

Textile Industry- New Export Opportunity for Mexico?

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THE INDUSTRY

According to Renub Research (n/d), textiles are flexible materials produced by interlacing (natural or man-made) fibers, yarns, or threads using techniques like weaving, knitting, or felting.

Image. Freepik, 2025.



Textiles are a central aspect of human existence, and their applications vary from fashion to industry.

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The global textile manufacturing market was valued at \$1.4602 trillion in 2024 and is estimated to grow to \$1.8276 trillion in 2029 (Technavio, 2024a).

There are two ways to segment the industry: according to the types of fibers used in final products or according to final use of products (Technavio, 2024a).

Based on the first of these, the industry is segmented into natural fibers (43.6%), polyester (25.4%), nylon (18.3%), and other

(12.7%). [See slide 2]. Natural fibers can be of animal or plant origin and include among others: cotton, silk, linen, wool, hemp, and jute. These fibers are used extensively to produce garments, apparel, construction materials, medical dressings, and automotive interiors. Polyester is a synthetic fabric that's usually derived from petroleum. It's commonly used in clothing, home furnishings like upholstery, tablecloths, and covers, in the automotive industry in seats, carpets, and other interior components,

and in the sportswear industry for outdoor clothing and activewear owing to its lightweight and moisture absorption properties. Nylon is a family of synthetic polymers known for their strength, elasticity, and resistance to wear and tear. Thanks to its characteristics, this kind of fiber is often used in textiles, clothing (activewear, swimwear), and industrial components (vehicle airbags and professional volleyball nets). The other segment consists of linen, lace, rayon, and spandex (Technavio, 2024a).



According to final use of product, the industry can be segmented into fashion (70.9%), technical (14.1%), household (10.5%), and others (4.4%). [See slide 3]. The fashion segment covers the design and production of apparel and fashion accessories for men, women, and children. Growth of this segment in the following years is attributed to increasing urbanization and rising middle-class income. The technical segment involves products that belong to parts and components from different industries like automotive, aerospace, medical (such as implants), and other uses. The household segment includes items like curtains, bed linen, and upholstery (Technavio, 2024a).

As reported by Technavio, textile manufacturing was concentrated in the Asia-Pacific region in 2024, with a share of 58.7%, followed by North Ameri-

