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EXECUTIVE INTELLIGENCE BRIEF

Global Fashion Trade and Sourcing

A Five-Market Assessment: Italy, India, Bangladesh, the United States, and Sri Lanka

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Preface and Scope

This paper assesses the global fashion value chain through five markets that together illustrate its principal functions: Italy, India, Bangladesh, the United States, and Sri Lanka. It examines each through three lenses — sourcing, demand, and trade flows — and considers the implications for brands, buyers, and trade institutions.

Historical and reported figures are drawn from national export-body data and official trade statistics, which are cited. The paper is intended for institutional readers. Monetary figures are in the source currency.

A note on method. The positioning of markets within the value chain reflects the firm's considered judgement applied to published data, and is indicative.

Contents

1. Summary

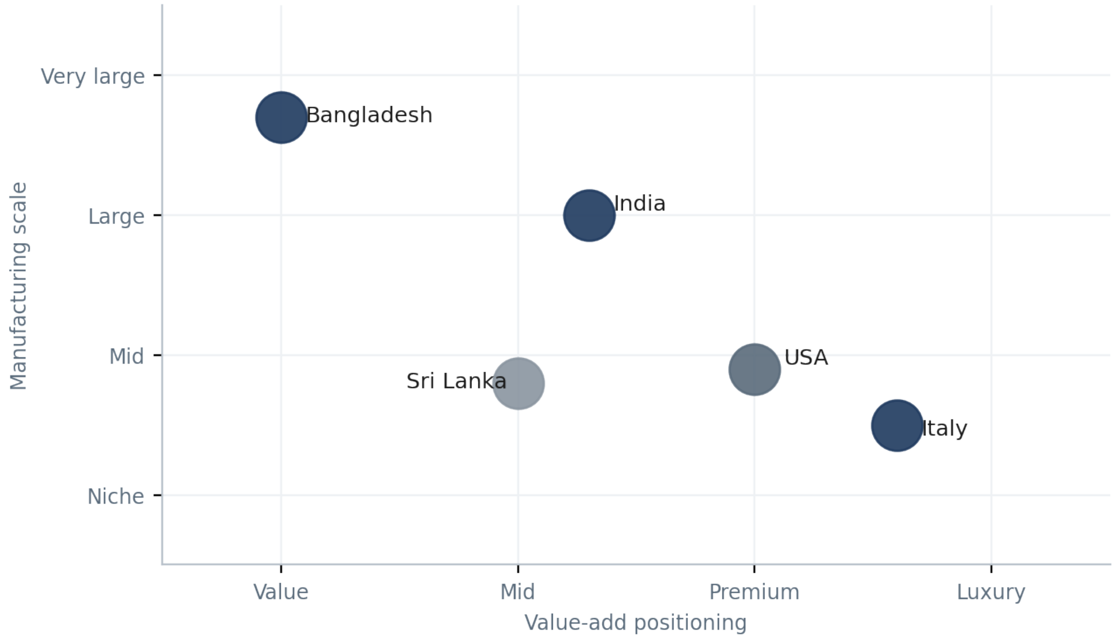
1.1 The global fashion value chain is best understood not as a set of competing national markets but as a network of complementary functions: places where garments are made, places where they are sold, and the trade corridors connecting them. This paper examines five markets that together span those functions.

1.2 Each occupies a distinct position. Bangladesh is the volume manufacturer; India combines manufacturing scale with rising value and a large domestic market; Sri Lanka holds a quality niche; Italy commands design, machinery, and luxury; the United States is the demand anchor. The analytical value lies in seeing how these positions fit together, and India is the pivotal case, being the only one of the five to combine large-scale manufacture, rising value-added capability, and a fast-growing domestic market.

2. The Value Chain in Five Markets

2.1 Value in fashion is created as a garment passes between locations specialised in different functions. The five markets examined here illustrate the span of that chain. Figure 1 positions them by manufacturing scale and value-add.

Figure 1. Five markets by manufacturing scale and value-add positioning



Source: Prologue Research assessment. Indicative.

2.2 No two markets occupy the same position. The pattern is one of complementarity: Bangladesh anchors volume, India bridges scale and value, Sri Lanka holds a mid-market niche, Italy commands design and luxury, and the United States anchors demand. For a brand or trade institution, the strategic question is which of these functions to connect.

