BRIEFING

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EU trade in textiles: Import and export flows

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DIRECTORATE-GENERAL FOR EXTERNAL POLICIES
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ABSTRACT

This briefing examines European Union (EU) trade in textiles and clothing from 2014 to 2023, covering both imports of new and exports of used goods. It shows that the EU remains highly dependent on imports in labour-intensive clothing segments, while remaining stronger in higher-value and technical textile products. The geographical focus reflects actual EU trade patterns: Asia is the primary source of new textile imports, while Africa and Asia are the main destinations for used textile exports. Assessed here are the trade-policy implications of these flows, including: sustainability and labour-related challenges in supplier countries; growing scrutiny of the quality and transparency of used textile exports; the policy coherence challenge arising from more developed oversight of new textile imports compared with used textile exports and the indirect effects on smaller firms of changes in the scope of EU due-diligence legislation. Also discussed are policy options relevant to the European Parliament's Committee on International Trade, *inter alia* greater transparency in used textile trade, trade-policy scrutiny of sustainability and labour standards across textile value chains as well as the use of trade instruments and partnerships to support more sustainable and equitable production conditions.

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The opinions expressed in this publication are those of the author(s) only and should not be considered as representative of the European Parliament's official position.

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List of abbreviations

CN	Combined Nomenclature
COMTRADE	United Nations Commodity Trade Statistics Database
CSDDD	Corporate Sustainability Due Diligence Directive
EPR	Extended producer responsibility
ESPR	Ecodesign for Sustainable Products Regulation
EU	European Union
EURATEX	European Apparel and Textile Confederation
EVFTA	EU-Vietnam Free Trade Agreement
FTA	Free trade agreement
GSP	Generalised Scheme of Preferences
HS	Harmonised System
SME	Small and medium-sized enterprise
T&C	Textile and clothing
TSD	Trade and sustainable development
UN	United Nations
USA	United States of America

Executive summary

This briefing examines European Union (EU) trade in textiles and clothing from 2014 to 2023, covering both imports of new products and exports of used textiles. It finds that the EU remains structurally dependent on imports in labour-intensive clothing segments, while performing more strongly in higher-value and technical textile segments. Imports are concentrated among a relatively narrow group of suppliers, led by China, Bangladesh, Türkiye, Vietnam and India, while EU exports are oriented towards higher-value goods and a wider range of external markets. The briefing also notes an important distinction between goods produced within the EU and goods imported from third countries and then re-exported, even if current data do not allow a fully precise split across all textile categories. A second key finding is that used textile exports are a distinct and policy-relevant part of EU textile trade. Although small relative to total extra-EU textile exports in value terms, they remain significant in material terms and connect European collection and sorting systems to reuse, recycling and waste-management capacities in Africa and Asia. The central policy issue is therefore not used textile trade as such, but whether consignments exported as reusable consistently meet credible quality thresholds and whether sufficient transparency exists regarding their downstream fate. The distinction between post-consumer household textiles, pre-consumer manufacturing waste and industrial rags matters because measures designed for one stream should not automatically be applied to all used textile flows.

The briefing further finds that recent EU sustainability measures are reshaping textile trade conditions. The Corporate Sustainability Due Diligence Directive, the Ecodesign for Sustainable Products Regulation, Digital Product Passports and the Forced Labour Regulation are increasing expectations regarding traceability, product information and labour-related compliance. Even where direct obligations apply mainly to large firms, smaller exporters in partner countries may still face indirect compliance pressures through buyer requirements, documentation demands and shifting sourcing strategies. The briefing also underlines that the purchasing practices of major brands and retailers can undermine supplier compliance even where formal standards exist.

A broader challenge is one of coherence. The EU is moving towards stricter sustainability expectations for imports of new textiles, while transparency and oversight remain weaker for used textile exports classified as reusable goods. Comparative evidence from Bangladesh, Vietnam and India suggests that adaptation is most effective where regulatory expectations are combined with predictable transition periods, institutional coordination and practical compliance support.

The briefing concludes that the European Parliament could support a more coherent textile trade agenda by monitoring the effects of customs reforms on small parcels, strengthening the use of Digital Product Passports, managing Bangladesh's transition from least-developed-country preferences carefully, addressing buyer purchasing practices more directly, developing clearer customs distinctions for used textile exports and exploring a voluntary trusted-operator approach for exporters meeting higher standards of sorting, documentation and transparency. Together, these steps would align EU trade policy more closely with its sustainability objectives while remaining attentive to competitiveness, proportionality and the constraints faced by partner countries and smaller firms.

1 Introduction: Scope, definitions and structure

1.1 Purpose and analytical focus

This briefing provides an evidence-based overview of European Union (EU) trade in textiles and clothing, covering both imports of new and exports of used textiles. It examines how recent EU sustainability measures may affect trade flows, business practices and partner countries[1]. The geographical focus on Asia and Africa reflects actual trade patterns: Asia is the main source of EU textile and clothing (T&C) imports, while Africa and Asia are the main destinations for EU exports of used textiles[2]. The paper also considers whether some consignments exported for reuse contain items that are no longer reusable and what this may mean for destination countries. It further looks at how new EU compliance requirements — including changes to due diligence obligations under the Corporate Sustainability Due Diligence Directive (CSDDD) — may affect smaller firms and suppliers in partner countries differently from larger operators[3].

1.2 Definitions and statistical scope

Trade data are presented using the Harmonised System (HS) and the Combined Nomenclature (CN), drawing on the European Apparel and Textile Confederation (EURATEX) and the United Nations (UN) Commodity Trade Statistics Database (COMTRADE)[4]. New textiles and clothing cover garments, fabrics, home textiles and technical textiles classified under HS chapters 50 to 63, excluding used textile categories[5]. Used textiles refer mainly to HS 6309, covering worn clothing and other worn articles, together with HS 6310, covering rags and textile scrap[6].

These categories include goods of differing quality, from reusable items to non-reusable fractions. For policy purposes, the key issue is not only the customs classification, but also the likely downstream fate of the goods after export[7], since measures suited to reusable household textiles may not fit industrial or pre-consumer recycling streams[8].

1.3 Data sources and approach

This briefing draws on trade data from UN COMTRADE, sector information from EURATEX and relevant analysis from the European Environment Agency, the World Trade Organization and academic literature on global value chains[9]. It reviews trade developments over the period 2014 to

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[1]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.
[2]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023; D. Watson et al., Exports of Nordic used textiles: Fate, benefits and impacts, *Nordic Council of Ministers*, 2016.
[3]R. M. Locke, *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*, Cambridge University Press, New York, 2013; T. Bartley, *Rules without rights: Land, labor, and private authority in the global economy*, Oxford University Press, New York, 2018; M. Anner, 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of International Political Economy*, Vol 27, No 2, 2020, pp. 320–347.
[4]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024; UN, UN Comtrade database, webpage, nd.
[5]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024; UN, UN Comtrade database, webpage, nd.
[6] European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023.
[7]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023.
[8]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 19.
[9]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024.

2023 and examines how EU regulatory measures interact with textile trade flows[10]. The analysis considers both new textile imports and used textile exports, with particular attention to the trade-policy implications of sustainability requirements, supply-chain pressures and export transparency[11].

2 EU trade overview: Imports, exports and intra-EU flows

The EU remains one of the world's largest traders in T&C. In value terms, it accounts for approximately one-fifth of global T&C exports and one-quarter of global imports. It reflects both the scale of the single market and the EU's role in global value chains[12], as a major consumer market anchoring buyer-driven sourcing networks and as a producer of higher-value intermediate and final textile goods integrated into international production systems.

Over the period 2014 to 2023, extra-EU trade in new textiles and clothing grew in value terms, despite a sharp contraction in 2020 during the COVID-19 pandemic, followed by a rebound in 2021-2022. By contrast, used textile exports are more commonly tracked by volume than value, with their long-term trend better expressed in tonnes rather than monetary terms. Accordingly, used textile exports rose to around 1.7 million tonnes in 2019 before easing to about 1.37 million tonnes in 2023[13]. New textiles are discussed primarily in value terms because this best captures the commercial structure of trade across differentiated product segments, whereas used textile flows are more informative in volume terms because their policy significance is closely linked to material quantities, sorting outcomes and downstream handling. Where relevant, this briefing refers to both value and volume in order to avoid misleading comparisons across categories[14].

Over this period, three broad features stand out. Firstly, EU imports remained consistently high and were dominated by clothing products. Secondly, EU exports were lower in value than imports but remained stronger in higher-value and technical textile segments. Thirdly, intra-EU trade remained substantial at around EUR 107 billion in 2022, reflecting integrated production, processing and distribution networks within the single market[15].

