Just Style

Features

What's next for apparel sourcing in 2026?

Apparel industry experts warn that tariffs and rising geopolitical pressure will force fashion brands to overhaul their sourcing plans in 2026, shifting from single-country production to diversified, multi-region strategies.

Isatou Ndure | December 16, 2025

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As tariff uncertainty and geopolitical risk mount, experts warn brands to start rethinking their sourcing footprints for 2026. Credit: tolgart/GettyImages.co.uk

In 2026, the calculus for apparel sourcing is fundamentally changing. The era when brands could simply chase the lowest Free On Board (FOB) prices in a single country is ending.

Instead, corporates are building supply chain strategies grounded in adaptation, flexibility, and the ability to pivot fast when tariffs or political upheavals strike.

In mid-2025, a sharp surge in footwear and clothing stockpiling in the US preceded consumer pullback, highlighting the broader risk that tariff uncertainty injects into demand cycles.

That sets a clear warning: sourcing strategies can no longer ignore geopolitical risk.

How can brands plan when tariffs shift overnight?

United States Fashion Industry Association (USFIA) president Julie Hughes exclusively tells Just Style: "While we hope 2026 will be different, we anticipate that fashion brands and retailers will continue to face uncertainty for sourcing to the US because of the Trump tariffs."

In May 2025, US President Donald Trump paused the 145% tariffs on Chinese goods for 90 days. By mid-August 2025, the tariff truce was extended until 10 November, with the US keeping a 30% tariff on Chinese imports and China maintaining 10% on US goods.

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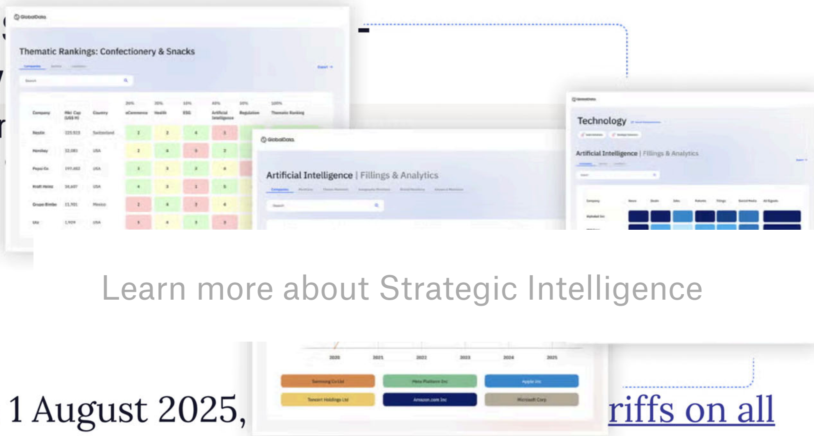

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On 1 August 2025, riffs on all countries, including major apparel sourcing nations such as Bangladesh, Pakistan, India, Cambodia, Indonesia, Myanmar, Vietnam, and Sri Lanka.

Weeks later, he agreed to reduce China tariffs by 10%, following a threat of 100% tariffs starting in November.

"Unpredictability will make it difficult for brands and retailers to be confident in their sourcing strategies since everything could be turned upside down by sudden changes in tariffs," adds Hughes.

She says that even if the Supreme Court blocks reciprocal tariffs, "the Administration says they will use other types of tariff measures... the threat of more tariffs remains a key risk for sourcing."

For brands that stockpiled in 2025 to bypass anticipated tariff increases, buffer capacity is limited, and the reprieve may be short-lived. Steve Lamar, president and CEO of the American Apparel & Footwear Association

(AAFA), warns: “We can’t rely on overstock forever. By Spring 2026, we’ll begin to feel the full weight of tariffs in the supply chain and unfortunately, that pressure risks trickling forward into higher prices.”

A study published earlier this year by digital wholesale platform Joor revealed that as many as [85% of fashion companies expect to raise retail prices to offset new US tariff costs]().

Some sourcing strategists are already rethinking assumptions about what defines “low cost.” Bob Antoshak, VP of strategic global sourcing and development at Grey Matter Concepts, argues: “Cheap on paper is now expensive once you price in the risk of waking up to a presidential tweet and a new duty line in the tariff schedule.”

He maintains that going into 2026, sourcing will no longer simply be about country cost hierarchy, but about how fast brands can move between options when politics, tariffs, or weather turn on them.

Adding to the uncertainty, Sheng Lu, professor and graduate director of fashion and apparel studies at the University of Delaware, notes an expectation across the board: “Almost all US apparel imports will be subject to higher tariffs in 2026.”

A consequence of this, explains Lu, is fewer options for fashion companies to use existing inventory to mitigate the effects and increased pressure to control their sourcing costs and protect their profit margins.

For supply chain teams, that means duty risk is now a baseline assumption, not a possibility.

Will 2026 be the end of single-hub sourcing?

In response to the rising level of risk in the apparel industry, brands and suppliers are switching to tiered sourcing portfolios, diversified, multi-region sourcing footprints that offer flexibility, resilience, and hedging against disruption.

According to Matt Lekstutis, director at global supply chain consultancy Efficio, brands have learned from 2025 that heavy dependence on China creates real concentration risk.

“Brands will increasingly adopt tiered sourcing portfolios: an Asian scale hub blending China with Vietnam, Bangladesh, India, and others… combined with nearshore options that can respond quickly to emerging trends,” says Lekstutis.

He predicts: “Mexico, Central America, Türkiye, and parts of Eastern Europe will show their value as a hedge against geopolitical exposure and as a shorter, more agile concept-to-customer supply chain.”

He believes that FOB cost alone will no longer suffice as 2026 will be the year consumers substantially raise the bar on values-based sourcing.

“Brands that cannot demonstrate credible ethical, sustainable, and traceable sourcing will lose consumer trust. Transparency is no longer a marketing angle – it’s an expectation.”

This trend has already started to take shape — particularly among major fashion companies such as H&M, Nike, Zara’s parent company Inditex and British retailer Marks & Spencer that are reallocating orders across multiple countries.

This trend is now accelerating as the US has reinstated the African Growth and Opportunities Act (AGOA) and the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act and the Haiti Economic Lift Program (HELP) programmes for another three years. This is important given both programmes directly support a more balanced and resilient sourcing footprint.

With duty-free access restored for key African and Haitian suppliers, brands are once again able to distribute production across multiple regions rather than leaning heavily on any single hub.

Some suppliers are capitalising on this shift in other continents. Sunil Daryanani, executive vice chairman at sustainable fashion company Epic Group, declares: “The era of single-country dominance is ending. South Asia will remain a powerhouse, but Southeast Asia and nearshore regions will grow to meet demands for speed and specialty products.”

His counterpart Dinesh G. Virwani notes: “Resilience and agility define tomorrow’s supply chains… digital dashboards will unify processes for operators and customers, while real-time data will prevent crises and boost efficiency.”

For brands, this means rethinking vendor relationships. Anurag Asthana, chief sales and marketing officer at Epic, says sourcing has transformed.

"Manufacturers now act as creative collaborators, advising on feasibility, fabrics, and trends." In other words, he says sourcing will become a dialogue, not a handoff with speed, principles, and partnerships being crown the winners.

Even for smaller fashion houses, flexibility is becoming a selling point. Stanley Szeto, executive chairman of apparel supply chain platform Lever Style Inc., expects brands selling into the US to prioritise short lead times and supply-chain agility in 2026, to pivot rapidly in response to new tariff policies.

"It's imperative that both brands and suppliers have multi-country production capabilities, with no single country taking up a disproportionate share. Risk mitigation is the name of the game," he advises.

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