



New Tariffs, New Rules: Impact of Trump's Tariffs on Fashion

May 2025

Our expert's view of the impact of tariffs and geopolitics on the fashion industry

Executive summary

TRUMP POLICIES: AN OVERVIEW

Fashion is caught in the storm of Trump's tariffs, trade wars and geopolitics

Trump's policies rely on six key areas

The new US policies will impact both the domestic and global markets

Trump's agenda will have far-reaching effects on fashion, in the US and internationally

Trump's tariffs: Three pillars of impact on the fashion industry, in the US and globally

IMPACT ON US CONSUMERS

The import-driven fashion industry in the US will be particularly hit by the tariffs

Highly concentrated Asia-centric supply chains mean no easy low-tariff alternative

New tariffs will fuel higher COGS and likely result in higher retail prices

Portland Gear increases the price of its bags by 10%, in response to the new tariffs

Shein initially raised its prices as the minimis exemption ended in early May 2025

Shein announces price drops and a new shipping strategy amid the US-China tariff truce

Second-hand and repairs likely to emerge as viable alternatives to the primary market

IMPACT ON GLOBAL SUPPLY CHAINS

China is still the largest US trade partner for fashion, but its share has declined

The industry's concentrated sourcing footprint limits potential for rapid diversification

Latin American sourcing sounds attractive but faces capacity and resource constraints

Shein aims to build a manufacturing and export hub in Brazil by 2026

Diversification efforts mean movements within Asian nations and limited nearshoring

Mango's "twin-track" approach could become more prominent in the industry

adidas launches 3D Printed Climacool globally in May 2025

IMPACT ON GLOBAL RETAIL MARKETS

Escalating tensions with the US will force China to find new exports markets

Europe and key emerging economies: New focus for Chinese fashion exports?

Shein made its return to India in 2025 via a strategic partnership with Reliance Industries

Anta strengthens its position in the outdoor market with the acquisition of Jack Wolfskin

Apparel Group's expansion reflects the potential for Western brands in the GCC region

CONCLUSION

Key findings

How fashion businesses can build resilience in times of uncertainty

Evolution of the fashion industry: Global trade, business and consumer landscape

APPENDIX

Euromonitor Macro Model and Forecast Models

Macro Model Total Trump Agenda scenario: Assumptions and probability

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