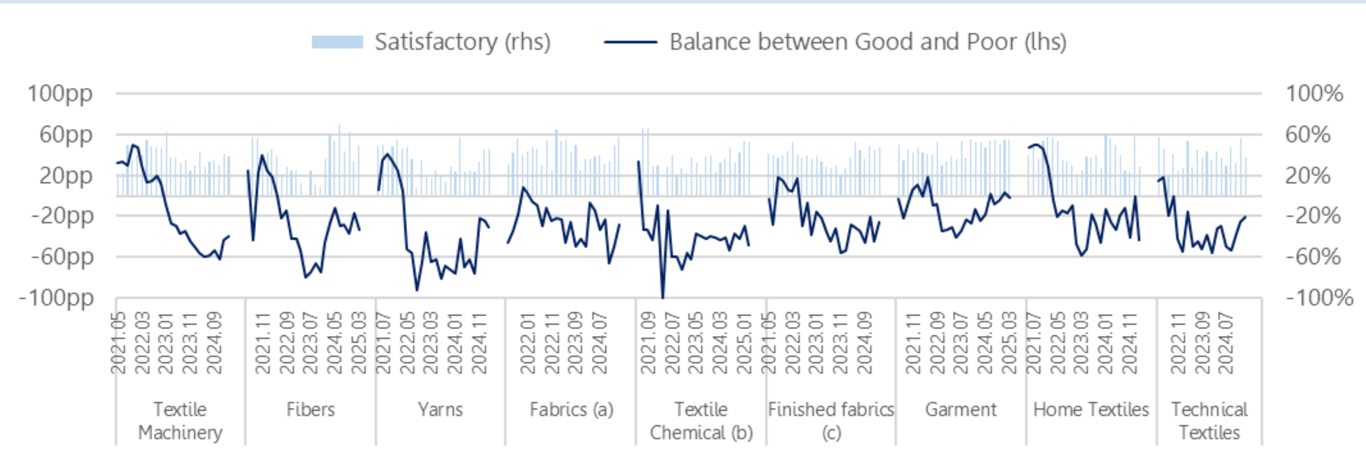
Graph 1: **Business situation** (World balance*) in Mar 2025



Graph 2: **Business situation by region** since May 21



Graph 3: **Business situation by segment** since May 21

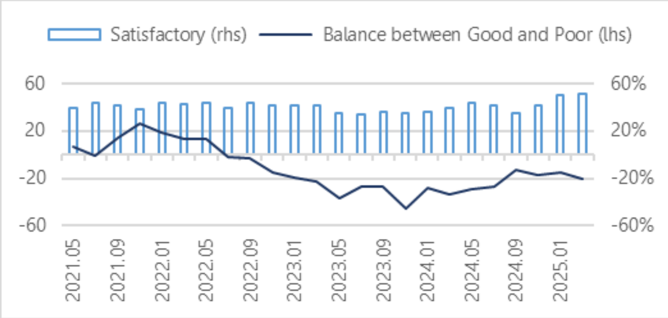


(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics *Balance = share of respondents answering good vs. poor Source: 8-31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025) | last data point = Mar 2025

invasion of Ukraine in February 2022, energy prices in many countries, especially in Europe, soared and led to a steep rise of inflation rates in 2023. While inflation rates came down in 2024 to acceptable levels, there is now a general fear that they might increase again following an international trade war initiated by the US-government against its major trading partners. Businesses and consumers alike are uncertain about how this unfolding trade war with retaliatory tariffs will impact the economy. Most experts are expecting inflation to rise again which could lead to higher-than-normal interest rates. The uncertainty and unpredictability caused by this trade war will most likely hold back business investments and consumer consumption alike. Whether this deterioration is a short-lived correction or the start of a long-term interruption of a slow and weak recovery trend remains to be seen.

Regionally, South America enjoys a relatively better business situation with a neutral balance of 0 pp, showing recovery since March 2024 from a previous low of -78pp despite exerting a strong deterioration in the last few months. North and Central America hold a balance of -26pp, up from -56pp in November 2023. Within Asia, South-East Asia performs better with a -10pp balance, while South Asia and East Asia register -29pp and -33pp respectively, reflecting varying business sentiments across the continent. Europe remains low at -32pp, despite having improved since September 2024. In terms of **segments**, garment producers reported the highest balance at -1 pp, indicating a relatively more stable business situation. Technical textiles producers followed with a -21pp balance, while finished fabrics producers recorded -26pp and fabrics producers -29pp. Spinners and fiber producers showed balances of -31pp and -33pp respectively. Textile machinery producers faced significant challenges with a -40pp balance, and home textiles producers and textile chemicals producers registered -43pp and -48pp respectively, marking the lowest sentiments across the value chain segments.

Graph 4: **Business situation** (World balance*) since May 21



*Balance = share of respondents who answer good vs. poor | Source: 8-31st ITMF Global Textile Industry Survey (17-26.03.2025) | pp : percentage point | last data point = Mar 2025

Global business expectations remain optimistic

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

The 31st ITMF Global Textile Industry Survey (GTIS) was conducted during the second half of March 2025, Globally, 37% of participants expect an improved business situation in six months, while 13% anticipate a downturn, resulting in a positive balance of +24 percentage points (pp, see Graphs 1 and 2).

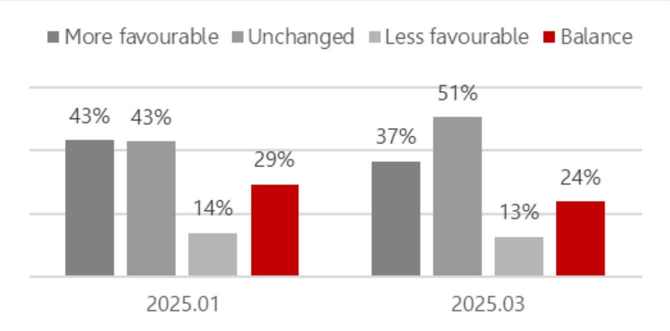
In comparison with January 2025, business expectations have suffered a setback of -4pp in March 2025, down from +29pp. The unpredictability of the short-, medium-, and long-term outlook caused survey participants to be less buoyant about the future. The uncertainty stems from the disruptive trade policy pursued by the new US-administration. This US-trade policy consists of additional tariffs on selected products like steel, aluminium, or cars for a range of countries (Canada, China, EU and Mexico) as well as a possible reciprocal adaptation of tariffs with any country where import tariffs for certain products are higher compared to the respective import tariffs in the US. Several countries already affected by such tariff increases have announced counter measures. The prospects of a global trade war are weighing heavily on global growth expectations.

