Geopolitics and the Textile & Apparel Industry

How politics, tariffs, and trade policies shape fashion supply chains.

By Robert Antoshak, VP Global Strategic Sourcing,
Grey Matter Concepts, New York

Hello.

EMERGING TRENDS, CHALLENGES, AND OPPORTUNITIES IN THE TEXTILE AND APPAREL VALUE CHAIN

GREY MATTER CONCEPTS
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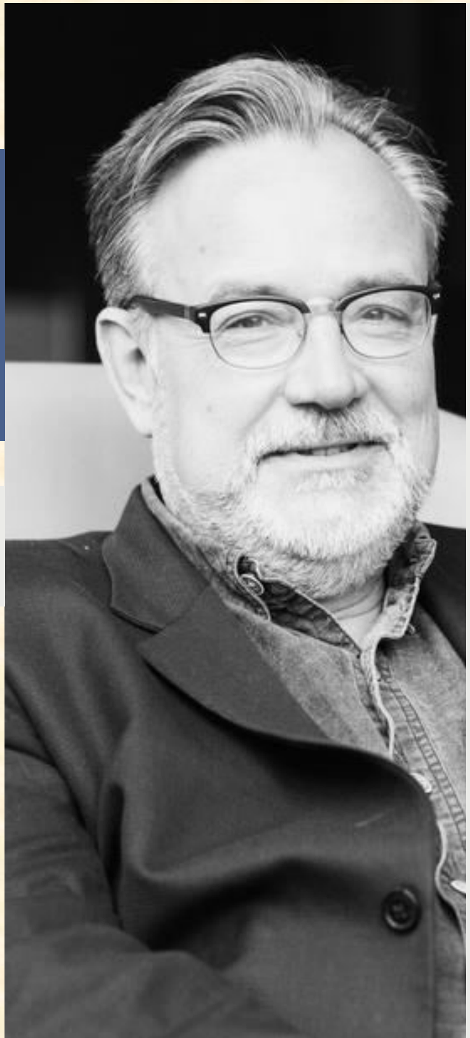
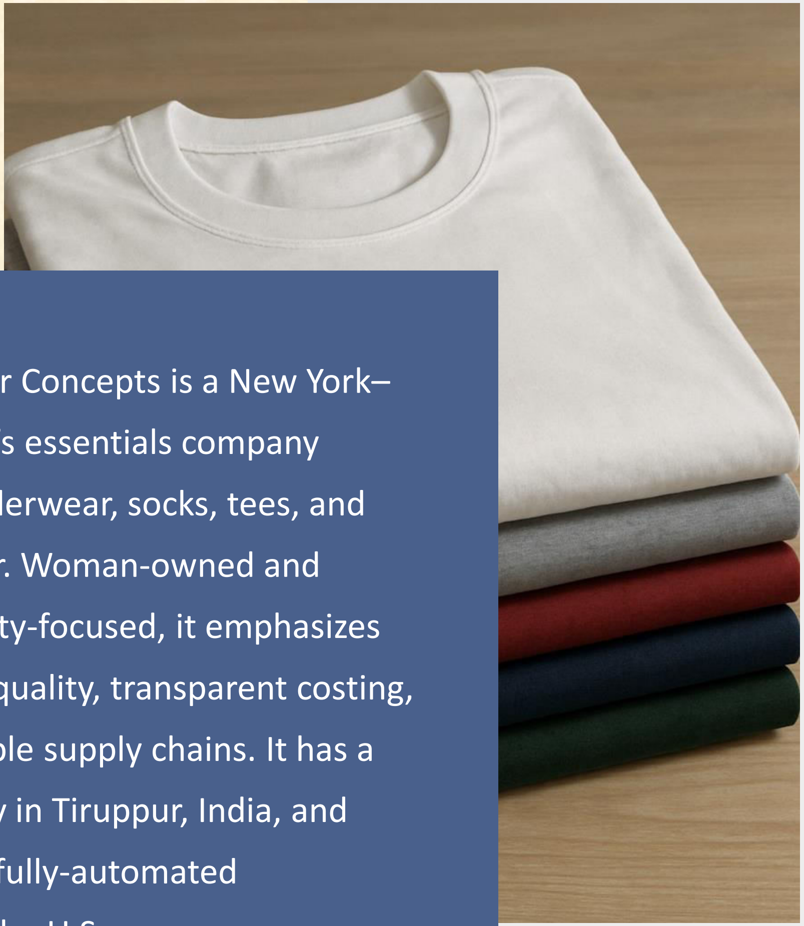
GREY MATTER CONCEPTS



ROBERT ANTOSHAK HAS OVER 30 YEARS OF EXPERIENCE IN THE FIBER AND TEXTILE INDUSTRIES. I WORK TO OPTIMIZE OUR GLOBAL SOURCING STRATEGY AND RESOURCES, ALIGNING THEM WITH THE COMPANY'S GROWTH, INNOVATION, AND BUSINESS GOALS. I WORK WITH A TALENTED TEAM TO DELIVER SCALABLE, COST-EFFICIENT, AND FORWARD-THINKING SOLUTIONS THAT ENHANCE OUR GLOBAL APPAREL BUSINESS.

About Grey Matter Concepts.



GREY MATTER CONCEPTS

Grey Matter Concepts is a New York–based men's essentials company making underwear, socks, tees, and loungewear. Woman-owned and sustainability-focused, it emphasizes consistent quality, transparent costing, and traceable supply chains. It has a new factory in Tiruppur, India, and plans for a fully-automated factory in the U.S.