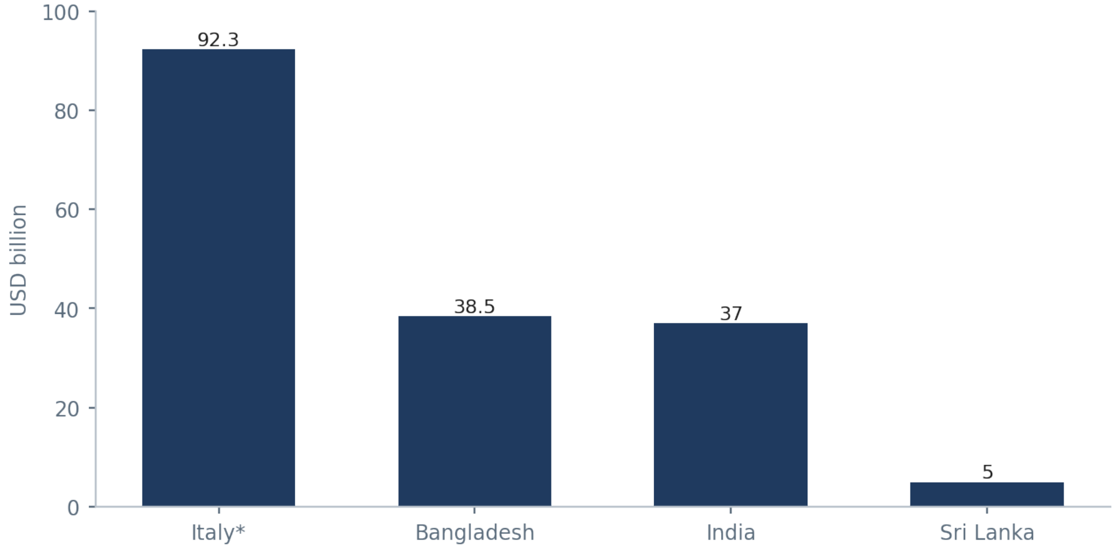
3. Three Lenses

3.1 The markets may be read through three lenses, each of concern to a different audience: sourcing, for buyers; demand, for brands; and trade flows, for institutions.

Sourcing

3.2 Manufacturing concentrates in Asia. Bangladesh leads on volume, exporting approximately USD 38.5 billion of ready-made garments in 2024 as the world's second-largest apparel exporter.[1] India offers the broadest capability range, with textile and apparel exports of around USD 37 billion.[2] Sri Lanka, at approximately USD 4.7 billion, specialises in quality mid-market production.[3] Figure 2 sets out export scale.

Figure 2. Fashion and apparel exports by market (USD billion)

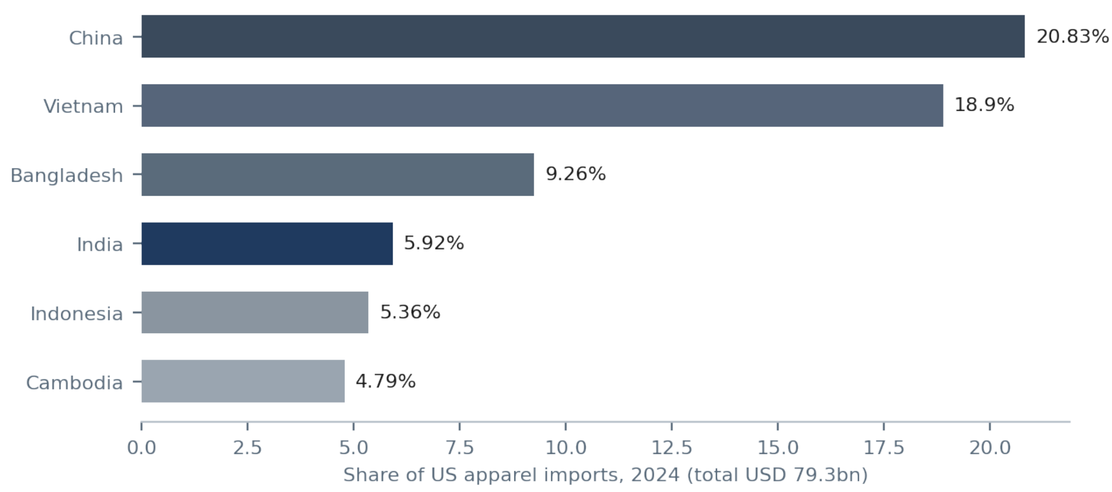


Source: National export bodies. Italy figure denotes total fashion exports across all categories; others denote apparel and textile exports.

Demand

3.3 Demand is led by the United States, the world's largest apparel import market at approximately USD 79.3 billion in 2024.[4] Its sourcing mix is the clearest barometer of global shifts. Figure 3 sets out the principal suppliers.

Figure 3. Sources of US apparel imports, 2024



Source: US Department of Commerce, OTEXA.

3.4 China's share has fallen to approximately 21 per cent, with Vietnam at around 19 per cent, Bangladesh at around 9 per cent, and India at around 6 per cent and rising. The diversification of US sourcing away from China is redistributing volume toward India, Bangladesh, and others.

Trade flows

3.5 The strongest corridors run from Asian manufacturing to US and European demand. A growing set connects the Asian markets to one another, and Italy sits at the centre of design and input flows into premium manufacturing. The corridors are where the value chain becomes visible, and where institutional facilitation adds most value.

4. Market Profiles

India

The pivotal market: manufacturing scale, rising value, growing demand

India is the only market among the five to combine large-scale manufacture, a broad capability range, and a rapidly growing domestic market. Its textile and apparel sector is valued at approximately USD 179 billion, comprising a domestic market of around USD 142 billion and exports of some USD 37 billion. It is the world's sixth-largest exporter and employs an estimated 45 million people. For buyers, India offers diversification with quality differentiation, particularly in embroidery, handloom, and artisan textiles; its apparel exports to the United States reached approximately USD 4.69 billion in 2024. For brands, it is among the most compelling emerging premium markets.