Many companies are in a wait-and-see mode holding back investments. Similarly, many consumers are cautious and are increasing their saving rates. Unsurprisingly, both business and consumer confidence indices are falling in the EU and the USA. The overall optimism expressed by the survey participants seems to be based on the hope that this down-cycle that started more than two years ago has eventually come to an end.

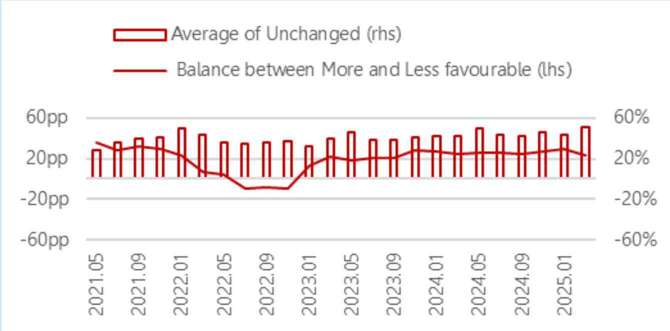
Regionally, Africa led with +59pp, showing very high optimism for the industry in 6-month time (see Graph 3). North & Central America also show high optimism with a positive balance of +39pp, followed by South America at +28pp. South-East Asia recorded a +27pp-balance, Europe one of +22pp, South Asia one at +10pp, while East Asia experienced a negative balance of -16pp.

Segment-wise, garment producers registered the highest positive balance at +30pp, followed by fibre producers at +25pp and finished fabrics producers at +24pp (see Graph 4). Technical textiles producers remained subdued with a balance of -4pp, while home textiles producers maintained a neutral outlook.

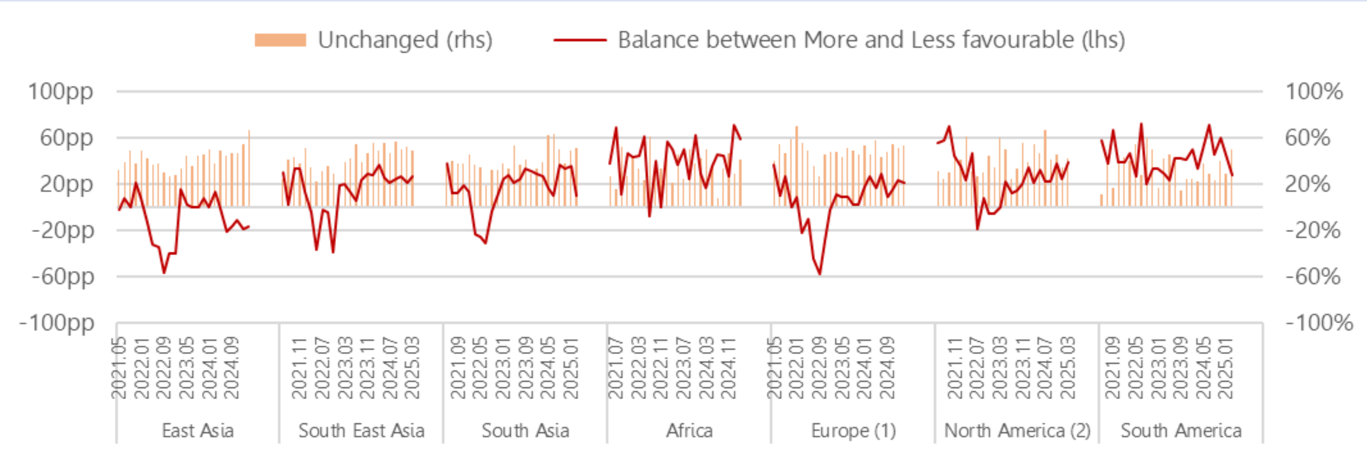
Graph 1: **Business expectations** (World balance*) in Mar 2025



Graph 2: **Business expectations** (World balance*) since May 21

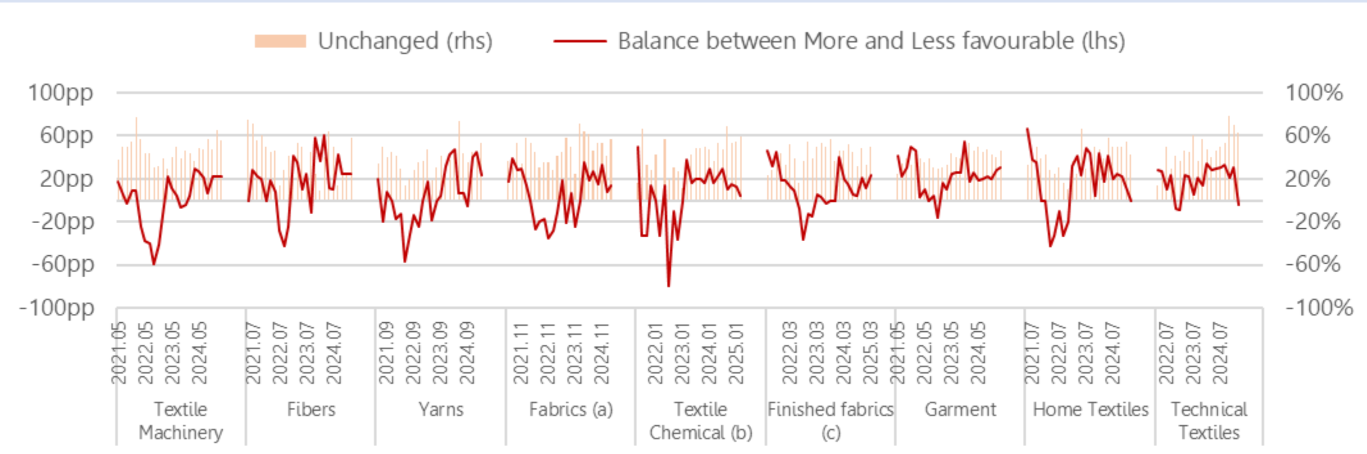


Graph 3: **Business expectations by region** since May 21



(1) incl. Türkiye and Central Asia | (2) incl. Central America | Balance = share of respondents who answer more or less favourable
Source: 8-31st TMF Global Textile Industry Survey (31st:17-26.03.2025) | last data point = Mar 2025