2.1 EU trade in new textiles and clothing

Extra-EU imports are dominated by clothing, hosiery and accessories, sourced mainly from China (29 % of EU clothing import value), Bangladesh (18 %), Türkiye (12 %), Vietnam (9 %) and India (7 %)[16]. Among these, Türkiye occupies a distinct position as it operates within an EU Customs Union, hence it does not require preferential trade arrangements, competing primarily on proximity and speed-to-market rather than low labour costs. Together, these five countries account for roughly 60 to 65 % of EU clothing import value, indicating a narrow supplier base.

By contrast, EU exports are more skewed towards higher-value products, including technical textiles used in sectors such as automotive, construction and healthcare. Main export destinations

[10] EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024.
[11] European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.
[12] EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024; WTO, World trade statistical review 2023, 2023.
[13] EEA, 'Circularity of the EU textiles value chain in numbers', 26 March 2025.
[14] D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023; European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023.
[15] EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024.
[16] EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024.

for EU textiles include Switzerland, the United Kingdom, the United States of America (USA) and selected markets in East Asia and the Middle East[17].

A related distinction is between goods produced within the EU and goods imported from third countries and subsequently re-exported. While the available trade data do not permit a fully precise split across all textile categories, this distinction remains important for interpreting the EU's export profile: EU-produced exports reflect domestic manufacturing competitiveness, whereas re-exports reflect the Union's role as a trading and distribution hub within wider value chains[18].

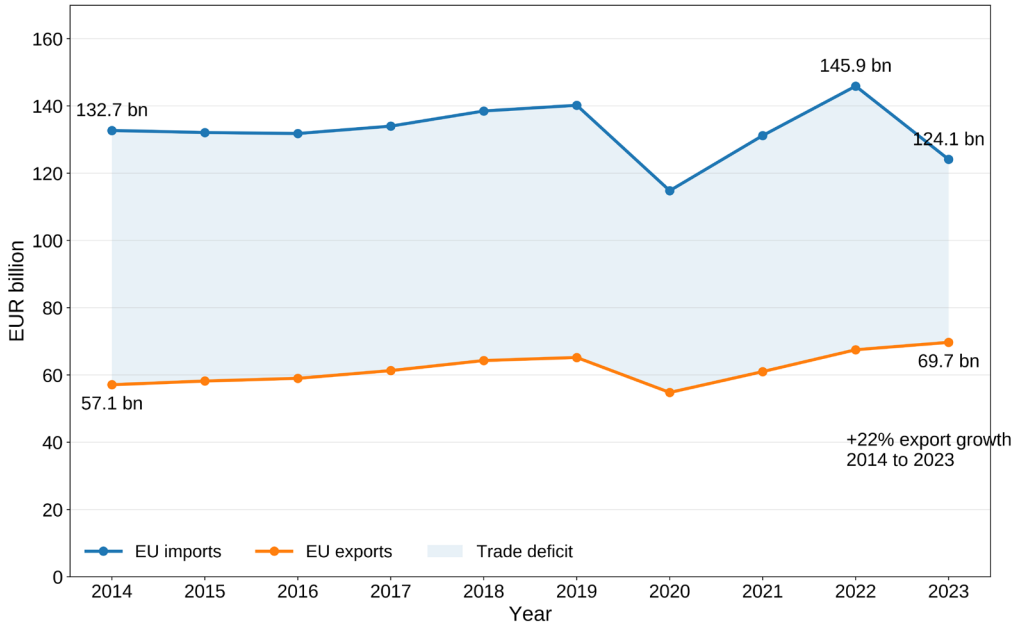
Increasing levels of EU clothing imports are now delivered through direct-to-consumer e-commerce channels. Chinese platforms such as Shein and Temu have expanded rapidly by shipping low-cost items directly to consumers in small parcels. The European Commission estimates that around 4.6 billion low-value parcels entered the EU in 2024, about 12 million per day. More than 90 % of them were from China, a significant share of which comprises T&C items, underscoring the scale of direct-to-consumer imports that bypass traditional retail and customs channels[19]. Until recently, consignments below EUR 150 could enter without customs duties under the EU's *de minimis* threshold. The EU has since moved to tighten this regime, with new customs treatment for small parcels expected to apply from 1 July 2026[20]. This change may reduce part of the price advantage enjoyed by low-cost direct sellers and could modestly improve competitive conditions for EU-based producers and established importers.

Another external pressure comes from the USA, a key EU market for higher-value textile exports. The average US tariff rate on clothing imports rose from 14.7 % in January 2025 to 35.1 % by December 2025. Although the US Supreme Court struck down the International Emergency Economic Powers Act-based reciprocal tariffs in February 2026, the administration subsequently imposed Section 122 tariffs, which are due to expire on 24 July 2026. For EU textile exports specifically, a flat 15 % tariff now applies under the July 2025 EU-USA joint statement. Depending on their duration and scope, these measures could encourage some redirection of EU exports towards other markets and may also affect import prices indirectly through changes in supplier-country production costs.

Conversely, if US tariffs reduce the American market's accessibility for Asian producers, those producers may redirect export volumes toward the EU. This could intensify competitive pressure on EU-based clothing manufacturers, particularly in price-sensitive segments. At the same time, increased supply would likely lower consumer prices in the EU mass-market clothing segment – where EU domestic production is already minimal – generating consumer welfare gains.

[17]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024.
[18]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024; UN, UN Comtrade database, webpage, nd.
[19]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024.
[20]Council, 'Customs: Council agrees to levy customs duty on small parcels as of 1 July 2026', Press release, 12 December 2025.

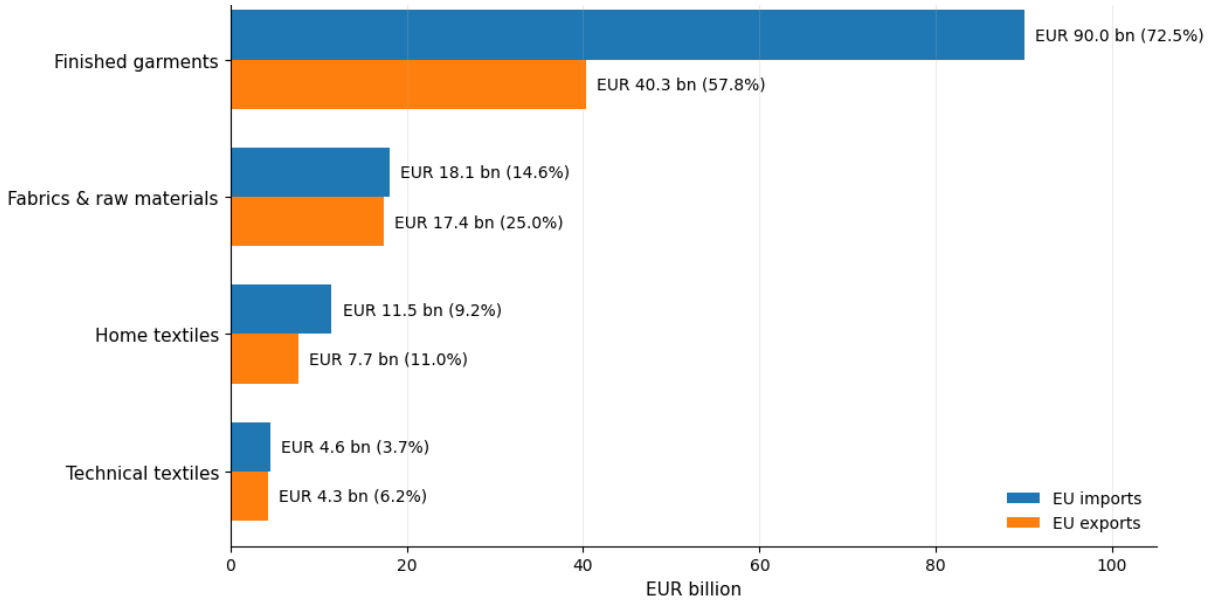
Figure 1. EU trade in T&C, 2014–2023 (EUR billion)



Source: UN COMTRADE.

Figure 1 shows that the EU remained a net importer of T&C throughout the period, with imports consistently much higher than exports. However, the trade deficit narrowed somewhat over time because exports rose steadily, while imports were more volatile, especially with the sharp dip in 2020 and the correction again in 2023.