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Welcome to the Age of Tariffs.

The Age of Tariffs.

Tariffs are permanent -- or not!

Apparel sits in the middle of trade wars

Buyers price in tariffs from day one

China+1 sourcing model is permanent

India, Vietnam, Bangladesh, Turkey benefit

Costs rising even outside China

Trump’s Tariff Policies.

- Tariffs as industrial policy
- Apparel treated as strategic sector
- Average duty rates rose across categories
- Sourcing and margins reshaped
- Jobs and domestic production political driver
- Policy uncertainty raised risk premiums

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Trump Tariffs on Top Exporters.

China: ~25% tariffs across most apparel

Vietnam: 7.5–12% on many lines

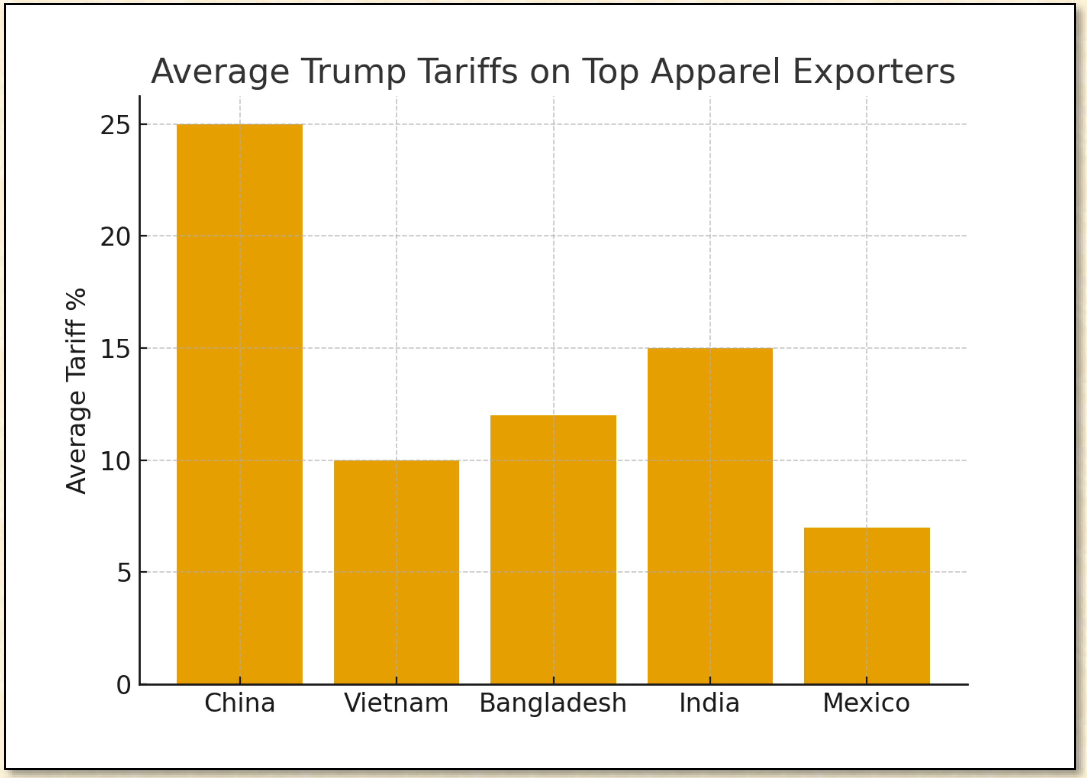
Bangladesh: ~12% effective average

India: ~60% tariffs

Mexico: 5–10% with USMCA carve-outs

Global sourcing patterns shifted

Average Trump Tariffs on Exporters



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Shipping & Risk.

- Conflicts shift global shipping lanes
- Delays add weeks and cost
- Near-shoring rises in value
- Air freight no longer a cheap option
- Best practice: mirror factories
- Calendars must have buffers


IT CAME FROM
TARIFFS!
IT FEEDS ON TRADE WARS!
THE ECONOMY SHRIEKS AS PRICES RISE!
WHO CAN SURVIVE THE TERROR OF TARIFFS?
TARIFFS
STARRING:
HIGHER PRICES, TRADE DEFICITS, and INFLATION
Directed by PASictionist Policles
PRODUCED BY GLOBAL ECONOMIC PICTURES
SEE economies crumble! FEEL your wallet empty!
RUN from rising costs!

Prices Quiet on the Shelf.

- Retail prices appear steady
- Input costs continue to rise
- Retailers use promotions to mask increases
- Margin compression across the board
- Programs hit wall when specs can’t be cut
- Resets force step-ups in price