Graph 4: Business expectations by segment since May 21



(a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | Balance = share of respondents who answer more or less favourable | Source: 8-31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025) | last data point = Mar 2025

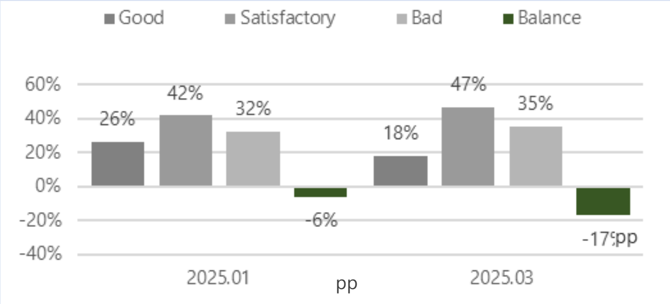
Article 3: Upward trajectory of global orders tapers off

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

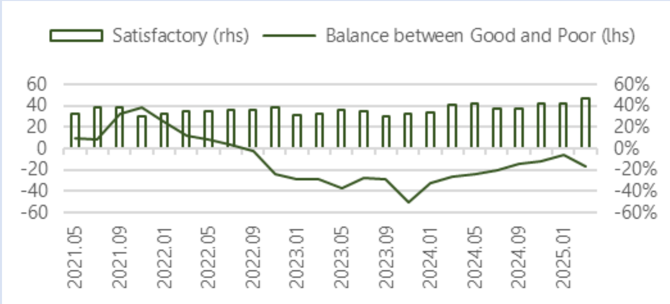
The 31st ITMF Global Textile Industry Survey (GTIS) was conducted in the second half of March 2025. Globally, the balance for order intake deteriorated to -17 percentage points (pp) from -6pp in January, nonetheless recording an improved level from its previous low of -50pp in November 2023 (see Graph 1 and 2).

The significant drop in order intake correlates with deteriorated business situation and expectations. That demand is by far the major concern of survey participants (see Article 6), reflects that many companies are still struggling and living from hand to mouth, ordering the minimum quantities and thus keep inventory levels low

Graph 1: **Order intake** (World balance*) in **Mar 2025**



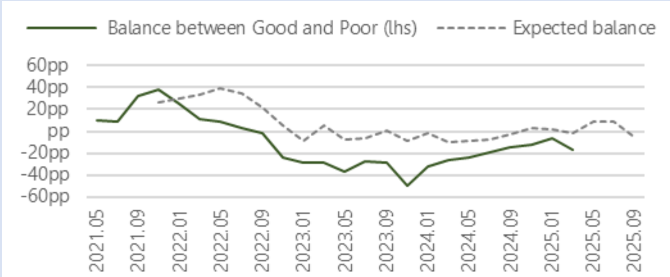
Graph 2: **Order intake** (World balance*) since May 21



[continues] (see Article 8). Geopolitics being the second major concern (see Article 6) is indicative for an uncertain economic future. Wars in Ukraine and the Middle East are not resolved, and trade tensions are currently turning into trade wars.

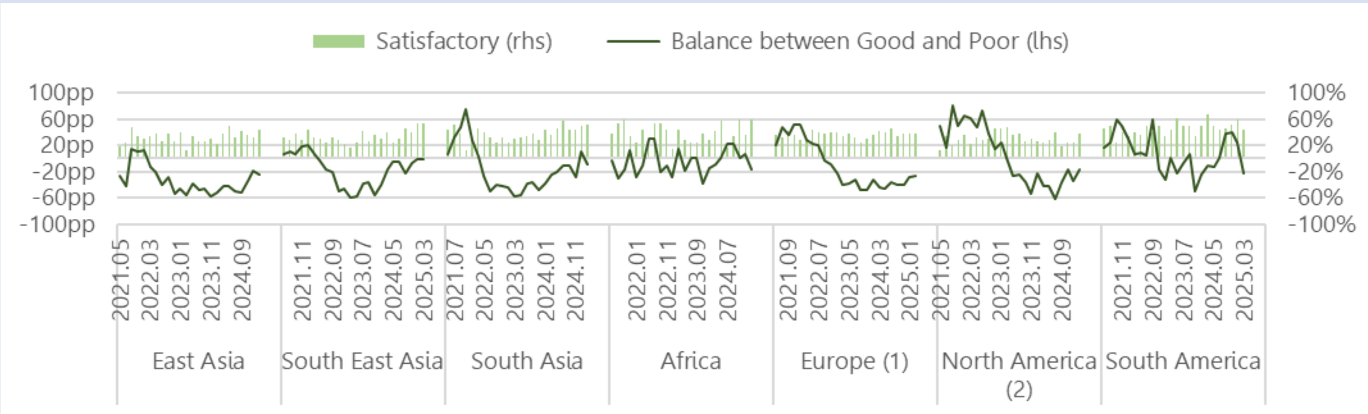
Regionally, South-East Asia exhibited the most resilient order intake with a near-neutral balance of -2pp, followed by South Asia at -10pp (see Graph 4). The Americas showed a moderate decline with North & Central America at -16pp and South America at -22pp. East Asia and Europe experienced more significant challenges, reporting balances of -24pp and -27pp respectively, indicating ongoing pressures in these markets.

Graph 3: **Order intake** (World balance* and expectations)



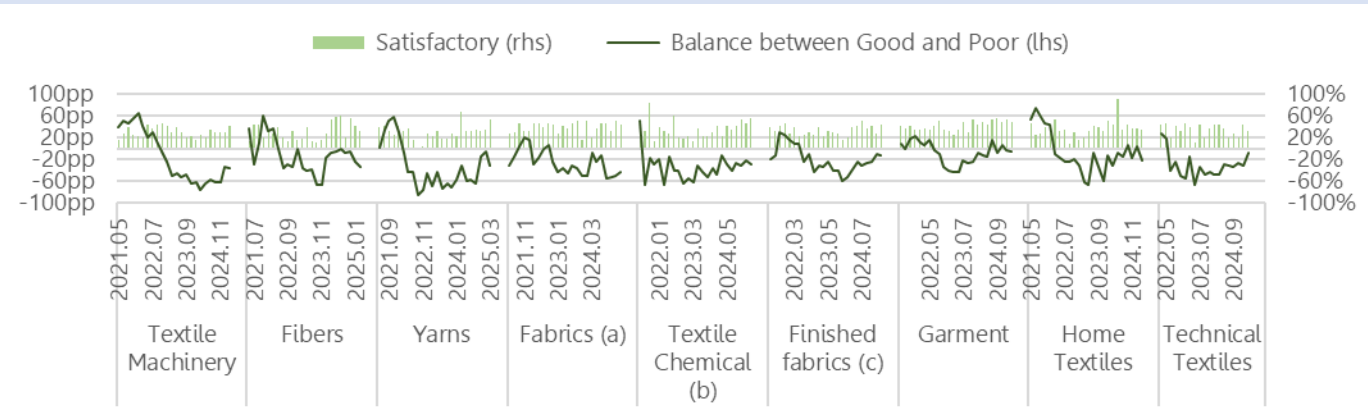
*Balance = share of respondents who answer good vs. poor | Source: 8-31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025) | last data point = Mar 2025

