PROLOGUE

EXECUTIVE INTELLIGENCE BRIEF

Sourcing India
A Guide for International Fashion Brands

Capabilities, Clusters, and the Sourcing Calculus under the EU–India Agreement

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Preface and Scope

This paper assesses India as a sourcing and manufacturing partner for international fashion brands and houses. It sets out what India produces, where, and how the EU–India free trade agreement alters the sourcing calculus. European houses — for whom the agreement is most immediately relevant — are the lead audience, but the analysis applies to brands sourcing into any major consumer market.

Historical and reported figures are drawn from official and public sources. Cluster and capability assessments represent Prologue Research analysis and are indicative. The paper is intended for brand sourcing and procurement teams, and the institutions that work with them. Monetary figures are reported in the source currency.

A note on method. Cluster and capability assessments combine published information with the firm's sector knowledge. Qualitative assessments represent the firm's considered judgement and are indicative.

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1. Summary

1.1 India's value to an international fashion brand as a sourcing partner lies less in cost than in capability. Its depth in hand embroidery, handloom, artisanal leather, and natural-fibre production complements the design-led activity of premium houses. The EU–India free trade agreement, concluded on 27 January 2026, removes the duty disadvantage India previously carried into the European market, improving the cost position of this trade for European brands in particular.

1.2 For a sourcing buyer, the principal decision is which cluster to engage for which product. India's production is organised into specialised geographic clusters, each suited to a different category. This paper sets out that map and the practical considerations that bear on sourcing.

2. What India Produces

2.1 India is the world's sixth-largest exporter of textiles and apparel, with established capability across a wide range of categories.[1] Its distinctive contribution to premium fashion concentrates in four areas, set out in Table 1.

Table 1. Indian sourcing capabilities of principal relevance to premium fashion

Capability	Detail	Relevance
Hand embroidery & embellishment	Artisanal hand-work at scale	Couture and premium ready-to-wear detailing
Handloom & natural fibre	Cotton, silk, wool, linen	Natural-fibre and sustainable collections
Leather & footwear	Kanpur, Agra, Chennai clusters	Leather goods and footwear
Quality-volume apparel	Modern mills, rising capability	Scalable ready-to-wear

Source: India Ministry of Textiles; Prologue Research.

2.2 These strengths correspond to the stages of the value chain in which design creates value but European or domestic manufacturing capacity is limited or costly. The relationship is complementary rather than competitive.

3. The Sourcing Cluster Map

3.1 Matching the product to the appropriate cluster is the central sourcing decision. Table 2 sets out the principal clusters and their specialisations.

Table 2. Principal Indian sourcing clusters

Cluster	Specialisation	Best-fit sourcing
Tiruppur (Tamil Nadu)	Knitwear	Cotton knits, casualwear
Ludhiana (Punjab)	Woollens, knitwear	Winterwear, hosiery
Delhi NCR / Noida	Fashion apparel, embellished	Womenswear, embroidered, premium
Kanpur / Agra (UP)	Leather and footwear	Leather goods, footwear
Bhadohi / Varanasi (UP)	Carpets, silk	Home textiles, silk
Surat (Gujarat)	Man-made fibre	Synthetic and blended fabric
Bengaluru	Apparel export units	Quality ready-to-wear at scale

Source: Prologue Research; industry cluster data.

4. Practical Considerations

4.1 Three considerations bear on sourcing from India. The first is quality consistency. India's quality ceiling has risen, supported by investment in advanced machinery — European suppliers, Italy chief among them as the third-largest source of India's textile-machinery imports[2] — and brand buyers are best served by partners that have modernised their plant.

4.2 The second is the effect of the trade agreement. The elimination of duties under the EU–India agreement lowers the landed cost of Indian product in Europe, improving margin and supporting longer-term supply arrangements; brands sourcing into other markets retain India's underlying capability advantage. The third is sustainability and traceability, increasingly required under European and other regulatory regimes; Indian producers investing in certified, technology-equipped production are best placed to meet them.

5. From Information to Engagement

5.1 For an international brand, the barriers to Indian sourcing are not cost or capability but information: which cluster, which partner, which quality tier. Structured facilitation — sourcing missions, vetted introductions, quality and compliance guidance — addresses this directly. An adviser able to broker the appropriate connections, informed by cluster-level intelligence, removes the principal impediment to engagement.

[1] India Ministry of Textiles; Invest India; IBEF — sector data, FY2024–25.
[2] Association of Italian Textile Machinery Manufacturers (ACIMIT) — machinery trade data, 2024 (cited as the lead European supplier).

This paper has been prepared by Prologue. Cluster and capability assessments are the firm's considered judgement and are indicative; reported figures are developed with reference to a range of public, official, and industry *sources. Correspondence: business@prologuet.com.*