

**GAIN SOME, LOSE SOME**

# Textiles to Benefit as US Cotton Prices Dip & China Loses Edge

Exporters can increase US, EU mkt share

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**Pune:** Falling prices of the US cotton due to China's retaliatory tariffs could boost export demand for Indian garments, textile and yarn. The industry expects increased availability of the superior quality US cotton at cheaper rates and reduced competitiveness of Chinese textile exports due to the retaliatory tariff would help India increase its share in the US and European markets, the industry expects.

US cotton prices fell to their four-year lows after China imposed retaliatory tariffs of 10-15%. India ranks number one in the export of cotton yarn and has a global market share of 31% for its cheaper cotton.

According to trade estimates, India's cotton imports have increased by more than 62% in 2024-25 over the previous year due to fall in local production.

"Most of India's imports of cotton from the US is in the ELS (extra-long staple) category and if US cotton prices decline due to reduced demand from China, Indian textile manufacturers might find it economically viable to increase imports of US cotton," said Siddhartha Rajagopal, executive director, the Cotton Textile Export Promotion Council (Texprocil), an autonomous body set up by the government of India.

While India is predominantly self-sufficient in cotton production, it does import certain quantities of ELS cotton and clean & contamination free Cotton to meet specific quality or buyer requirements. From April 2023 to March 2024, India imported raw cotton worth \$570 million from the world, of which \$221 million worth of im-

## Thread Count

### How China's tariff on US cotton benefits India

- Sale of US cotton to China to reduce
- Hence, US cotton prices fall
- India imports US cotton for high-end branded garment & textile exports

### Import of cotton to become cheaper for India

- China's competitiveness expected to reduce



ports were imported from the US; 38.7% of the imports, industry data showed.

"With restricted access in the Chinese market, the US with its superior Extra Long Staple Cotton (ELS) will also seek to diversify its cotton exports and look towards India as a strong trade partner," said Rajagopal.

The tariffs are likely to impact the competitiveness of Chinese textile products in international markets, offering Indian exporters an opportunity to capture a larger market share, especially in regions like the US and EU.

"This shift could lead to a rise in demand for Indian cotton yarn, fabrics, and garments, increasing export volumes. As demand for Indian cotton products grows, exporters will experience better pricing options, leading to better profit margins," said Rajagopal.