Graph 4: **Order intake by region** since May 21



(1) incl. Türkiye and Central Asia | (2) incl. Central America | Balance = share of respondents answering good vs. poor | Source: 8-31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025) | last data point = Mar 2025

Graph 5: **Order intake by producer type** since May 21



(a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | Balance = share of respondents answering good vs. poor | Source: 8-31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025) | last data point = Mar 2025

Across different **segments** of the textile value chain, garment producers led with the smallest negative balance of -6pp, with technical textiles following at -8pp, suggesting relative stability in these areas (see Graph 5). In contrast, fabrics producers faced the greatest difficulties, recording a -43pp balance (although up from -50pp last January). Other segments such as finished fabrics, home textiles, and textile chemicals also showed notable declines, highlighting broader challenges within the industry's production stages.

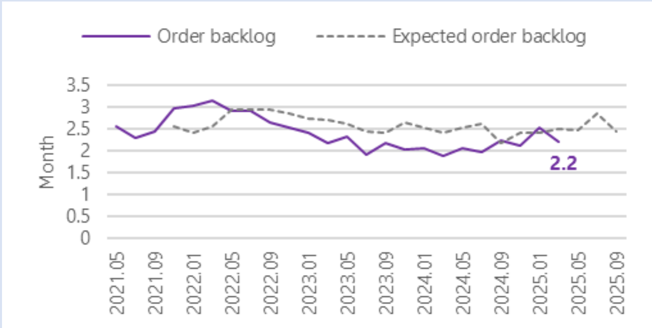
Article 4: Global textile industry faces renewed backlog decline, albeit small

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

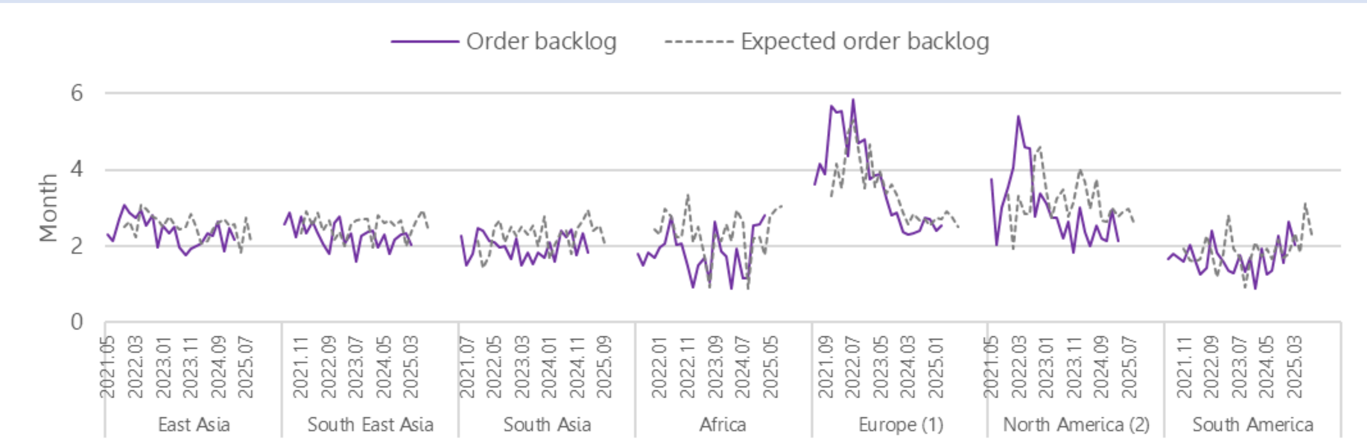
The 31st ITMF Global Textile Industry Survey, conducted in the second half of March 2025, revealed a global order backlog of 2.2 months, reflecting a decrease of 9% over the past two months since January 2025 (see Graph 1). Nonetheless, the current world average order backlog is higher than the last low of 1.9 months in March 2024.

It does not come as a surprise that average global order backlog fell in March 2025 given the fact that order intake was weak in the past few months and capacity utilization rates in most regions and segments well below the long-term averages (see Article 5).

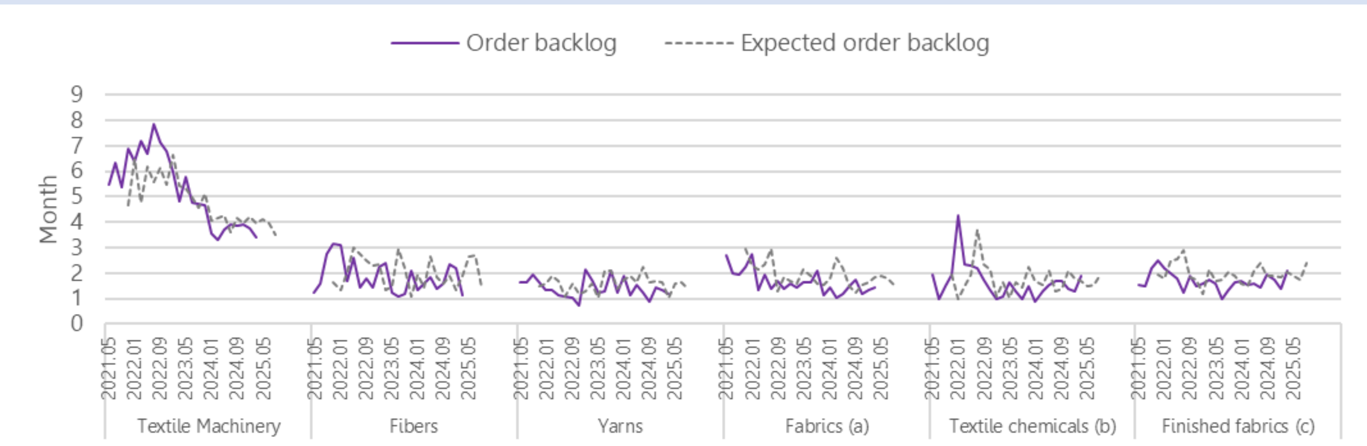
Graph 1: **Order backlog** (World average) since May 21