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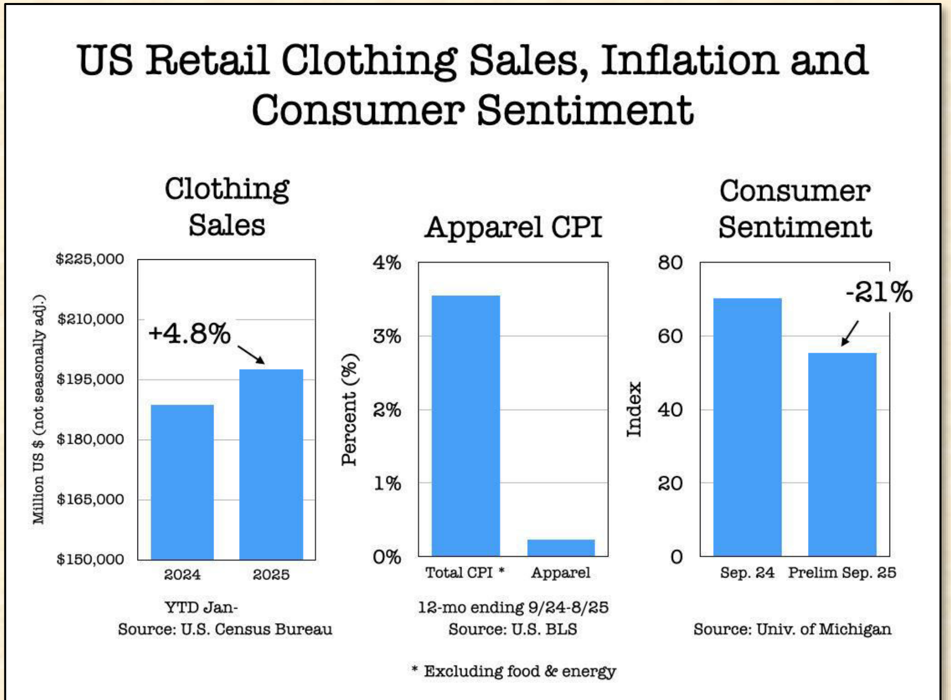
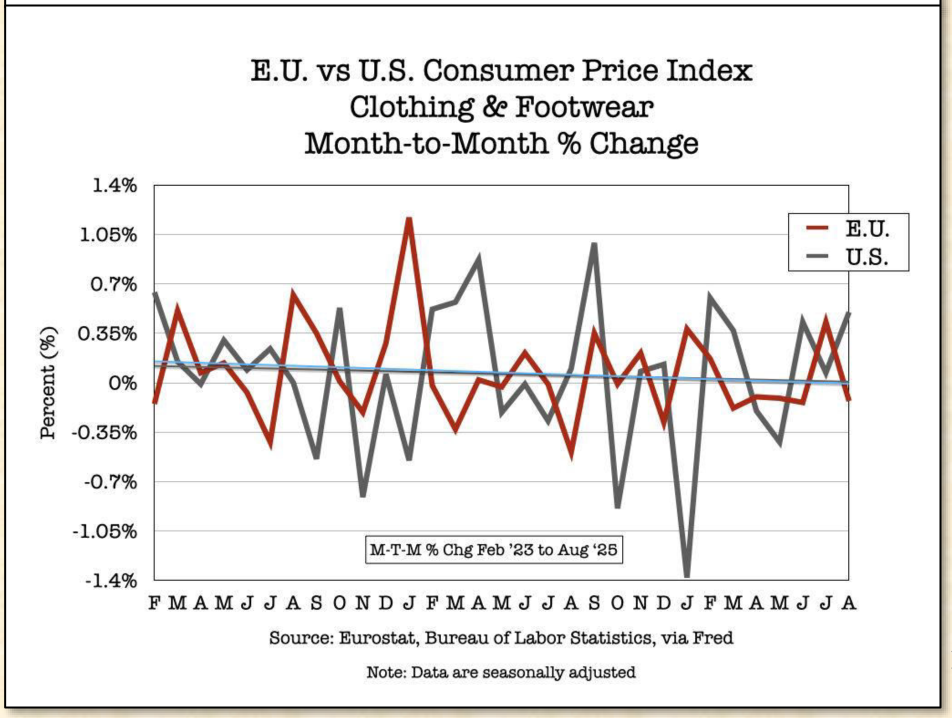
Clothing Inflation & The Market





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Retail Price Reality.

- Prices move in increments, not jumps
- Seasonal resets shift tickets
- Pack sizes quietly shrink
- Fashion basics take early trims
- Core basics hold longer
- Tech product sees faster hikes
- But …

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Forecast of Apparel Price Inflation Rates

Region	2025 Inflation (%)	2026 Inflation (%)	2027 Inflation (%)
United States	0.5 – 1.5	1.5 – 3.0	1.5 – 3.5
European Union	1.0 – 2.0	1.5 – 2.5	1.5 – 3.0
United Kingdom	1.5 – 3.0	2.0 – 4.0	2.0 – 4.5
China	0.0 – 1.0	0.5 – 1.5	1.0 – 2.0
India	2.0 – 4.0	2.5 – 4.5	3.0 – 5.0
Latin America	5.0 – 10.0	6.0 – 12.0	5.0 – 15.0

India’s Window.

- Industrial scale and skilled labor
- Domestic demand balances exports
- Challenges: logistics, compliance, power
- Competitive if factories run tight
- Standardization and process control are key
- US-India tariff deals could unlock growth

India-U.S. Tariff Outlook.