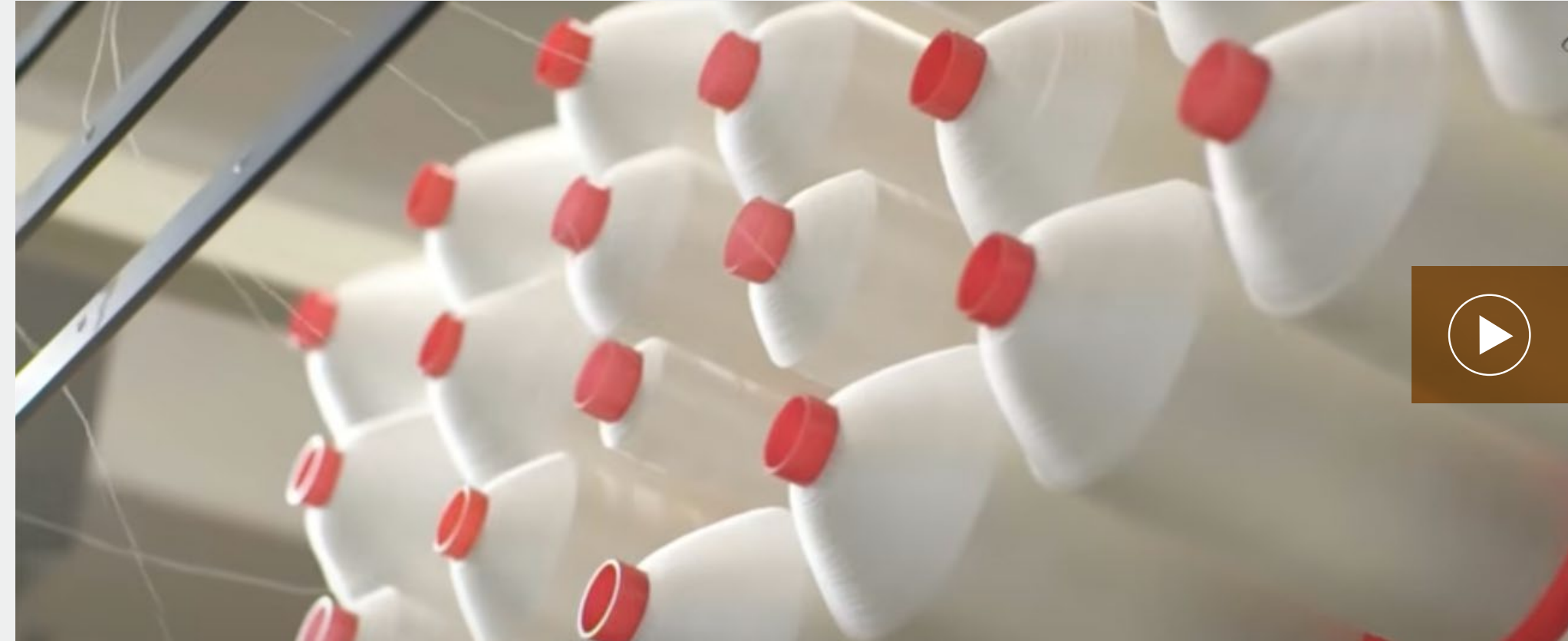


Image. **Textile Vlog, 2021.**

Video. **Complete Process of Textile Manufacturing Fiber to Complete Garments.**
Source. **Textile Vlog, 2021.**

ca (18.5%), Europe (14.5%), South America (4.7%), and the Middle East and Africa (3.7%). [See slide 4]. The Asia-Pacific region will be the only region where textile production is expected to increase in the following years, reaching a value of \$1.085 trillion in 2029. The high availability of low-cost labor, a rural population dependent on agriculture, and favorable climatic conditions in China, India, Japan, Pakistan, South Korea, and Bangladesh

keep Asia in the lead for global textile manufacturing. In North America, quality craftsmanship, innovative designs, and adherence to high standards, together with a shift towards sustainability, significantly contribute to the growth of the textile manufacturing market. On the other hand, the growth in the European market is mainly attributed to the introduction of automation to the manufacturing sector (Technavio, 2024a).

FOREIGN TRADE

In 2023, foreign trade of textiles reached 807 billion US dollars, accounting for 3.57% of global trade. 67% of the world's textile exports come from Asian countries, while 41% of imports go to European ones.

China was the top exporter of textiles in 2023, with total exports of 261 billion dollars. Other leading exporters were Bangladesh, Vietnam, Turkey, and India, whose exports reached \$48.9, \$42.1, \$38.6, and \$37.5 billion dollars, respectively. For countries like Cambodia, Burma, Bangladesh, Nepal, and Sri Lanka in Asia, and Haiti, Honduras, Nicaragua, and El Salvador in Central America and the Caribbean, the textile industry is considered their main export sector. The main importing countries were the United States, whose total imports accounted

Among the most traded textile products in the world are non-knit women's and men's suits, knit sweaters and t-shirts, knit women's suits, light rubberized knitted fabric, synthetic filament yarn woven fabric, and household linens (OEC, 2023). [See slide 6].

Image. Freepik, 2025.

for \$122 billion dollars, followed by Germany, France, Japan, and Italy, whose imports reached \$54, \$33.4, \$32.4, and \$30 billion dollars, respectively. [See slide 5].