Graph 2: **Order backlog by region*** since May 21 (in Months)



Graph 3: **Order backlog by producer type*** since May 21 (in Months)



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | *average | Source: 8th-31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025) | last data point = Mar 2025

Regionally, Africa and Europe (incl. Türkiye and Central Asia) recorded the highest order backlog at 2.8 and 2.5 months respectively, with a minimal raise in Europe since January 2025 (see Graph 2). The Americas and Asian regions maintained a backlog slightly above 2 months. South Asia registered the lowest backlog of 1.8 months (see Graph 3). Among producer **segments**, textile machinery producers reported the highest order backlog at 3.4 months, on a downward trend since November 2024. Garment and technical textiles producers followed with backlogs of 2.5 and 2.4 months respectively. In contrast, fiber producers registered the lowest backlog at 1.1 month, with other segments such as yarns and home textiles also showing backlogs below 2 months.

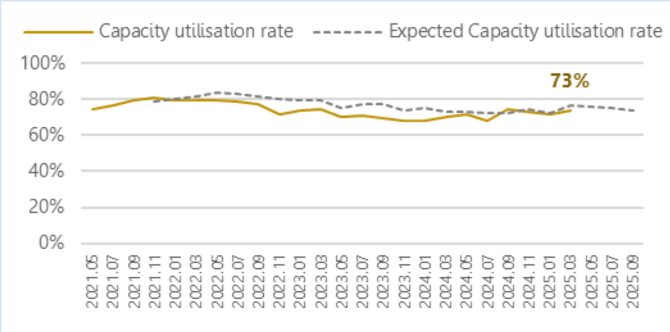
Article 5: Capacity utilization rates hold firm worldwide

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

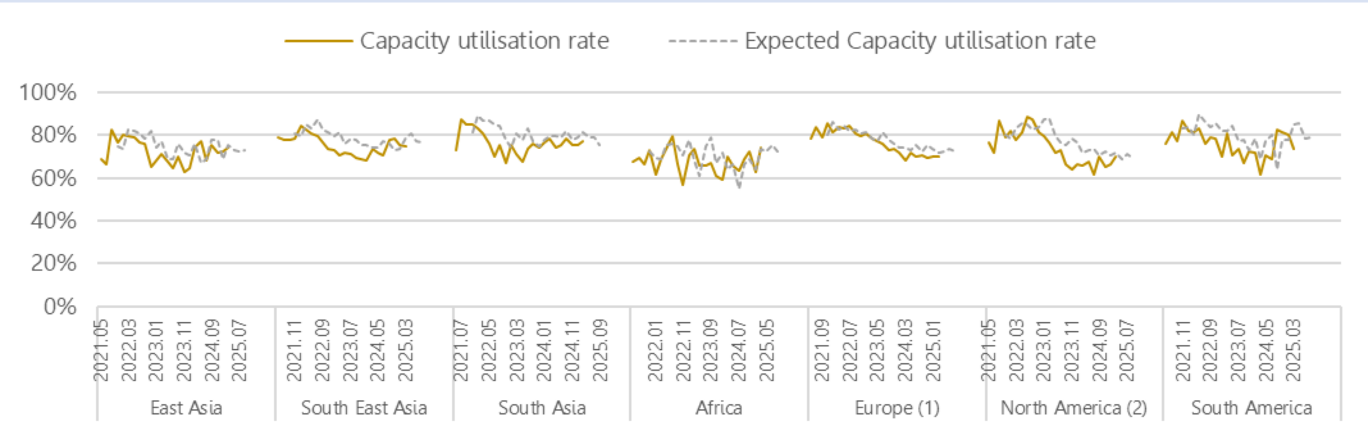
The 31st ITMF Global Textile Industry Survey was conducted in the second half of March 2025, revealing a global capacity utilisation rate of 73%, which has been slightly increasing since January and has improved from the low of 68% in November 2023 (see Graph 1).

The slight capacity utilization rate in March compared to January 2025 is counterintuitive since both order income and backlog decreased at the same time. One explanation could be that companies have started adapting their capacities leaving some capacities idle or closing some altogether.

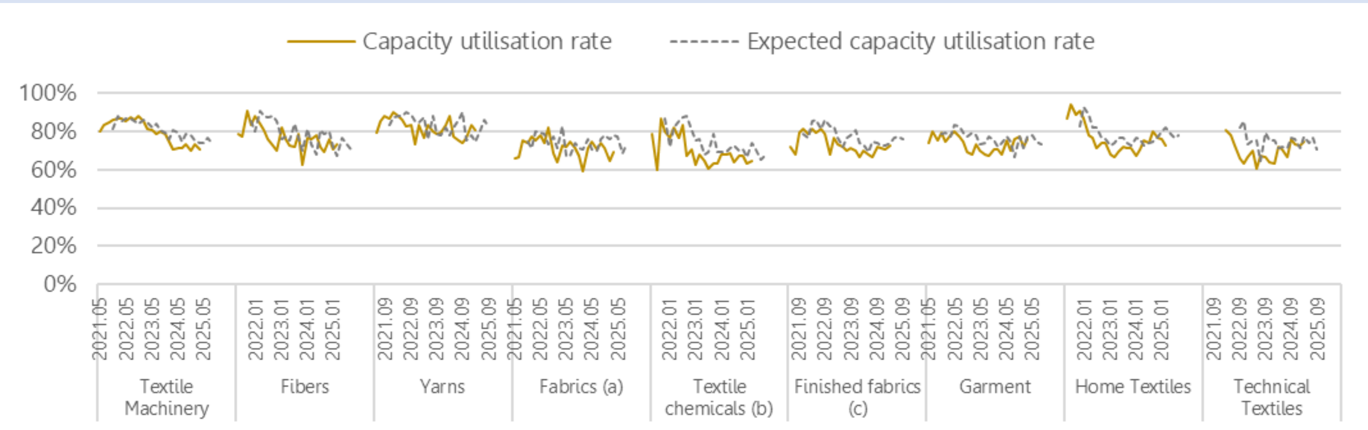
Graph 1: Capacity utilisation rate World average, since May 21



Graph 2: Capacity utilisation rate by region* since May 21



Graph 3: Capacity utilisation rate by producer type* since May 21



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | * average | Source: 8-31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025) | last data point = Mar 2025

Globally, the existence of underutilized capacities is no surprise given the heavy investments in new textile machinery in 2021 and 2022 and the drop in demand in the following years.