Both want non-China supply chains

Neither wants public failure

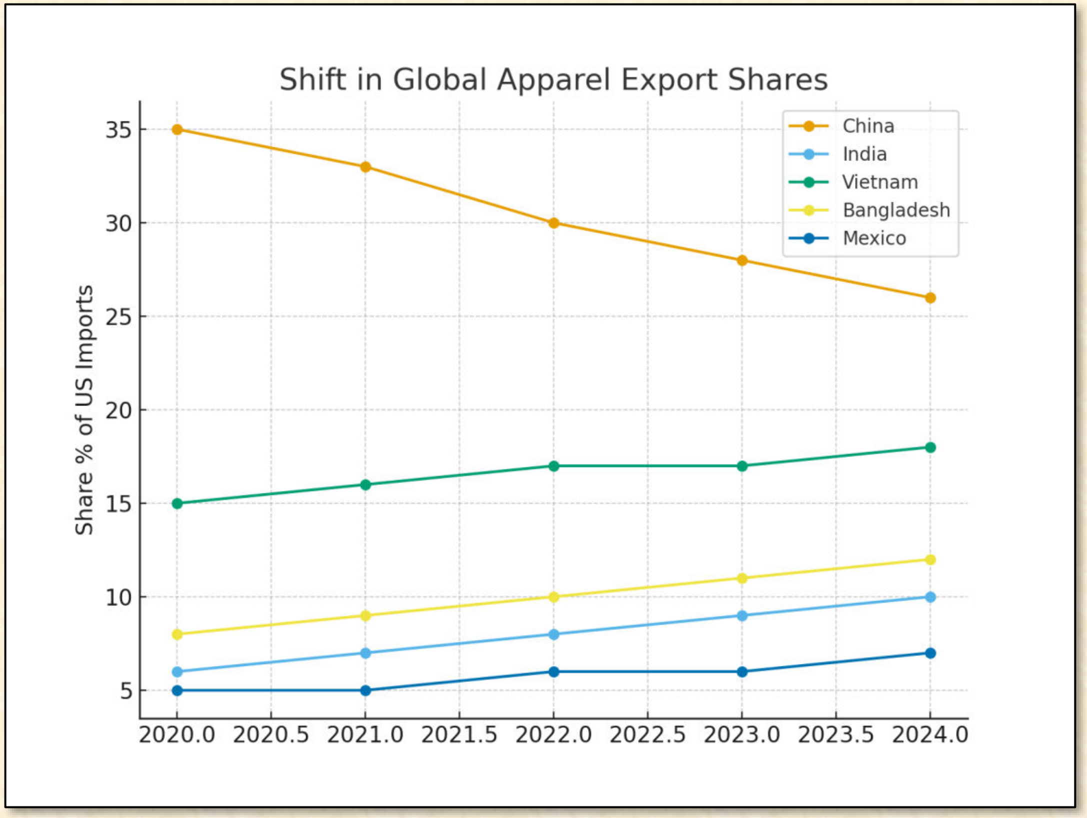
Micro-deals more likely

Pilot quotas or carve-outs possible

Traceable basics get priority

Hedge: plan for tariffs, benefit if relief

Trade Shifts by Exporter



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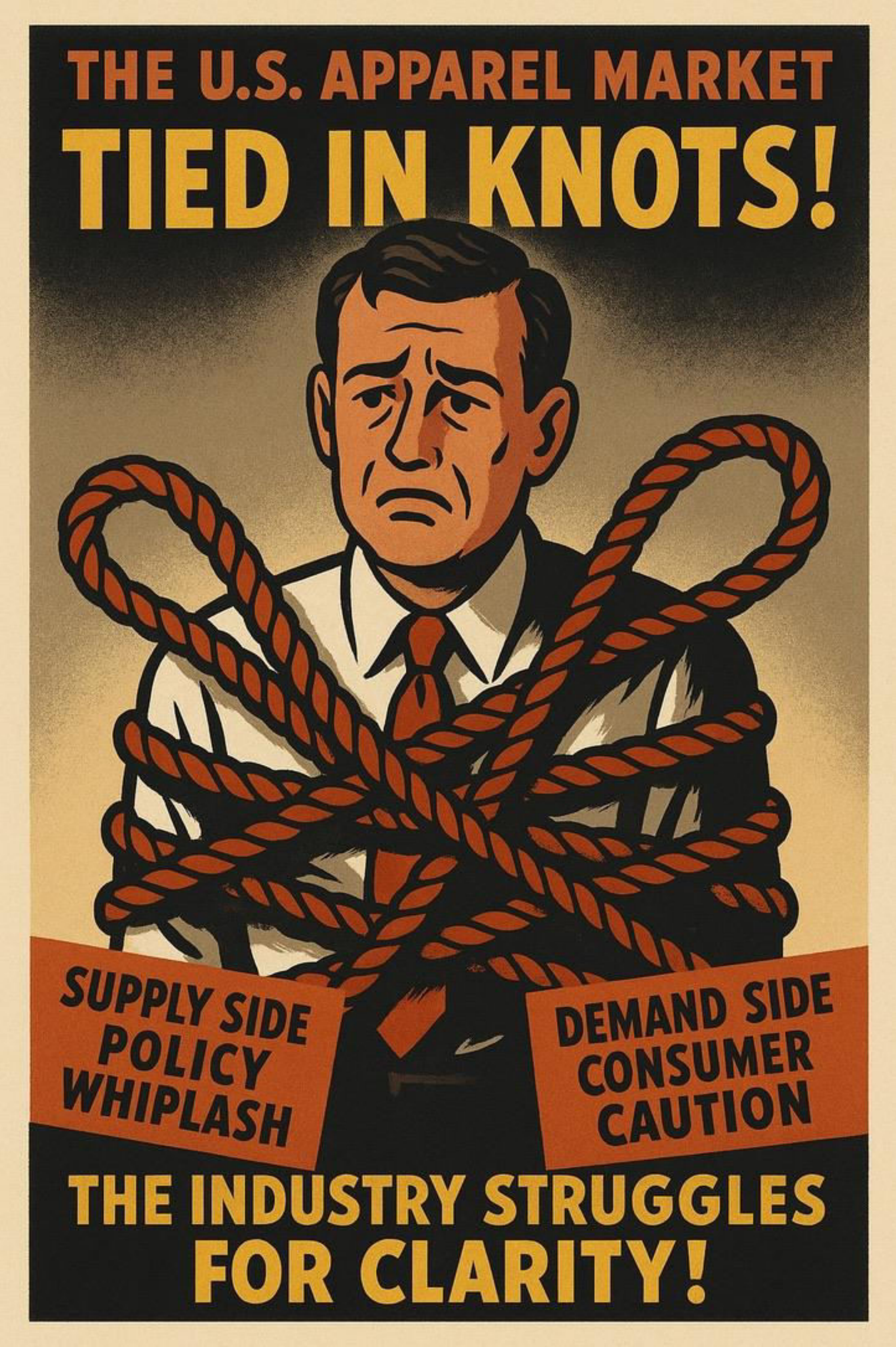
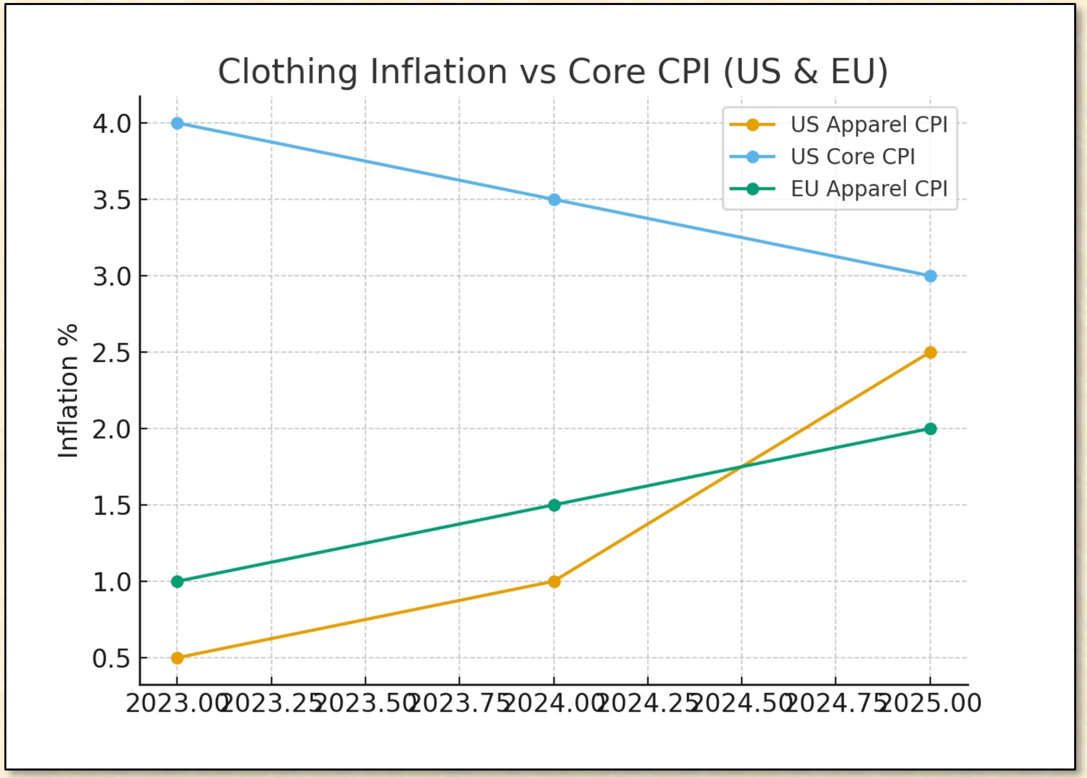

THE U.S. APPAREL MARKET
TIED IN KNOTS!
SUPPLY SIDE
POLICY
WHIPLASH
DEMAND SIDE
CONSUMER
CAUTION
THE INDUSTRY STRUGGLES
FOR CLARITY!

Clothing Retail Sales US vs EU



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Consumers.

- Tired of greenwashing
- Want value, fit, durability
- Trade down brands, not always quality
- Basics win with consistency
- Traceability helps if plain-spoken
- Impatience with gimmicks

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U.S. Automation.

- US manufacturing only works automated
- Labor-light, high-speed knitting
- Automated finishing and packing
- Stable SKUs work best
- Calendar control is the value add
- Domestic output as insurance policy

Cotton vs Polyester.

- Cotton: natural, breathable, traceable
- Polyester: cheap, durable, but plastics issue
- Regulators want proof, not slogans
- Cotton must prove origin
- Polyester must prove recycled integrity
- Both viable if documentation real