INDUSTRY DRIVERS AND CHALLENGES

There are some drivers which influence the development of this industry. The first is related to growing demand for textiles in the automotive industry. This sector uses textile materials to produce components such as composites, sound insulation, and vibration control used in interiors, along with carpets, mats, upholsteries, preassembly interior components, and seatbelts. Technical textiles are also used in engine components such as hoses, belts, air filters, and fluid filters. Increasing focus on eco-friendly practices in the manufacturing process will also influence the sector in the following years.



Growing consumer awareness of environmental protection will force manufacturers to use advanced dyeing machines with eco-friendly dyeing alongside new procedures.

Finally, clients are boosting the industry's relevance by prioritizing the exclusivity of textile products through well-positioned brands like H&M, GAP, Zara, Kering, and LVMH, associating them with prestige, quality, and fashion. Rising purchases of clothing from these brands are promoting the sector's growth, especially those pertaining to natural fibers (Technavio, 2024a).

On the other hand, high initial capital investment in installing modern textile machinery like computerized knitting machines, automated looms, or digital prin-

ting equipment adversely affects small and medium-sized companies, which have limited access to financial resources. Also, the price volatility of raw materials affects the sector's growth.

Synthetic fibers, for example, are made from petroleum-based polymers. As the price of crude oil is highly susceptible to changes in the global economic environment, fluctuations in its prices affect the prices of synthetic fibers. Similarly, the long replacement cycle for products in this industry affects the sector's growth (Technavio, 2024a).

Growing awareness of sustainability and trends toward the application of the circular economy by both companies and consumers are increasing the importance of recycling both raw materials and fi-

nished products in this industry. Recycling involves converting textile waste into new products, such as yarns, fabrics, and other materials with commercial value which can be reused in the production of new textiles. AI helps in this process by identifying and separating different types of textile waste to produce new fabrics, or by helping circular fashion extend the life cycle of garments to reduce the environmental impact of textile production.

Many manufacturers now use sustainable materials such as organic cotton, recycled polyester, and bamboo, which have a lower environmental impact compared to conventional textile materials. Other initiatives include recycling programs for old clothes that can be recycled to make insulation for buildings, soundproofing materials, and other products (Technavio, 2024b).



THE TEXTILE INDUSTRY IN MEXICO

The textile industry in Mexico covers the manufacture of textile inputs and textile finishing, the manufacture of products, and the manufacture of apparel (INEGI, 2024). This sector accounted for 3.8% of Mexico's manufacturing sector in 2023. The apparel manufacturing subsector is the most important, creating 58.5% of the sector's GDP (INEGI, 2024).

At the beginning of the 20th century, the industry underwent a period of modernization, becoming one of the most significant branches of the Mexican economy (PHLOX, 2023). During the years 1995-2000, Mexico's textile industry reached its highest point, with the industry's GDP growing at an annual rate of 6.5%. Since 2000, after China's entry into the WTO, the

GDP for textiles has declined, falling to its lowest level in 2020, the year in which the COVID-19 pandemic worsened the situation (INEGI, 2024).

The Mexican textile industry is highly intertwined with national industry. On average, for every 100 pesos of input used, 55.5 pesos came from domestic sources. In the apparel subsector, this total increases to 68.9%. Despite the decline in textile production in Mexico, the number of companies in the sector increased from just under 40,000 in 2003 to 102,500 in 2023. It is worth noting that most of those companies (95.6%) are micro-sized, employing 10 people or fewer. Only 0.3% of the sector's companies are considered large, employing more than 250 people. [See slide 7] (INEGI, 2024). Key



Image: azerbaijan_stockers in Freepik, 2025.

Mexico's textile industry is one of the oldest. Its origins date back to the pre-Hispanic era, when both the Maya and Aztecs used cotton and maguey fibers to weave clothing, blankets, and other textiles.

textile industry companies include: Aztlán Textile SA de CV, Parkdale, Incorporated, Citosa Textiles SA de CV, CS Tech Contract Manufacturing, Novalan, S.A. de C.V., GRUPO TEXTIL ALTEX, S.A. DE C.V., TURBO YARN SA DE CV, Cottonella, TEXPERT, SA de CV, and Anglés Textil S.A. (EMR, s/f).