Regionally, Asia led with capacity utilisation rate of over 74 %, driven by strong performance in South Asia, at 77 %. In the Americas, South America also reported a rate of 74 % too, while North & Central America stood at 70 %. Europe, including Türkiye and Central Asia, matched North & Central America with a 70 % utilisation rate.

At the **segment** level, spinners achieved the highest capacity utilisation rate at 81 %, followed by garment producers at 76 % (see Graph 3). Fiber producers, together with manufacturers of finished fabrics, home textiles and technical textiles maintained a rate between 72 % of 74 %. On the lower bound of production activity, textile machinery producers reached 70 %, and fabrics producers, whether woven or knitted, recorded 69 %. The sector with the lowest capacity utilisation rate was textile chemicals producers, including those handling dyes and auxiliaries, at 64 %.

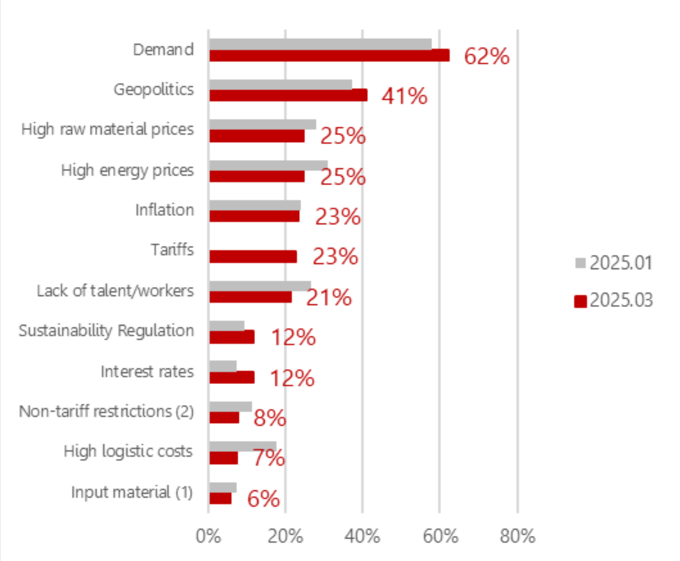
Article 6: Rising concerns about demand and geopolitics

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

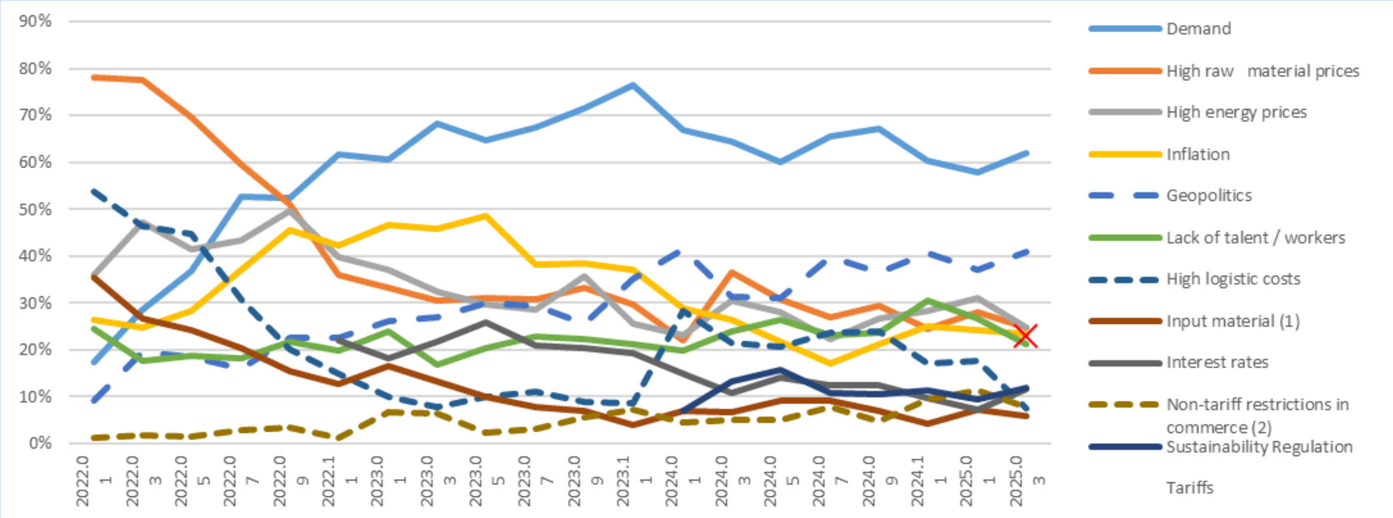
The 31st ITMF Global Textile Industry Survey (GTIS) was conducted in the second half of March 2025, capturing the views of textile industry participants worldwide regarding their main concerns for the next six months (see Graph 1). The most pressing issue was **demand**, cited by 62% of respondents, with concern around this topic continuing to rise in recent months (58% in January 2025). **Geopolitics** followed as a distant but clear second, with 41% of survey participants identifying it as a major concern that is also showing an upward trend (37% in January 2025). Other notable concerns included **high energy prices** and **high raw material prices** (both at 25%) as well as **inflation** and **tariffs** (both 23%).

Energy, raw material prices, and inflation have seen declining trends in recent months, as did the lack of talent / workers (21%), high logistic costs (7%), non-tariff restrictions (8%), and delayed or missing input materials (6%).

Graph 1: Major concerns



Graph 2: **Major concerns** since January 2022



(1) Lack of or delayed receipt of | (2) (2) Adoption of non-tariff restrictions in commerce| Source: 8- 31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025)

On the other hand, concerns about **interest rates** (12%) and **sustainability regulations** (12%) have been rising recently, reflecting growing attention to financial and environmental factors.