Dimension	Assessment
Sector size	~USD 179bn (USD 142bn domestic, USD 37bn exports)
Global position	6th-largest exporter; ~4% of global trade
Exports to US	USD 4.69bn apparel (2024)
Best-fit corridors	India–US, India–Italy/EU, intra-Asia

Source: National export bodies; Prologue Research. Latest available 2023–24.

Bangladesh

The volume anchor: cost-competitive scale manufacturing

Bangladesh is the world's second-largest apparel exporter, shipping approximately USD 38.5 billion of ready-made garments in 2024, divided between knitwear and woven garments. The European Union takes just over half its exports; the United States is the second destination at around USD 7.3 billion, a 9 per cent market share. The sector employs an estimated 4.4 million people. Its strategic task is to move toward higher-value production, where India and Sri Lanka currently hold an advantage; its graduation from least-developed-country status, expected in 2026, lends this urgency.

Dimension	Assessment
Exports (2024)	~USD 38.5bn ready-made garments
Key markets	EU ~50%; US ~USD 7.3bn (9% share)
Workforce	~4.4 million
Best-fit corridors	Bangladesh–US, Bangladesh–EU

Source: National export bodies; Prologue Research. Latest available 2023–24.

Italy

The design and luxury authority

Italy's position is in design, brand, premium fabric, and machinery rather than volume. Its fashion industry generates a turnover of around EUR 105 billion, some 5.6 per cent of national output, with fashion exports of approximately EUR 92 billion in 2023 and more than 80 per cent of high-end production made domestically. The United States takes around 22 per cent of Italian fashion exports. For the other four markets, Italy is both a premium consumer market and the originator of design demand. The strengthening India–Italy corridor in particular links Italian design and brand authority with Indian craft and manufacturing capability.

Dimension	Assessment
Industry turnover	~EUR 105bn (~5.6% of GDP)
Fashion exports	~EUR 92bn (2023); US ~22%
Manufacturing	80%+ of high-end made domestically
Best-fit corridors	Italy–India, intra-EU, Italy–US

Source: National export bodies; Prologue Research. Latest available 2023–24.

United States

The demand anchor

The United States is the demand anchor of the global system, the largest apparel import market at approximately USD 79.3 billion in 2024, and the market whose buyer requirements set sourcing standards across supplier markets. Its sourcing mix — China around 21 per cent, Vietnam around 19, Bangladesh around 9, India around 6 and rising — is the clearest indicator of global shifts. For supplier markets, the United States is the principal destination, and its continuing diversification away from China redistributes volume toward India, Bangladesh, and Sri Lanka.

Dimension	Assessment
Market size	~USD 79.3bn apparel imports (2024)
Top sources	China ~21%, Vietnam ~19%, Bangladesh ~9%, India ~6%
Role	Demand and standards anchor
Best-fit corridors	US–Bangladesh, US–India, US–Sri Lanka

Source: National export bodies; Prologue Research. Latest available 2023–24.

Sri Lanka

The mid-market specialist

Sri Lanka occupies a quality-oriented niche, with apparel exports of approximately USD 4.7 billion in 2024, built on value-addition rather than lowest cost, with particular strength in intimate wear and certified production. Apparel is the country's leading export, at around 44 per cent of the total; the United States is its largest market at approximately USD 1.9 billion. For buyers seeking a quality alternative to volume sourcing, Sri Lanka offers a differentiated option, reinforced by a strong sustainability reputation. Its position is as a complement to, rather than a competitor with, the higher-volume bases.

Dimension	Assessment
Exports (2024)	~USD 4.7bn apparel
Share of economy	~44% of national exports
Largest market	US ~USD 1.9bn
Best-fit corridors	Sri Lanka–US, Sri Lanka–EU

Source: National export bodies; Prologue Research. Latest available 2023–24.

5. Concluding Observations

5.1 The global fashion value chain is a network of complementary functions rather than a contest of rival markets. Italy designs and commands the premium; the United States anchors demand; Bangladesh supplies volume; Sri Lanka holds a quality niche; and India, alone among the five, bridges scale, value, and a large domestic market of its own.

5.2 For brands, buyers, and trade institutions, the value lies less in any single market than in the corridors between them. Those able to understand how the functions fit together, and to connect them, capture the advantage the network creates. India's pivotal position makes it the natural focus of that effort.

[1] Bangladesh Garment Manufacturers and Exporters Association (BGMEA); Export Promotion Bureau, 2024.
[2] India Ministry of Textiles; IBEF, FY2024–25.
[3] Joint Apparel Association Forum Sri Lanka (JAAF), 2023–24.
[4] US Department of Commerce, Office of Textiles and Apparel (OTEXA), 2024; Sistema Moda Italia (Italy export data).

This paper has been prepared by Prologue. Reported figures are stated as published by the cited national export bodies and official sources; the positioning of markets within the value chain is a Prologue Research assessment, indicative. Correspondence: business@prologuet.com.