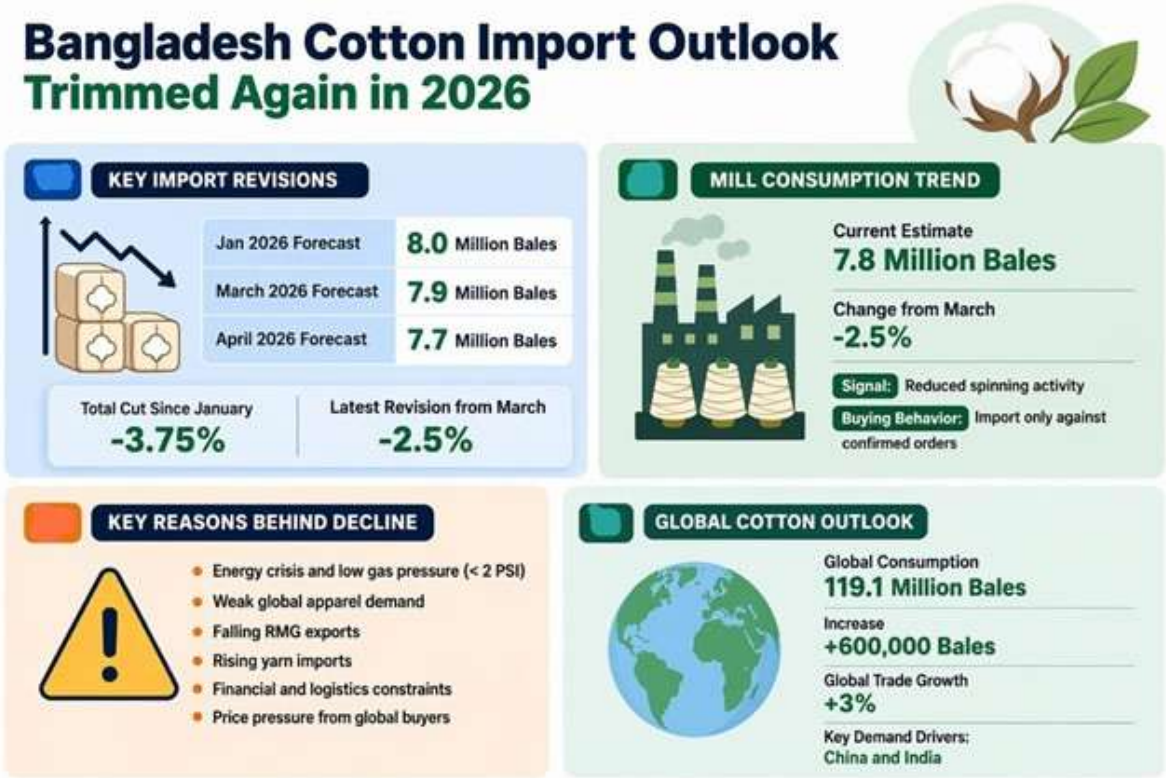


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USDA trims Bangladesh cotton imports for the third time in 2026

The United States Department of Agriculture (USDA) has once again lowered Bangladesh’s cotton import outlook for the marketing year 2025 to 2026. It signals a deeper slowdown in spinning activity across the country’s textile sector.



Caption

In its latest revision, Bangladesh’s cotton imports are now projected at 7.7 million bales, down 2.5 percent from the March estimate of 7.9 million bales. This marks the third consecutive downgrade since January, reflecting a steady weakening of mill demand rather than a temporary adjustment.

Despite the downward revision, Bangladesh remains one of the world’s leading cotton importers alongside Vietnam, together accounting for around 35 percent of global imports. This highlights the country’s continued strategic importance in the global textile supply chain, even as short-term challenges reshape demand patterns.

The repeated cuts in import forecasts send a clear signal that Bangladesh’s textile sector is navigating a period of adjustment. Recovery will depend on stabilizing energy supply, restoring export momentum, and improving financial liquidity across the value chain. Until then, cautious procurement and subdued spinning activity are likely to define the market outlook.

Industry insiders say the revision is not surprising. A combination of structural and short-term challenges is limiting production capacity. Energy shortages remain a critical bottleneck, with gas pressure in key industrial zones falling below optimal levels, forcing mills to operate below capacity.

At the same time, weaker global apparel demand continues to weigh heavily on Bangladesh's export-oriented industry. Ready-made garment exports declined by 5.5 percent year on year during July to March of the current marketing year, while knitwear exports, a major driver of cotton yarn consumption, fell 6.4 percent.

Another emerging factor is the rising inflow of imported yarn, which is reducing the need for domestic spinning. This shift indicates a growing imbalance in the value chain, in which downstream demand is increasingly met by imports rather than local production.

Financial and logistical constraints are adding further strain. Limited access to working capital and cautious banking practices are restricting import decisions, with many mills opting to purchase cotton only against confirmed export orders. Concerns over Bangladesh's upcoming graduation from least developed country status and the potential loss of trade preferences are also encouraging a more conservative approach.