Tariffs was added as a concern for the first time in this survey and was selected by 23% of all survey participants. This level is significantly higher than the concern about **non-tariff restriction** (8%), and as high of a concern as inflation, high raw material and high energy prices. Tariffs are significantly less worrisome than geopolitics or demand. Should the US-administration continue its disruptive trade policy including the reciprocal tariffs against all other trading partner with higher tariffs, retaliation by other countries can be expected. Tariffs are likely to become an even bigger concern soon. Given the rising geopolitical and trade tensions it is also no surprise that consumer and business confidence indices have been falling recently, which is weighing heavily on consumer demand and capital investments. Disposable incomes were under enormous pressure in 2023 and 2024 due to high inflation rates which in return were fuelled by high energy and high raw material prices. After inflation rates have come down significantly around the world by the end of 2024, the outlook for stronger global demand was positive.

But the evolving trade war seems to undermine more and more the hope a recovery of global demand.

Article 7: Global order cancellations remain low

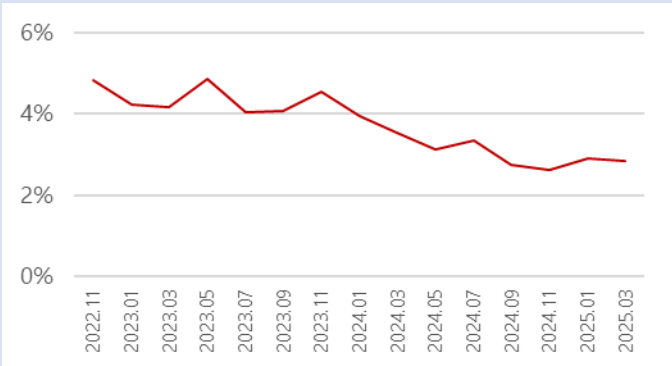
by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

The 31st ITMF Global Textile Industry Survey, conducted in the second half of March 2025, indicates a global decrease in order cancellations over the past two years (see Graph 1).

Regionally, East Asia remains the most affected with a 4.7% cancellation rate on average (see Graph 2), followed by South America at 4%. Africa and South Asia are at the lower end of the spectrum with less than 2% cancellation, showcasing varying levels of stability across the world.

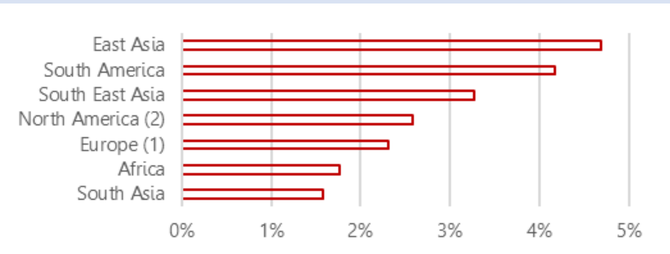
Among the various **segments**, textile chemicals producers experienced the highest order cancellations at 5.9%, whereas fiber producers maintained the lowest rate at 0.8%, underscoring significant differences among producer types.

Graph 1: **Order cancellation in the past 4 months**



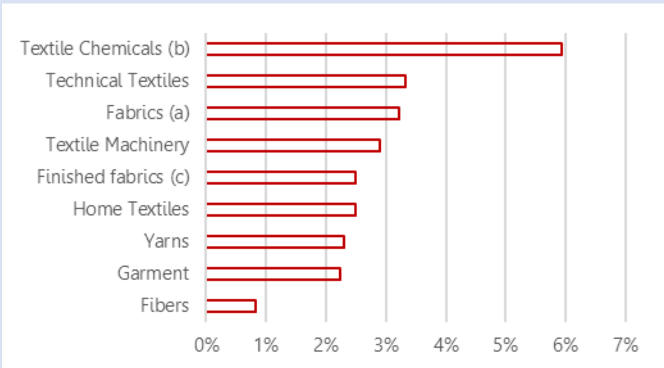
Source: 30th-31st ITMF Global Textile Industry Survey (31st: 17-26.03.2025)

Graph 2: **Order cancellation by region** in Mar 2025



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | Source: 31st ITMF Global Textile Industry Survey (17-26.03.2025)

Graph 3: **Order cancellation by segment** in Mar 2025



Article 8: Global textile inventory levels are slightly building up

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

The 31st ITMF Global Textile Industry Survey (GTIS) was conducted in the second half of March 2025, revealing a global inventory level index of -12, marking a slight rise from -13 in January 2025 and a significant increase from the low of -18 in November 2024 (see Graph 1).

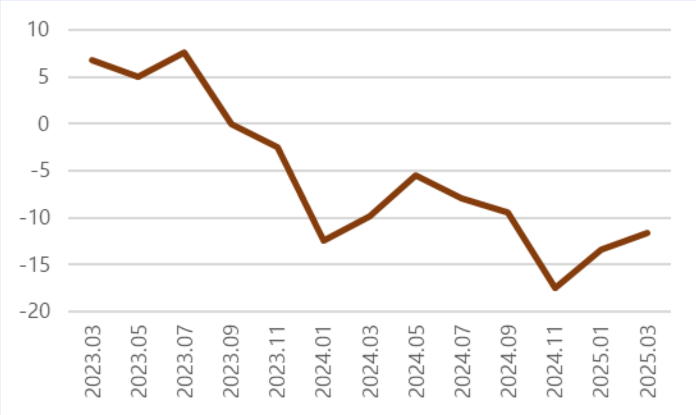
Despite this small increase, inventory levels in the entire supply chain continue to being very low on average and are well below the inventory level index of +8 in July 2023 (see Graph 1).

Inventory levels in the supply chain depend on the amounts of orders placed by brands and retailers. Since the enormous build-up of inventories in the US retail and wholesale industry until the end of 2022 (see Graph 4), total inventory levels have been falling continuously. As can bee seen in Graph 4, the build-up occurred mainly in the wholesale segment, while retailers increased inventories only slightly above the long-term trend line during the demand boom. It can be argued that retailers were able to manage their inventories better, while wholesalers had over-ordered in anticipation of a longer pent-up demand period. Interestingly, inventory levels of the wholesale industry in the US have by now dropped below the long-term trend line and are now below the pre-pandemic levels. One explanation might be that (fast fashion) retailers have more order cycles and therefore order less per order but more often. This enables them to adapt more quickly to changing consumer demand. Wholesalers on the other side are ordering more commodity items that sell over a longer period. That wholesalers' inventory have fallen below the long-term line, is certainly an indication of the risen uncertainty about the economic outlook.