Figure 2. EU textiles imports and exports by product category in 2023 (EUR billion and percentage)

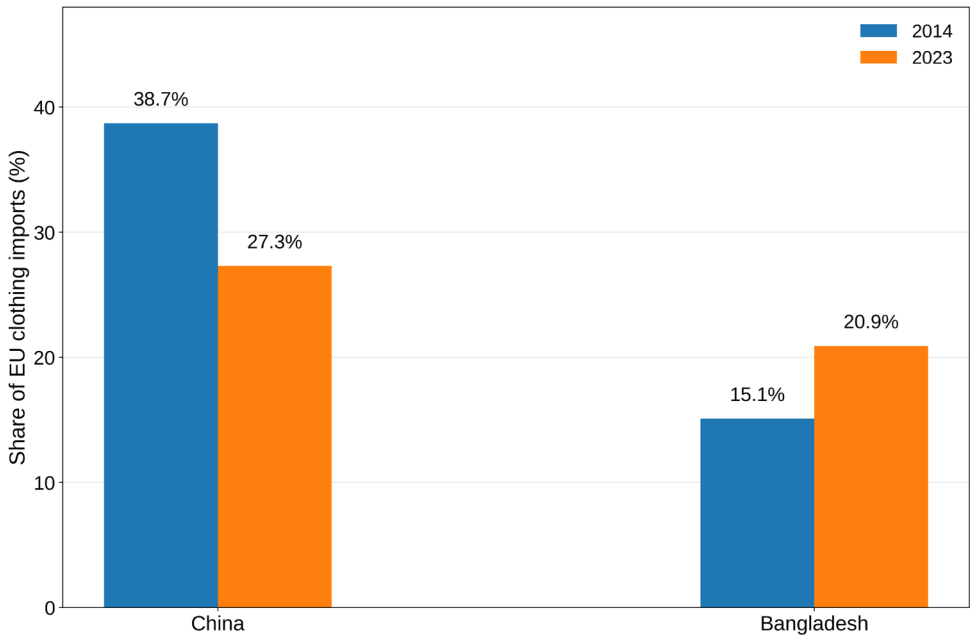


Source: Author's elaboration based on UN COMTRADE data. Note: percentages are rounded to one decimal and adjusted to total 100 % within imports and exports respectively.

Figure 2 shows that the EU T&C imports are overwhelmingly concentrated in finished garments, which account for nearly three-fourths of the total import value. It indicates that the EU relies heavily on external suppliers for labour-intensive final clothing production, while relatively smaller shares are accounted for by fabrics, home textiles and technical textiles. On the export front, it can

be seen that the EU exports are also led by finished garments, but the composition is more balanced than on the import side, with a stronger role for fabrics and raw materials. This suggests that the EU's export profile reflects not only clothing and brand strength, but also upstream capabilities in textile materials and higher-value intermediate products.

Figure 3. Shift in clothing supplier shares: 2014 vs. 2023



Source: UN COMTRADE.

Figure 3 indicates a clear decline in China's share of EU clothing imports between 2014 and 2023, alongside a strong rise in Bangladesh's share. This points to an ongoing reconfiguration of sourcing within the EU market, with buyers diversifying away from China and increasing dependence on competitive low-cost producers such as Bangladesh.

This shift should not be read only as a loss of Chinese competitiveness in clothing; it also reflects China's gradual movement towards more capital-intensive, technologically sophisticated and higher-value manufacturing segments, alongside buyer diversification towards lower-cost garment suppliers.

2.2 Used textiles exports

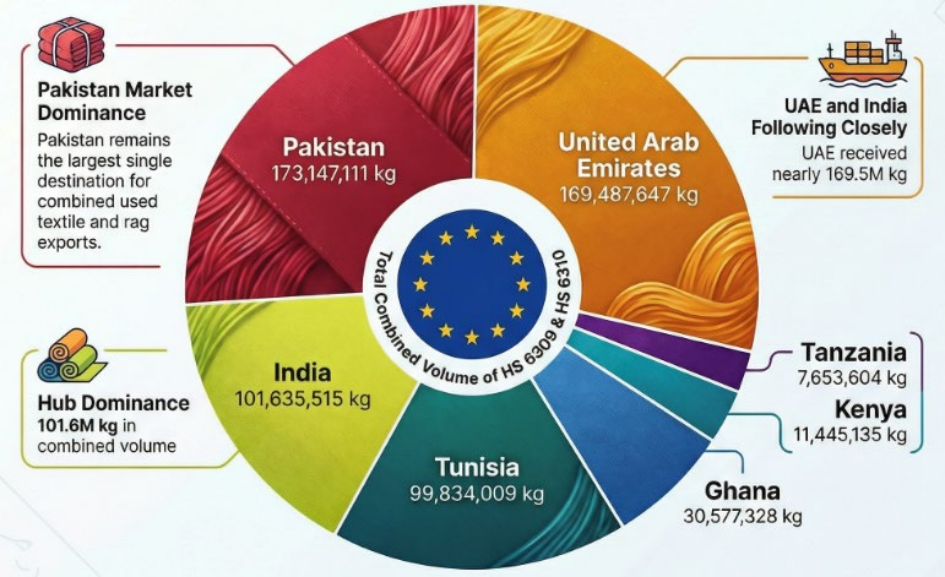
Used textile exports are a distinct and policy-relevant part of the EU's textile trade. The European Commission estimates that export volumes more than quadrupled from around 400 000 tonnes in 2003 to approximately 1.7 million tonnes in 2019[21]. Following the COVID-19 pandemic, volumes eased to around 1.45 million tonnes in 2021 and approximately 1.37 million tonnes in 2023[22]. In value terms, though, used textile exports account for only a small share of total extra-EU textile exports – approximately 1 % of the EUR 115 billion recorded in 2023 – though their significance in volume terms is considerably greater[23].

[21]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023.
[22]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023.
[23]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024.

These flows are directed mainly towards Africa and Asia, where reuse, sorting and recycling activities are most developed. This geographical concentration was partly reinforced by China's 2018 ban on imports of post-consumer textile waste under its National Sword policy[24], which redirected EU used textile flows away from China and towards markets in Sub-Saharan Africa as well as South and Southeast Asia.

These destination patterns matter for trade policy because the significance of used textile exports lies not only in their monetary value, but also in the quality, transparency and downstream handling of the goods concerned.

Figure 4. EU exports of used textiles in 2023: Volumes and main destinations



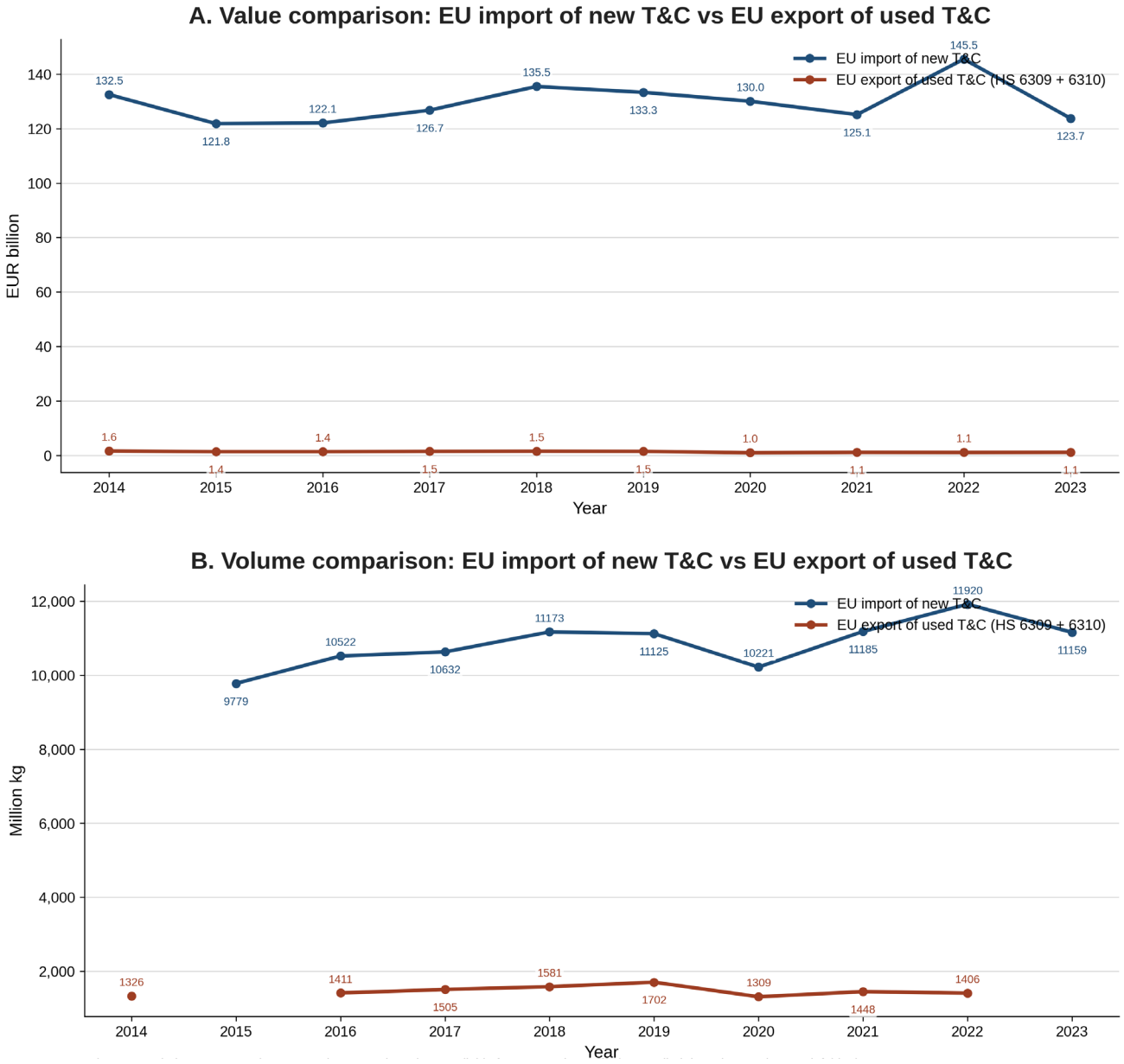
Sources: European Environment Agency 2023 and 2025.