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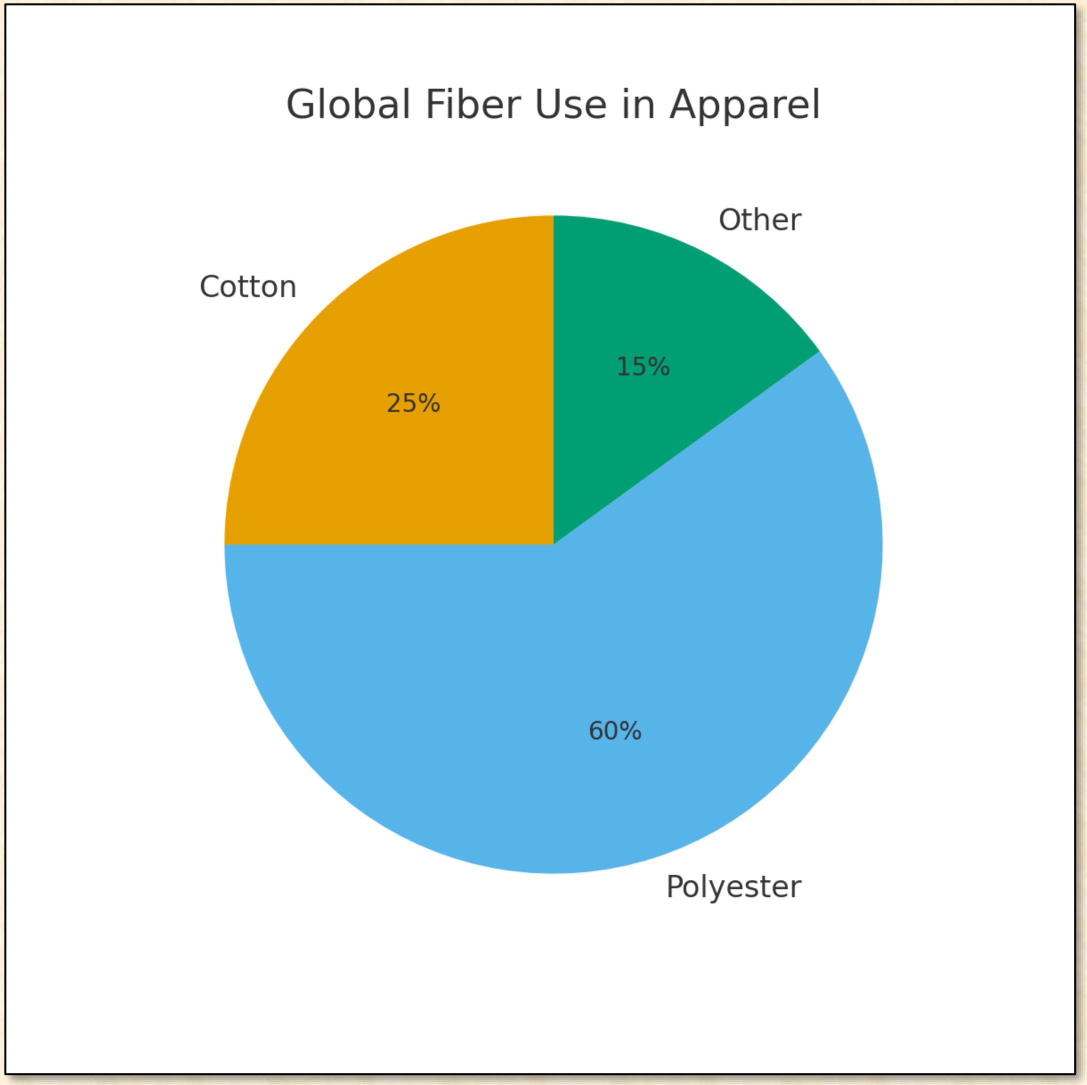
Global Fiber Use



What Good Looks Like.

- Consistent documentation
- Stable processes and SPC
- Mirrored capacity on core SKUs
- Tight energy and water systems
- Tariff-aware costing
- Calendar credibility essential

Compliance Is the Product.

- Traceability now non-negotiable
- UFLPA flips burden of proof
- Paperwork part of the SKU
- Delays increase costs
- Faster clearance with strong records
- Traceability will drive scorecards

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Dependability Beats Flash.

- Supply chain equals brand identity
- Customers buy dependability
- Stable processes beat hype
- Startups often underfunded
- Survivors integrate with systems
- Proof beats promises

Playbooks That Work.

- Standardize core SKUs
- Two-factory mirroring
- Track only key SPC variables
- Calendar first, cost second
- Documentation discipline
- Reliability beats novelty

Where Value Shifts.

- Near-shore basics with automation
- Traceable cotton programs
- Energy- and water-tight dyeing
- Retailers with strict calendars
- Vendors with live data
- Stability wins

Communication: Talking to Buyers.

- Skip spin, show math
- Share BOMs and process maps
- Explain price moves clearly
- Show trade-offs openly
- Reliability rewarded
- Execution tops slogans

Yikes: Buyer Questions.

Where did fiber come from?

What key variables monitored?

What’s the backup factory plan?

What’s your water/energy profile?

What’s the tariff ladder?

What happens if ticket price holds?

A Leadership Mindset.

Don't panic

Build shock absorbers

Avoid repeat mistakes

Adjust model, not identity

Consistency equals competitive edge

Manage geopolitics proactively

A Fool’s Errand: Forecasting.