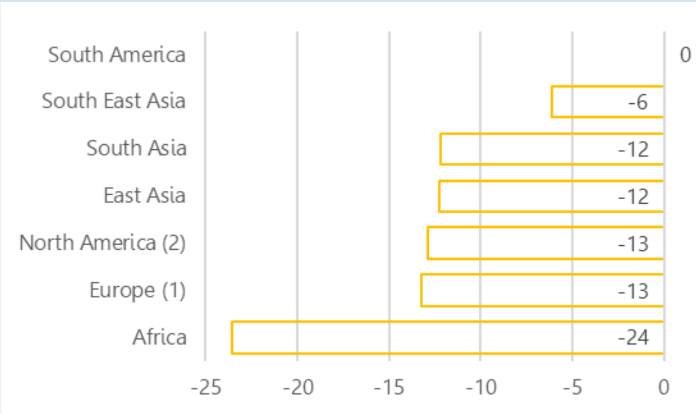
Regionally, South America recorded an inventory level index of 0, showing a significant recovery from its last minimum of -57 in March 2023 (see Graph 2). In Asia, South-East Asia stood out with an inventory level of -6, followed by South Asia and East Asia, both at -12. North & Central America alongside Europe (incl. Türkiye and Central Asia) report an inventory level of -13. In Africa the inventory level index reached a level of -24.

Analysing different producer **segments**, spinners exhibit the highest inventory index at 4, significantly surpassing other segments. Finished fabrics, home textiles, and technical textiles producers maintain a neutral inventory level of 0. In contrast, fibre producers and textile chemicals producers report inventory levels of -8 and -11, respectively. Weavers and knitters show an index of -14, textile machinery producers are at -20, and garment producers register the lowest inventory level at -29.

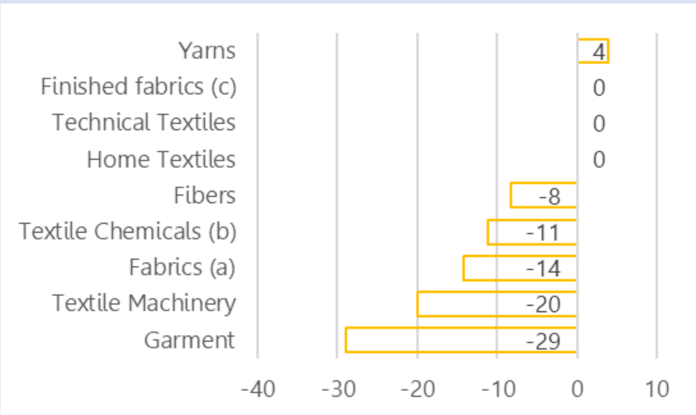
Graph 1: **Inventory level index*** How would you rate your current inventory level?



Graph 2: **Inventory level index by regions*** in Mar 2025, How would you rate your current inventory level?

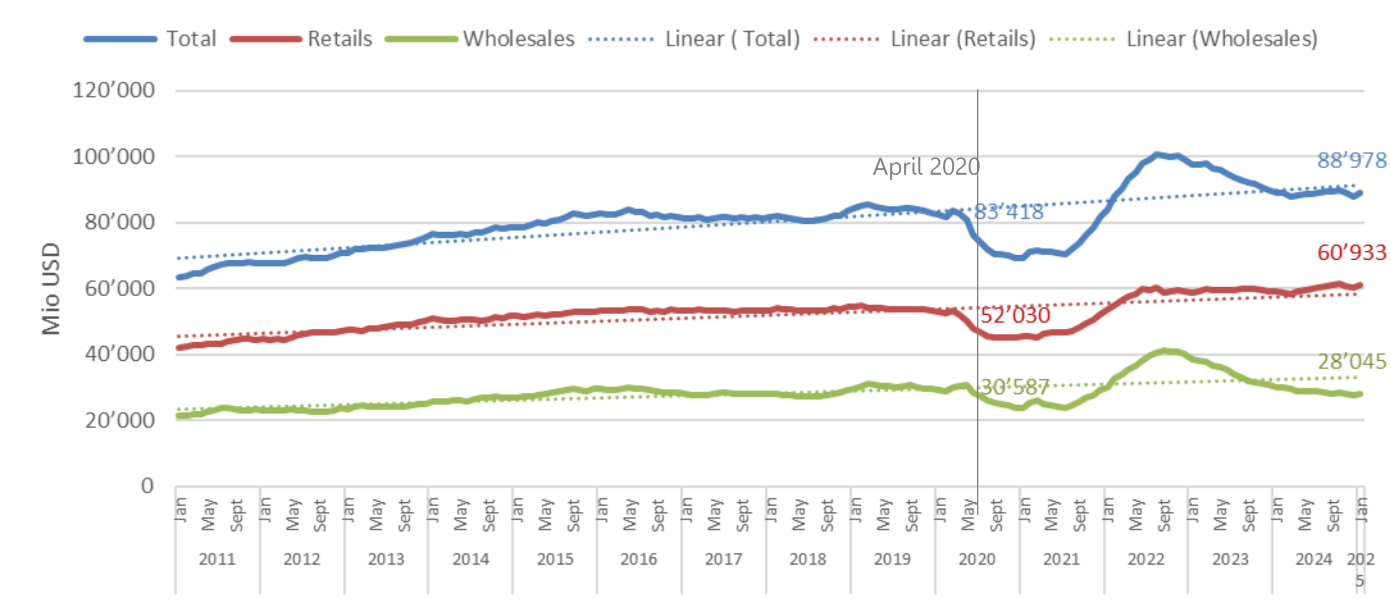


Graph 3: **Inventory level index by segment*** in Mar 2025, How would you rate your current inventory level?



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabric | *(high = 100, average = 0, low = -100)| Source: 31st ITMF Global Textile Industry Survey (17-26.03.2025)

Graph 4: **Evolution of apparel inventory levels in the USA** [last data point = Jan 2025] *



* Retail Estimates of End-of-Month Retail Inventories, Clothing and clothing accessories stores, US census | Wholesales: Adjusted estimates of Monthly Sales of Merchant Wholesalers, Except Manufacturers' Sales Branches and Offices, Apparel, Piece Goods, & Notions, US census | Source: US Census, illustration: ITMF