Figure 4 shows that destination patterns are clustered in Sub-Saharan Africa, where garments are typically channelled into resale markets and informal reuse systems, as well as in South and Southeast Asia, where sorting and recycling hubs manage re-export and material recovery.

Figure 5 below compares the EU's imports of new T&C with its exports of used textiles and clothing over the period 2014–2023, using both value and volume indicators. New T&C imports are defined as HS Chapters 50–63, excluding HS 6309 and 6310, while used textile exports cover HS 6309 and 6310.

[24]European Environment Agency, 'EU exports of used textiles in Europe's circular economy', webpage, 27 February 2023.

Figure 5. Comparison of EU imports of new T&C with EU exports of used textiles and clothing, 2014–2023.



Sources: Author's elaboration based on Eurostat Comext database and UN COMTRADE.
Note: New T&C imports exclude HS 6309 and 6310. Used export volume is unavailable for 2015 and 2023 in the supplied data; those points are left blank.

The comparison shows a very large and persistent asymmetry between the EU's role as an importer of new T&C and its role as an exporter of used textile goods. In both value and volume terms, imports of new T&C exceed exports of used textiles by a substantial margin throughout the period, indicating that the used textile outflow, although policy-relevant, remains only a small part of the EU's broader textile trade structure. The value gap is especially pronounced, while the volume comparison also confirms that the physical scale of new-product inflows is much larger than the outflow of used textile exports.

2.3 Different types of used textiles in EU export flows

Aggregate trade statistics for used textiles combine distinct material streams that differ in origin, quality and regulatory treatment. Three main types can be distinguished:

- **Post-consumer household textiles:** these are garments discarded through municipal collection points or charity bins and they constitute the largest volume. They are the primary focus of the EU's mandatory separate textile collection requirement, which took effect in 2025[25]. Their quality is variable, requiring intensive professional sorting to identify items suitable for direct reuse.
- **Pre-consumer waste from manufacturing:** generated during production, for example from cutting scraps or surplus stock, this material has a more consistent quality and lower contamination. It typically moves through established business-to-business recycling channels and is more readily processed through mechanical recycling[26].
- **Industrial rags and textile scrap (HS 6310):** these worn-out industrial materials have limited reuse potential and are primarily processed into lower-value products such as insulation or stuffing[27].

These distinctions matter for policy design because customs classifications and related measures should be targeted at the relevant stream. Using combined statistics for all used textiles risks misdirecting requirements intended for household post-consumer across materially different used textile flows[28].

2.4 Member State distribution of used textile exports and new textile imports

EU-level figures mask substantial differences across Member States in used textile exports and new textile imports, reflecting variation in collection infrastructure, sorting capacity and the presence of specialised trading hubs[29]. Table 1 summarises the estimated annual sorting capacity for key Member States.

Table 1. Estimated annual sorting capacity for key Member States

Member State	Sorting capacity (approximate tonnes/year)	Notes
Germany	~190 500 sorting capacity versus ~810 000 tonnes collected	Major collector; exports ~620 000 tonnes surplus to the Netherlands/Poland hubs.
The Netherlands	200 000-234 000	Primary re-export hub; 55 % of locally collected textiles sorted abroad (mostly German origin).
Poland	200 000-300 000	Lower-cost secondary sorting hub; significant expansion since 2018.

[25]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 4.
[26]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 19.
[27]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023.
[28]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 12.
[29]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023.

Spain	~40 000	Limited domestic capacity; expanding under the extended producer responsibility (EPR) obligation from 2025.
Belgium*	Data limited	Major export hub via Antwerp; voluntary textile producer responsibility organisation active since 2022.

Source: Fashion for Good, European Environment Agency, ETC CE Report 2024/5.
**No consolidated estimate of national textile sorting capacity was available in EU-level sources at the time of writing; Belgium is primarily identified as a collection and export hub (via Antwerp), with Circletex PRO operating as a voluntary producer responsibility organisation since 2022.*

On the export side, a small number of Member States account for the majority of extra-EU used textile shipments. In 2021-2022, Germany, Italy, France, the Netherlands and Belgium together represented approximately 74 % of total extra-EU-27 exports[30]. The Netherlands and Belgium act in part as sorting and re-export hubs, importing and grading used textiles from other Member States before exporting outside the EU[31]. Germany's high volumes reflect the scale of its domestic collection systems, while Poland has grown as a lower-cost sorting location for volumes collected elsewhere in the EU[32].

On the import side, new T&C imports are centred on larger consumer markets. During 2022, EU households spent around EUR 282 billion on clothing, with Germany, France, the Netherlands, Spain and Italy accounting for a significant part of the extra-EU clothing import value[33]. It is important to take into consideration that the national EPR schemes for textiles vary considerably in maturity, from France's system operating since 2007 to schemes only recently introduced in countries such as the Netherlands, creating differences in how collected textiles are managed and exported across Member States[34].

The revised Waste Framework directive, which entered into force in 2025, introduces an EU-wide requirement that all separately collected textiles undergo sorting before any cross-border shipment[35]. This is directly relevant to used textile trade flows and the transparency, quality concerns and coherence of EU used textile trade, which are discussed now in section 3.

[30]J.-B. Bel, Recommendations and good practices for local used textile management, *Association for Cities and Regions for sustainable Resource management*, October 2023, p. 13.
[31]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024; J.-B. Bel, Recommendations and good practices for local used textile management, *Association for Cities and Regions for sustainable Resource management*, October 2023, p. 13.
[32]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 158.
[33]EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024, pp. 8, 14.
[34]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 13.
[35]Council, 'Council and Parliament agree to reduce food waste and set new rules on waste textile', Press release, 19 February 2025.

3 Underlying challenges: Environmental accountability, compliance pressures and regulatory coherence

3.1 Environmental implications and the quality of used textile exports

The environmental implications of EU used textile exports are relevant to trade policy because they affect the EU's credibility in sustainability dialogues with partner countries, inform discussions on export quality standards and raise questions about consistency between the EU's internal circular-economy objectives and its external trade practices[36]. EU policy on textiles gives priority to durability, reuse and high-quality recycling. However, where consignments exported as reusable contain a substantial share of low-grade or non-reusable items, the practical result may be to shift waste-management burdens to destination countries rather than to prolong product life in a meaningful way[37].

Evidence from major receiving markets has strengthened concern about the quality of some export flows. Research on second-hand clothing markets in West Africa, including Accra's Kantamanto market, indicates that roughly 40 % of items in each imported bale cannot be resold because they are damaged, poor in quality or unsuitable for local demand. These rejected items enter local waste streams quickly – generating approximately 70 tonnes of daily textile waste at Kantamanto alone – and add pressure to already limited disposal systems[38]. More broadly, studies of used textile trade have identified recurring risks linked to informal dumping, open burning of waste in some locations, microplastic release from synthetic garments and occupational health risks in sorting activities where safety standards are weak[39].

For this briefing, though, the central issue is not waste management as such, which lies largely outside the European Parliament Committee on International Trade's remit. The trade-policy concern is whether goods exported from the EU as reusable textiles meet credible quality thresholds and whether public authorities have sufficient visibility over what happens to them after export. Where such visibility is weak, the EU may face questions about consistency between its sustainability expectations for imports of new textiles and the oversight applied to its own used textile exports[40]. The question is, therefore, one of transparency, quality assurance and accountability: how to ensure that consignments declared as reusable are genuinely reusable and how to reduce the export of residual fractions to destinations with limited management capacity[41].

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[36]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023.