- Tariffs sticky with spikes
- Retail prices move slowly upward
- China share shrinks but MMF strong
- India and Vietnam keep growing
- Bangladesh expands in low-cost segments
- LatAm gains from proximity

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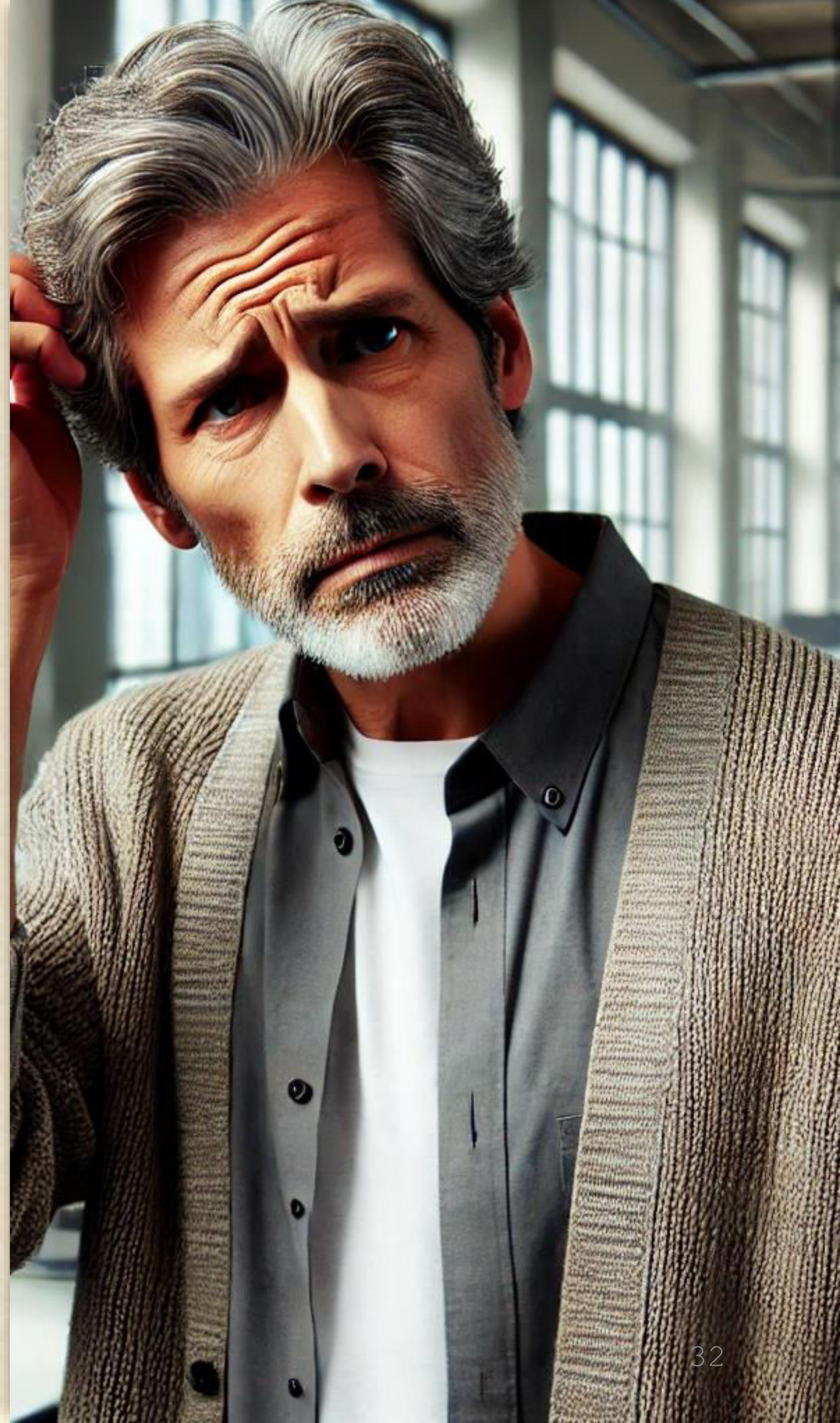


Let's Think Some More: Forecasting.