In the textile inputs and finishes sub-sector, the three most important products are finished cotton denim fabrics, soft fiber blend yarns (mainly cotton), and plastic coated and waterproofed fabrics. Raffia and burlap sacks, quilts, and raffia container bags are products that lead the textile products subsector, while standing out in the clothing subsector are uniforms, cotton t-shirts, panties, and similar items (INEGI, 2024). Other important products in the Mexican textile industry include bedding, towels, sportswear, workwear, and jeans. Mexican textile production (65%) is concentrated in 6 states: State of Mexico, Puebla, Mexico City, Hidalgo, Guanajuato, and Coahuila. However, around 64% of textile companies are located in Oaxaca, Yucatán, Guerrero, Puebla, and State of Mexico (INEGI, 2024). [See slide 8].

Image: Photogenia in Freepik, 2025.



In 2020, Mexico produced 350 million pairs of jeans, accounting for 12% of global production of this product (PHLOX, 2023).

The textile industry's share of Mexico's manufacturing exports has varied over time: in NAFTA's early years, it reached 5.6%, achieving its highest share at 8.4% in the years 1997-2000, and falling to around 2% from 2015 onwards. In the last 3 years, the share has remained at 1.8%. [See slide 9]. Since 2006, the textile and clothing industry has had a negative trade balance, standing at \$4 billion in 2023. Of the total \$9.3 billion of textile sector exports in 2023,

22.7% were textile products and 77.3% were clothing products. The U.S. market has accounted for an average of 88.5% of Mexican textile exports over the past 20 years. In 2023, that total reached 89.4%. Much less significant amounts (around 1% for each market) were exported to El Salvador, Canada, Nicaragua, and Guatemala. Mexican exports are dominated by pants (especially jeans), towels, and t-shirts. In the same year, of the \$13.3 billion in imported textile products, 45.2% were textile products and 54.8% were clothing products. Textile and clothing imports to Mexico are slightly more diversified: 35.4% come from China, 24.6% from the US, 5.1% from Vietnam, 4.5% from Bangladesh, 3.6% from India, and 2.0% from Turkey and Cambodia (INEGI, 2024). Among the key imported products, we can name knitted and woven garments, household textiles, and yarn. (Beucher, 2023).

THE DECISION

The Mexican textile industry stands at a crossroads: legal or illegal entry of products from countries with very low labor costs is seriously hitting the industry but nearshoring offers opportunities to increase exports.

Several factors can drive the development of industry in the country, such as increasing application in the automotive industry, rapid urbanization and population growth, and growing demand for domestic textiles. To improve their competitiveness, textile companies are integrating modern technologies, such as digitization in production, design, and management, or implementing advanced manufacturing technologies such as 3D printing and smart textiles (EMR, s/f). The Mexican

government has also aided the industry. According to Plan Mexico, \$2.8 billion is expected to be invested in the industry between 2024 and 2030. B2B meetings were organized between companies in the textile sector and the automotive industry to supply technical textiles, and the tourism industry for the manufacture of sheets and towels.

The government sector will also provide support by purchasing uniforms and other textiles from Mexican manufacturers. This plan also includes reducing dependence on imports and combating unfair competition, especially from China. To protect the industry, the decree of December 6, 2024, introduces 35% tariffs on 138 tariff items covering clothing and 15% tariffs on 17 ta-

riff items covering textile products. These tariffs are implemented for products from countries that do not have trade agreements with Mexico and are temporary (effective until April 2026) (EMR, s/f). It is expected that these measures will increase national content in exports from 36% to 40% (Mares, 2025).

What are the Mexican textile industry's competitive advantages?

Can the Mexican textile industry be considered internationally competitive?

Are there any kind of textile products other than the leading Mexican textile exports on which Mexico should concentrate in future?

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