[37]A. Brooks, *Clothing poverty: The hidden world of fast fashion and second-hand clothes*, Zed Books, London, 2015; D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023; D. Watson and D. Palm, Exports of Nordic used textiles: Fate, benefits and impacts, *Nordic Council of Ministers*, 2016.

[38]L. Ricketts and B. Skinner, 'Dead White Man's Clothes', *Atmos*, Vol 2, 22 October 2019; L. Ricketts and B. Skinner, Stop Waste Colonialism: Leveraging Extended Producer Responsibility to Catalyze a Justice-Led Transition to a Circular Textiles Economy, *OR Foundation,* 14 February 2023.

[39]Henry et al., 'Microfibres from apparel and home textiles: Prospects for including microplastics in environmental sustainability assessment', *Science of the Total Environment*, Vol 652, 2019, pp. 483-494; ILO, 'The future of work in textiles, clothing, leather and footwear', Working Paper No. 326, 2019.

[40]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.

[41]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023.

This issue also interacts with the development of textile producer responsibility schemes within the EU. The revised Waste Framework directive is intended to make producers placing textiles on the EU market contribute to the end-of-life costs of collection, sorting, preparing for reuse, recycling and, where necessary, disposal within Member States, thereby creating financial incentives for more durable and recyclable textile products[42]. Yet exports of used textiles raise uncertainty about where producer responsibility ends. If collected textiles are classified as used goods for reuse, rather than waste, they fall outside the scope of EU waste legislation at the point of export, even where a share may become waste shortly after arrival in destination countries[43]. This creates an information and accountability gap: collection targets may be met and export volumes may continue to grow, while public authorities still know relatively little about post-export quality and the fate of the textiles concerned[44].

Implementation weaknesses also remain, *inter alia*: incomplete producer registration; variation between national schemes and limited requirements to monitor or report on the quality of textiles leaving the EU under reuse classifications[45]. Whilst these are primarily internal market issues, they do also affect the quality, transparency and reputation of EU export flows. Because sorting relies economically on the sale of higher-quality reusable items, producer responsibility systems need to encourage better sorting, clearer reporting and stronger incentives for domestic recycling capacity rather than excessive reliance on export channels for lower-quality material.

Emerging fibre-to-fibre recycling technologies, including chemical recycling ventures such as Renewcell, Worn Again Technologies and Circ, could, over time, reduce the EU's reliance on both new textile imports and used textile exports by enabling higher-value material recovery within the Union. However, these technologies remain at an early commercial scale and their trade-policy implications will depend on whether the Ecodesign for Sustainable Products Regulation's (ESPR) design-for-recyclability requirements successfully create a feedstock base of recyclable textiles.

3.2 Compliance pressures, labour standards and EU trade-policy instruments

Alongside the challenges associated with used textile exports, EU trade in new textiles is increasingly shaped by sustainability-related compliance requirements. The EU has introduced a package of sustainability instruments, including the CSDDD, the ESPR and digital traceability tools such as Digital Product Passports, aimed at strengthening transparency as well as accountability across product lifecycles and supply chains[46]. These initiatives reflect concern that voluntary

[42]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 19; OECD, Extended Producer Responsibility: Updated Guidance for Efficient Waste Management, OECD Publishing, Paris, 2016.

[43]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023; N. Tojo, Extended producer responsibility as a driver for design change: Utopia or reality?, *Lund University*, 2004.

[44]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023; European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 19.

[45]OECD, Extended Producer Responsibility: Updated Guidance for Efficient Waste Management, OECD Publishing, Paris, 2016; N. Tojo, Extended producer responsibility as a driver for design change: Utopia or reality?, *Lund University*, 2004.

[46]European Parliament and Council, Directive (EU) 2024/1760 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859, Official Journal of the European Union, L Series, 5 July 2024; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.

auditing and private certification have often produced uneven or superficial improvements in labour and environmental outcomes across global supply chains[47].

Another relevant measure is the EU regulation 2024/3015 on products made with forced labour[48], which is particularly relevant to T&C imports given the sector's exposure to labour-rights risks in complex subcontracting chains[49]. Although its first enforcement decisions are expected from 2027, the regulation already has trade-policy significance because it is likely to increase importer demand for traceability, supplier mapping and evidence of due diligence across textile value chains. For exporters in partner countries, especially smaller suppliers, this may translate into additional documentation and verification pressures, even where the direct legal obligations fall primarily on operators placing goods on the EU market. The legal framework for due diligence has, though, been substantially revised. The EU directive 2026/470, published on 26 February 2026 and in force from 18 March 2026, significantly narrowed the CSDDD's scope as part of the broader Omnibus simplification package. Direct due diligence obligations now apply only to companies with more than 5 000 employees and annual net turnover exceeding EUR 1.5 billion, thereby removing the vast majority of firms – including all small and medium-sized enterprise (SMEs) – from direct obligations[50]. Member States must transpose these amendments by July 2028, with full compliance being required from July 2029[51].

Nevertheless, the narrowing of direct scope does not eliminate indirect compliance pressures on smaller firms. The amended framework also limits information requests to smaller business partners: for business partners with fewer than 5 000 employees, companies within the scope of the CSDDD should request information only where it cannot reasonably be obtained by other means[52]. This is a relevant development: while smaller firms are no longer directly regulated, they may still face demands for traceability data, audit documentation or product-level sustainability information from large buyers seeking to meet their own due diligence obligations. Whether this limitation will reduce these demands in practice, or whether buyers will maintain similar information requirements through contractual means, remains to be seen.

The amended directive also deleted the requirement for companies within the scope of the CSDDD to adopt climate transition plans; removed the EU-wide harmonised civil liability regime in favour of access to justice under national law; capped penalties at 3 % of net worldwide turnover and removed the obligation to terminate business relationships as a last resort where adverse impacts persist. These changes may reduce the practical enforcement pressure on lead firms – that is, major clothing brands and retailers that coordinate sourcing and supplier requirements – and, by extension, on their textile suppliers in partner countries. This remains relevant to trade policy

[47]R. M. Locke, *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*, Cambridge University Press, New York, 2013; T. Bartley, *Rules without rights: Land, labour, and private authority in the global economy*, Oxford University Press, New York, 2018.
[48]European Parliament and Council, Regulation on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937, Official Journal of the European Union, L Series, 2024/3015, 12 December 2024.
[49]ILO, 'The future of work in textiles, clothing, leather and footwear', Working Paper No. 326, 2019; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.
[50]European Parliament and Council, Directive (EU) 2026/470 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements, Official Journal of the European Union, 2026/470, 22 February 2026.
[51]European Parliament and Council, Directive (EU) 2026/470 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements, Official Journal of the European Union, 2026/470, 22 February 2026.
[52]European Parliament and Council, Directive (EU) 2026/470 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements, Official Journal of the European Union, 2026/470, 22 February 2026; European Parliament, 'Sustainability reporting and due diligence: MEPs back simplification changes', Press release, 6 November 2025.

because indirect compliance pressures can affect market access conditions for smaller exporters in partner countries even where they are not directly regulated by EU law[53].

Regarding the ESPR, proposed amendments under procedure 2025/0134(COD) are part of the same Omnibus simplification process but do not remove core textile-specific obligations. Textiles, including garments and footwear, remain a priority product group under the ESPR's 2025-2030 working plan, with eco-design requirements and Digital Product Passport obligations for textiles expected to apply from 2027-2028[54]. The ESPR explicitly requires that eco-design rules avoid placing disproportionate administrative burdens on SMEs and phased timelines reflect this[55]. The compliance implications for smaller textile exporters in partner countries, therefore, remain material, even if the timeline and direct scope are more limited than previously anticipated.

However, these pressures are not evenly distributed. Data collection, independent verification and product information requirements are generally easier for large firms to absorb over time. Smaller exporters in partner countries often operate with tighter margins, less administrative capacity and more volatile order conditions. One consequence may be that buyers reduce the number of suppliers they use and shift sourcing towards larger firms with stronger compliance systems, reinforcing concentration within textile supply chains and reducing opportunities for smaller producers[56].

Research also shows that compliance difficulties do not arise only from supplier weakness. The purchasing practices of the lead firms can themselves undermine labour and environmental compliance. Shortened production deadlines, retroactive price changes and delayed payments can make it difficult for supplier factories to meet the standards that buyers formally require[57]. Effective policy cannot, therefore, focus only on documentation and due diligence by suppliers. It must also recognise the commercial conditions under which compliance is expected to take place. This suggests that effective implementation of due diligence rules should consider buyer purchasing practices alongside supplier-side obligations.