US grows only with automation

Environmental rules tighten

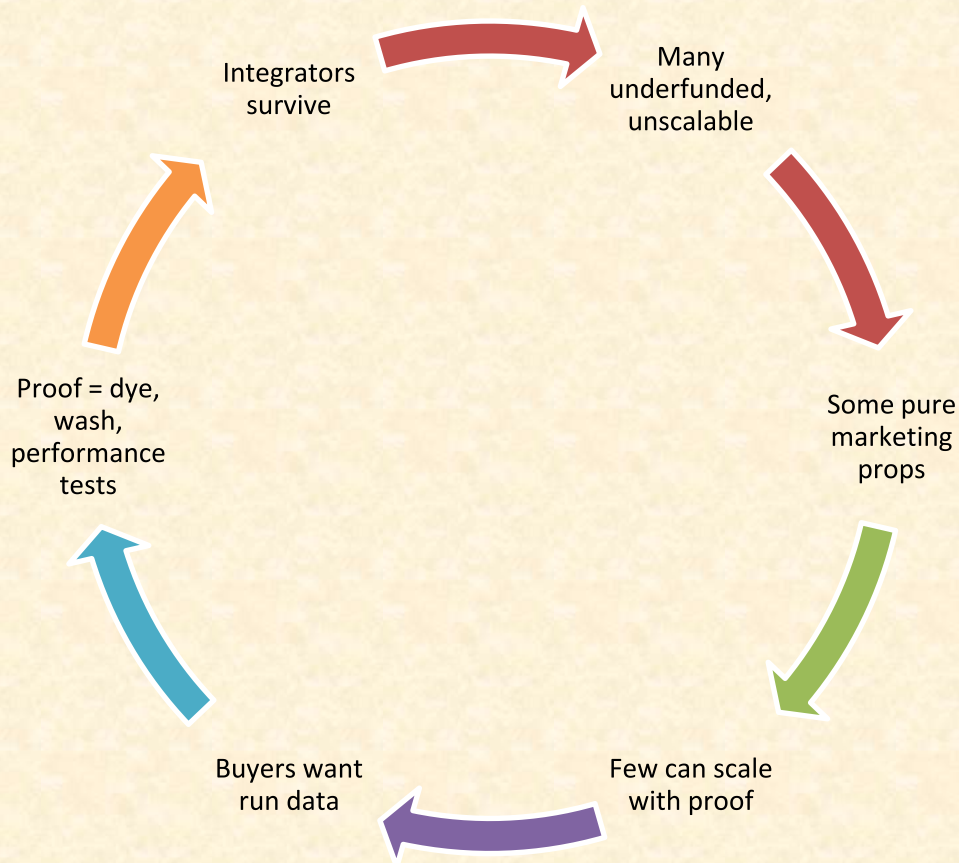
Enforcement by delay more common

Freight stays unpredictable

Spec honesty becomes essential

Dependability becomes differentiator

Green Still Matters, but …

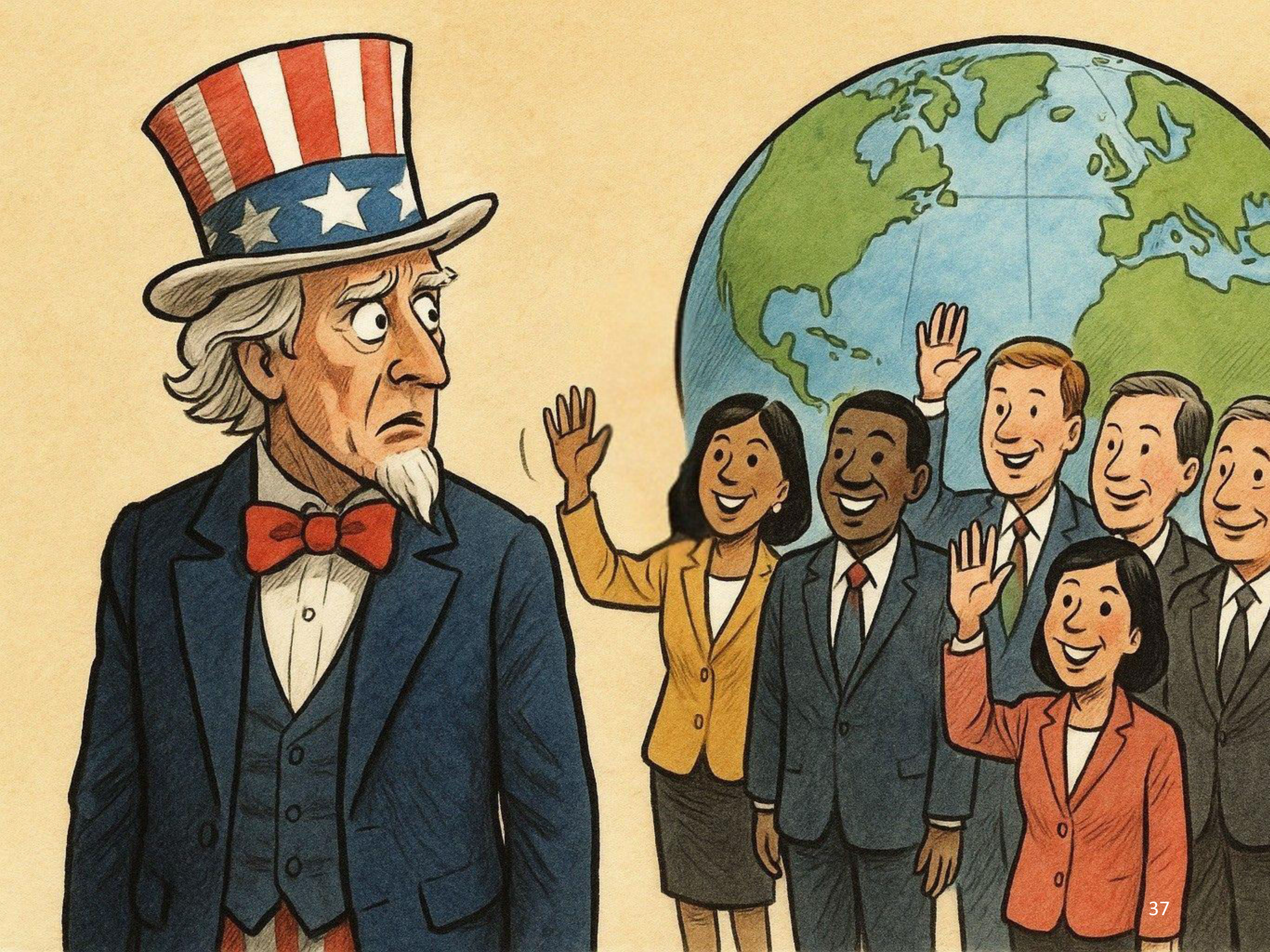


So, Here We Are …

- Next five years tough but navigable
- Tariffs, compliance, freight are challenges
- Specs, inputs, calendars drive wins
- India has real chance
- US automation selective but real
- Trust beats hype

My Take.

- Dependability transcends slogans
- Receipts, rhythm, resolve
- Proof over promises
- Plan for tariffs, welcome relief
- Basics as backbone of supply
- Clarity is strategy



Thank you.

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