These concerns are especially important in relation to new textile imports, which continue to define the EU's main textile trade relationships with third countries. These labour concerns have a strong gender dimension: women constitute approximately 60-65 % of the garment workforce in major supplier countries such as Bangladesh and, as such, are disproportionately concentrated in lower-tier production roles where working conditions and wage levels are weakest. Effective trade-policy engagement with labour standards should therefore reflect the EU's commitments to gender-mainstreaming in trade. Labour standards remain a central trade-policy issue in the textile and garment sector, with recurring concerns over excessive working hours, wages below living-wage

[53]European Parliament and Council, Directive (EU) 2026/470 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements, Official Journal of the European Union, 2026/470, 22 February 2026; European Parliament, 'Sustainability reporting and due diligence: MEPs back simplification changes', Press release, 6 November 2025.

[54]European Commission, Communication on Ecodesign for Sustainable Products and Energy Labelling Working Plan 2025-2030, COM(2025) 187 final, 16 April 2025; European Parliament, Procedure 2025/0134(COD) Amending certain Regulations as regards digitalisation and common specifications (Omnibus IV), 2025.

[55]European Parliament and Council, Regulation establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC, Official Journal of the European Union, L Series, 2024/1781, 28 June 2024; European Parliament, Procedure 2025/0134(COD) Amending certain Regulations as regards digitalisation and common specifications (Omnibus IV), 2025.

[56]M. Anner, 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of International Political Economy*, Vol 27, No 2, 2020, pp. 320-347.

[57]M. Anner, 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of International Political Economy*, Vol 27, No 2, 2020, pp. 320-347; ILO, 'The future of work in textiles, clothing, leather and footwear', Working Paper No. 326, 2019.

benchmarks, restrictions on freedom of association and unsafe factory conditions, particularly in lower-tier factories and among smaller subcontractors where monitoring is weakest[58].

The EU's principal trade-policy instruments in this area are the Generalised Scheme of Preferences (GSP) and the Trade and Sustainable Development (TSD) chapters, as included in bilateral free trade agreements (FTAs). These instruments provide frameworks for dialogue, monitoring and, in some cases, enforcement linked to labour-rights commitments by partner countries[59]. Their effectiveness, though, depends not only on legal commitments by partner governments but also on the wider T&C sourcing environment. Even where labour protections exist on paper, supplier compliance may remain weak if commercial practices continue to reward lower prices, faster turnaround and greater order flexibility without corresponding support for compliance. In that sense, the trade-policy discussion on new textile imports must take account of both formal commitments and the market structures through which those commitments are implemented[60].

3.3 Regulatory coherence between import requirements and used textile exports

A final challenge concerns regulatory coherence. On the import side, the EU is moving towards more demanding sustainability expectations for new textiles through due diligence rules, product-design requirements and digital traceability tools, although recent simplification changes have narrowed the direct scope of some due diligence obligations[61]. On the export side, used textiles classified as reusable goods still face comparatively limited scrutiny at the point of departure[62]. These two flows are not identical and should not be treated as if they raise the same legal questions. Nevertheless, the contrast between them creates an important policy-consistency issue.

The challenge is therefore one of ensuring that import-side sustainability expectations, export-side transparency and the practical capacity of smaller firms to comply can all develop more coherently. These three linked challenges provide the basis for trade-policy responses discussed next in section 4.

4 Trade policy responses and related measures

This section sets out practical responses to improve consistency between the EU textile trade and sustainability objectives. It addresses measures directly relevant to trade policy, including: preferential trade arrangements, sustainability provisions, tariffs, customs treatment and export transparency. Related measures are then considered that, while not falling fully within the European Parliament Committee on International Trade's core competence, have implications for the quality,

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[58]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; WTO et al., 'Chapter 6: Greening Global Value Chains: A Conceptual Framework for Policy Action' in *Global Value Chain Development Report 2023: Resilient and Sustainable Global Value Chains*, 2023.

[59]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; M. Anner, 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of International Political Economy*, Vol 27, No 2, 2020, pp. 320-347.

[60]European Parliament and Council, Directive (EU) 2024/1760 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859, Official Journal of the European Union, L Series, 5 July 2024; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.

[61]European Parliament and Council, Directive (EU) 2024/1760 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859, Official Journal of the European Union, L Series, 5 July 2024; European Parliament and Council, Directive (EU) 2026/470 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements, Official Journal of the European Union, 2026/470, 22 February 2026; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.

[62]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023.

credibility and competitiveness of EU textile trade[63]. Policy design in this area should recognise the role of intermediary firms in the used textile export chain, which should not only lower compliance costs for smaller collectors and social enterprises, but also avoid creating barriers that favour only the largest operators.

4.1 Trade policy instruments for new textiles: Labour standards, preferential arrangements, sustainability provisions and cooperation

The EU's principal trade-policy tools for addressing labour and environmental conditions in textile supply chains — the GSP, including the Everything But Arms arrangement and the TSD chapters of bilateral FTAs — were discussed earlier in section 3.2. As noted there, the effectiveness of these instruments depends not only on supplier-side obligations but also on the purchasing conditions imposed by lead firms. EU trade policy in textiles should therefore address not only tariffs and market access, but also the governance conditions under which sustainability and labour commitments are implemented.

These instruments can also be used more actively to support sustainability-related improvements across textile supply chains. Within GSP and FTA frameworks, targeted technical cooperation can help strengthen traceability, testing capacity, product compliance and labour-related monitoring in exporting clusters – particularly for smaller firms, where the main difficulty is often limited administrative and technical capacity rather than unwillingness to comply. Trade-policy dialogue can also help maintain attention on the commercial conditions under which compliance is expected to take place, including buyer purchasing practices that may structurally undermine supplier-side efforts. These points are developed in recommendations 3 and 4.

4.2 Improving quality standards and customs classification for used textile exports

A second area concerns the quality and customs classification of used textile exports. Recent policy debates have highlighted the need for clearer differentiation between genuinely reusable textiles and lower-grade material that is unlikely to be reused in practice. Without greater clarity, consignments may continue to be exported under reuse classifications even where a substantial share consists of damaged or non-reusable items[64].

Set out in recommendation 5 are practical options, *inter alia*: clearer minimum quality criteria for reusable classifications; standardised pre-export documentation on sorting outcomes and more detailed customs sub-categories within HS 6309. Such measures should be developed in technical dialogue with partner countries and introduced gradually to avoid sudden trade disruption.

4.3 Related measures: Export transparency, producer responsibility and support for smaller firms

Some policy issues affecting the textile trade lie partly outside the core field of trade policy but remain relevant to the credibility and functioning of EU textile trade flows. One such issue is the

[63]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; WTO et al., 'Chapter 6: Greening Global Value Chains: A Conceptual Framework for Policy Action' in *Global Value Chain Development Report 2023: Resilient and Sustainable Global Value Chains*, 2023.

[64]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023; D. Watson and D. Palm, Exports of Nordic used textiles: Fate, benefits and impacts, *Nordic Council of Ministers*, 2016.

relationship between textile producer responsibility schemes and export transparency. If producer responsibility systems encourage collection but do not generate adequate information on the quality and destination of used textile exports, a gap remains between internal circularity objectives and the external presentation of those outcomes. Hence, better reporting on export volumes, destinations and broad quality categories could help reduce that gap[65].

Proportionate implementation – including simplified templates, phased timelines and harmonised guidance – is essential to avoid unintentionally accelerating supply-chain concentration by making compliance manageable only for the largest firms. A more proportionate approach would improve both the legitimacy and effectiveness of the EU's broader textile-trade agenda, as reflected below in recommendation 6.

5 Comparative perspectives: India, Bangladesh and Vietnam

This section provides brief comparative perspectives on Bangladesh, Vietnam and India as three important textile suppliers to the EU. The purpose is not to provide a full country study, but to show how different industry structures, regulatory settings and trade relationships shape adaptation to evolving EU sustainability expectations. The focus is on labour conditions, environmental performance, compliance capacity and the readiness of firms to respond to changing product and traceability requirements[66].

5.1 Bangladesh: Compliance structures and export adaptation

Bangladesh remains one of the EU's largest suppliers of clothing. Since the Rana Plaza disaster in 2013, the country's garment sector has undergone substantial changes in factory safety governance through multi-stakeholder initiatives, notably the Bangladesh Accord, now succeeded by the RMG Sustainability Council and subsequent institutional reforms. This has helped create a more structured compliance environment for export-oriented production, particularly in larger and more visible factories[67].

That system has not only brought important gains in safety oversight but also improved confidence among international buyers. At the same time, pressures remain unevenly distributed. Smaller subcontractors and lower-tier suppliers continue to face greater exposure to volatile orders, narrower margins and weaker compliance capacity[68]. Research on Bangladesh also shows a continuing gap between the standards buyers formally require and the purchasing practices they often apply in commercial relationships[69].

Bangladesh thus illustrates both the value and limits of sector-wide compliance coordination. Broad institutional reform can support improvement and credibility, but its benefits do not

[65]European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 19; OECD, Extended Producer Responsibility: Updated Guidance for Efficient Waste Management, OECD Publishing, Paris, 2016.

[66]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; WTO et al., 'Chapter 6: Greening Global Value Chains: A Conceptual Framework for Policy Action' in *Global Value Chain Development Report 2023: Resilient and Sustainable Global Value Chains*, 2023.

[67]R. M. Locke, *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*, Cambridge University Press, New York, 2013; M. Anner, Abandoned? The impact of Covid-19 on workers and businesses at the bottom of global garment supply chains, *Center for Global Workers' Rights*, March 2020.

[68]M. Anner, Abandoned? The impact of Covid-19 on workers and businesses at the bottom of global garment supply chains, *Center for Global Workers' Rights*, March 2020.

[69]M. Anner, 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of International Political Economy*, Vol 27, No 2, 2020, pp. 320-347.

automatically spread evenly across all firms and workers. Emerging work in recycling and circular production may strengthen Bangladesh's alignment with EU sustainability priorities, but an inclusive transition remains a key concern[70].

Bangladesh is scheduled to graduate from least developed country status on 24 November 2026, with the EU offering a three-year transition period under which Everything But Arms arrangement preferences would continue until November 2029[71]. Thereafter, continued preferential access would depend on qualification under GSP+, which requires ratification and effective implementation of 32 international conventions and compliance with stricter rules of origin, including double transformation, meaning that fibres must be converted into fabric domestically before garments can qualify for duty-free treatment. This represents a significant industrial challenge, given Bangladesh's continued reliance on imported fabrics. This dependence is concentrated mainly in the woven segment: recent US Department of Agriculture estimates indicate that Bangladesh's domestic spinning and textile operations supply about 85 % of the yarn required for knitwear but only around 40 % of the fabric used in woven garments, while imported yarn and fabric still account for roughly 60–70 % of the textile mills' inputs[72].

5.2 Vietnam: Trade agreement-linked adaptation and industrial development

Vietnam's position in the EU market has been shaped in part by the EU-Vietnam Free Trade Agreement (EVFTA) in force since 2020. This agreement has created a more predictable framework for market access and has encouraged investment in production upgrading, certification capacity and product diversification. It has also increased the importance of meeting origin requirements so that exports can benefit fully from preferential tariff treatment, which in practice means that sufficient stages of production must take place within Vietnam[73]. This requirement is not identical to Bangladesh's prospective post-least developed country preference challenge, because Vietnam operates under a bilateral FTA with EVFTA-specific origin rules and cumulation provisions, whereas Bangladesh's future preferential access would depend on the EU preference regime applicable after the least developed country graduation. The practical concern is nevertheless comparable: preferential market access for garments depends not only on tariff preferences, but also on the ability to satisfy applicable origin requirements, which can limit reliance on non-originating imported fabrics.

Vietnam shows how trade agreements can support medium-term industrial adjustment when combined with investment in quality infrastructure and supply-chain coordination. These capabilities are becoming more important as EU requirements increasingly extend beyond tariffs to include product information, sustainability characteristics and traceability. Further progress will depend on continued improvements in data systems, supplier coordination and technical capacity[74].

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[70]J. Cajal-Grossi et al., 'Buyers' Sourcing Strategies and Suppliers' Markups in Bangladeshi Garments', *The Quarterly Journal of Economics*, Vol 138, No 4, 2023, pp. 2391–2450.
[71]United Nations, 'Bangladesh graduation status', webpage, nd.; United Nations Office of the High Representative for the Least Developed Countries, Bangladesh Graduation Readiness Assessment, 6 February 2026.
[72]US Department of Agriculture Foreign Agricultural Service, Cotton and Products Annual, 6 April 2026, p. 9.
[73]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; WTO et al., 'Chapter 6: Greening Global Value Chains: A Conceptual Framework for Policy Action' in *Global Value Chain Development Report 2023: Resilient and Sustainable Global Value Chains*, 2023.
[74]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; D. Schoenmaker and W. Schramade, *Principles of sustainable finance*, Oxford University Press, Oxford, 2018.

5.3 India: Scale, diversification and uneven readiness

India's T&C sector spans the full value chain, from fibres and yarns to garments as well as made-up products and includes a highly diverse firm structure ranging from large integrated companies to a wide base of smaller firms. The EU remains an important export market and the broader EU-India trade relationship creates scope for deeper cooperation on sustainability, traceability and circular production[75].

The recently concluded EU-India FTA negotiations add an important economic dimension to this relationship, although the agreement is not yet in force: the published texts remain subject to legal revision. They will become final only upon signature and will become binding only after both parties complete their internal legal procedures. For India's textile and apparel sector, the agreement is commercially significant because it offers the prospect of improved tariff treatment in the EU market, where India has faced a tariff disadvantage *vis-à-vis* competitors such as Bangladesh, Pakistan and Türkiye. India's Ministry of Textiles notes that the EU is India's second-largest export destination for textiles and apparel after the USA, with India's textile and apparel exports to the EU valued at approximately USD 7.2 billion. The same source notes that: ready-made garments account for about 60 % of these exports, followed by cotton textiles at 17 %, man-made fibre and textiles at 12 % and 342 Indian districts export textile and apparel products to the EU. This indicates both the breadth of India's cluster-based export base and the importance of labour-intensive and micro SME-linked segments in India's EU-oriented textile trade. At the same time, the FTA's provisions on regulatory cooperation, customs facilitation, transparency and trade and sustainable development are likely to reinforce the importance of traceability, environmental performance and labour-related compliance for Indian exporters, especially smaller firms with weaker certification and documentation capacity[76].

India has made progress in a number of areas, including cleaner production practices, renewable energy use in some clusters and early experimentation with recycling and circular-economy projects. Its large-scale production of both natural and synthetic fibres may support future innovation in sustainable inputs and recycling. At the same time, readiness remains uneven: larger firms are generally better placed to respond to digital traceability requirements, while many smaller exporters face proportionately higher compliance costs and weaker administrative capacity[77].

5.4 Cross-cutting observations

Across these three cases, four broader observations emerge. Firstly, compliance capacity is increasingly shaped by systems and institutions, not by individual firms. Secondly, trade arrangements matter because they create channels for dialogue, monitoring and policy coordination beyond tariff reduction. Thirdly, smaller firms remain vulnerable across all three countries to disproportionate compliance burdens. Fourthly, regulatory effectiveness depends heavily on whether the commercial environment – including buyer-supplier relationships – supports or undermines compliance.

Table 2 below presents a comparative overview of key sustainability adaptation dimensions across the three case study countries.

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[75]R. Kaplinsky and M. Morris, *A handbook for value chain research*, International Development Research Centre, 2001; M. Anner, Abandoned? The impact of Covid-19 on workers and businesses at the bottom of global garment supply chains, *Center for Global Workers' Rights*, March 2020.

[76]Government of India Ministry of Commerce and Industry, India-EU Free Trade Agreement: A Transformational Trade Deal for India's Textile and Apparel Sector, Press release, 23 January 2026.

[77] Government of India Ministry of Textiles, Annual Report 2024-25, December 2025; Government of India Ministry of Textiles, Mapping of Textile Waste Value Chain in India: A Comprehensive Look at India's , February 2026.

Table 2. Sustainability adaptation profiles in EU–Asia textile trade: Bangladesh, Vietnam and India

Dimension	Bangladesh	Vietnam	India
Main type of exports to the EU	Clothing (ready-made garments)	Clothing, with growing diversification into other textile products	Full value chain
Main compliance support infrastructure	Sector-wide coordination shaped by post-Rana Plaza reforms and industry support	EVFTA-linked institutional support, including TSD chapter provisions and investment in certification and quality infrastructure	EU-India FTA negotiations concluded on 27 January 2026; agreement pending legal revision, signature and ratification. Compliance support remains dependent on cluster-level initiatives, industry associations, export-promotion bodies and firm-specific capacity.
SME vulnerability	High, especially among lower-tier suppliers and subcontractors	Moderate, with support from trade-related adjustment incentives	High, due to diverse firm structure and uneven capacity
Recycling/circularity capacity	Early-stage (pre-consumer waste)	Emerging, with selected resource-efficiency and cluster-level initiatives	Early-stage, supported by a broad fibre base and production scale
Trade framework relevant to EU market access	GSP / Everything But Arms	EVFTA (in force since 2020)	EU-India FTA negotiations concluded on 27 January 2026; agreement not yet in force pending legal revision, signature and completion of internal legal procedures.
Key adaptation challenge	Extending compliance to subcontractors	Meeting rules-of-origin requirements	Bridging the readiness gap between larger firms and SMEs

Sources: H2 Compliance, 'EPR Tracker'; European Commission, 'revised Waste Framework Directive implementation materials'; Carbonfact, 'EPR Overview'.

Across all three countries, sustainability-linked trade governance appears most effective where regulatory expectations are accompanied by predictable transition periods, institutional coordination and practical cooperation. Adaptation to EU requirements depends not only on the rules themselves but also on whether firms operate in a commercial environment that makes compliance economically feasible[78].

[78] WTO et al., 'Chapter 6: Greening Global Value Chains: A Conceptual Framework for Policy Action' in *Global Value Chain Development Report 2023: Resilient and Sustainable Global Value Chains*, 2023; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.

6 Conclusions and recommendations

6.1 Conclusions

This briefing has examined interactions between the EU textile trade against evolving sustainability and circular-economy objectives, with attention to both imports of new textiles and exports of used textiles. In new textiles, the EU remains structurally dependent on imports in labour-intensive clothing segments, while retaining comparative strength in higher-value and technical textile products. Trade-policy tools such as the GSP, bilateral FTAs as well as TSD mechanisms, therefore, remain important for shaping labour standards, compliance capacity and market access conditions in supplier countries[79].

In used textiles, EU exports remain significant in volume terms, linking European collection and sorting systems to reuse, recycling and waste-management capacities in Africa and Asia. The central policy issue is not the used textile trade as such, but whether goods exported as reusable consistently meet credible quality thresholds and whether existing frameworks provide sufficient transparency about what happens to them after export. In this respect, the interaction between producer responsibility, sorting capacity and export classification is becoming increasingly important[80].

Across both new and used textiles, the overarching challenge is one of coherence. The EU's internal sustainability objectives increasingly shape import conditions, while weaker transparency and oversight on used textile exports can raise questions about consistency and external credibility. Comparative evidence from Bangladesh, Vietnam and India also suggests that regulatory ambition is most effective when combined with predictable transition periods, institutional coordination, practical support and purchasing practices that do not undermine supplier compliance[81].

6.2 Recommendations

1. Protect EU clothing producers from unfair competition

The European Parliament could call on the Commission to monitor whether recent changes to the customs treatment of small parcels are being applied consistently across Member States and whether they are reducing the competitive distortions associated with direct-to-consumer low-value imports. It could also request an assessment of whether the redirection of Asian clothing exports towards the EU, following the 2025 US tariff escalation, is creating market disruption in sensitive clothing categories and whether existing EU trade-defence or safeguard instruments remain adequate[82]. Any such assessment should consider both the competitive pressure on EU producers and the consumer welfare effects of lower import prices, to ensure that policy responses appropriately balance producer and consumer interests.

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[79]European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; WTO et al., 'Chapter 6: Greening Global Value Chains: A Conceptual Framework for Policy Action' in *Global Value Chain Development Report 2023: Resilient and Sustainable Global Value Chains*, 2023.

[80]D. Lingås et al., EU exports of used textiles in Europe's circular economy, ETC/CE Report 2023/4, *European Environment Agency*, February 2023; European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023.

[81]WTO et al., 'Chapter 6: Greening Global Value Chains: A Conceptual Framework for Policy Action' in *Global Value Chain Development Report 2023: Resilient and Sustainable Global Value Chains*, 2023; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.

[82]Council, 'Customs: Council agrees to levy customs duty on small parcels as of 1 July 2026', Press release, 12 December 2025; EURATEX, Facts and Key Figures 2024 of the European Textile and Clothing Industry, March 2024.

2. Use the Digital Product Passport for clothing as a stronger customs and compliance tool

The European Parliament could call on the Commission to ensure that Digital Product Passport systems for textiles are fully interoperable with EU customs systems, so that passport data can support checks on fibre composition, origin and compliance when goods enter the EU. It could also request reporting on whether smaller exporters in major supplier countries are not only receiving sufficient guidance and support to comply, but also whether simplified pathways are needed to prevent the system from becoming a practical barrier for smaller firms[83].

3. Manage Bangladesh's transition from least-developed-country preferences carefully

The European Parliament could ensure that Bangladesh's transition out of least-developed-country preferences is managed in a predictable and evidence-based way, with continued market access under the revised GSP linked to verifiable progress on labour rights and environmental performance rather than formal compliance alone. Parliament could also request early monitoring before graduation to assess likely trade, employment and sourcing effects, while ensuring that any textile-specific safeguard tools are calibrated proportionately[84].

4. Address buyer purchasing practices in EU trade and due diligence frameworks

The European Parliament could call on the Commission to ensure that the implementation of due diligence and trade-sustainability instruments gives greater attention to the purchasing practices of large brands and retailers, including pricing, payment terms, order volatility and lead times. It could also request that TSD monitoring and related trade-policy dialogue examine whether buyer conduct is undermining supplier-side compliance, particularly in major clothing supplier countries such as Bangladesh, Vietnam and India[85]. Parliament could call for more systematic monitoring, including annual reporting on the implementation of TSD chapters in textile-relevant partner countries and the use of sustainability impact assessment findings in preference reviews where labour and compliance concerns persist.

5. Introduce clearer customs categories for used textile exports

The European Parliament could call on the Commission to develop more precise customs sub-categories within the EU CN to distinguish reusable second-hand clothing from lower-grade material intended mainly for industrial processing or disposal-related outcomes. Parliament could support clearer customs differentiation between genuinely reusable textiles and lower-grade material unlikely to be reused in practice. A practical route for doing so would be through the annual update of the CN by means of a Commission implementing regulation amending Annex I to Council regulation No 2658/87[86]. Parliament could also support a phased introduction, with clear guidance

[83]European Parliament, Procedure 2025/0134(COD) Amending certain Regulations as regards digitalisation and common specifications (Omnibus IV), 2025; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022.

[84]M. Anner, 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of International Political Economy*, Vol 27, No 2, 2020, pp. 320–347; European Commission, EU Strategy for Sustainable and Circular Textiles, COM(2022) 141 final, 30 March 2022; M. Anner, Abandoned? The impact of Covid-19 on workers and businesses at the bottom of global garment supply chains, *Center for Global Workers' Rights*, March 2020.

[85]M. Anner, 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of International Political Economy*, Vol 27, No 2, 2020, pp. 320–347; European Parliament and Council, Directive (EU) 2026/470 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements, Official Journal of the European Union, 2026/470, 22 February 2026.

[86]Council, Regulation on the tariff and statistical nomenclature and on the Common Customs Tariff, Official Journal of the European Communities, L 256/1, 7 September 1987.

and proportionate compliance pathways for smaller operators, so that improved classification strengthens transparency without imposing sudden disruption.

6. Create a voluntary trusted-operator scheme for responsible used textile exporters

The European Parliament could invite the Commission to explore a voluntary trusted-operator scheme for businesses that collect, sort and export used textiles to verifiable quality and transparency standards[87], modelled on the Authorised Economic Operator framework established under the Union Customs Code (EU regulation No 952/2013)[88]. Such a scheme could reward better sorting, record-keeping and destination tracking, while allowing consortium or group arrangements so that charities, social enterprises and smaller operators are not excluded. Parliament could also use its oversight role to request a periodic review of how EU sustainability, waste and trade rules interact in practice in the textile sector, with particular attention to potential inconsistencies affecting exporters and compliance costs.

Table 3. Recommendations summary

No.	Recommendation	Focus	Timing	Main EU instrument/ policy area
1	Protect EU clothing producers from unfair competition	New textiles	Immediate	Customs reform; trade-defence and safeguards
2	Use the Digital Product Passport as a stronger customs and compliance tool	New textiles	Medium	ESPR / Digital Product Passport
3	Manage Bangladesh's preference transition carefully	New textiles	Immediate	Revised GSP
4	Address buyer purchasing practices in trade and due diligence frameworks	New textiles	Medium	CSDDD guidance; TSD mechanisms
5	Introduce clearer customs categories for used textile exports	Used textiles	Medium	EU CN
6	Create a voluntary trusted-operator scheme for responsible exporters	Used textiles	Medium	EU customs and oversight mechanisms

Note: immediate (within 1-2 years), medium (3-5 years).

[87] J.-B. Bel, Recommendations and good practices for local used textile management, *Association for Cities and Regions for sustainable Resource management*, October 2023, p. 13; OECD, Extended Producer Responsibility: Updated Guidance for Efficient Waste Management, OECD Publishing, Paris, 2016; European Commission, Commission Staff Working Document – Impact Assessment Report accompanying the Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste, SWD(2023) 421, 5 July 2023, p. 19.

[88] European Parliament and Council, Regulation laying down the Union Customs Code, Official Journal of the European Union, L 269/1, 10 October 2013.

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