INDIA FASHION ICON MAGAZINE

Sri Lanka’s Garment Surge 9% in First 8 Months of 2025

Published on 05 Sep 2025 | By IFI Correspondent

Sri Lanka’s apparel industry continues to display remarkable resilience—garment exports rose impressively by **9%**, reaching **$2.85 billion** in the seven-month window from January to July 2025, compared to the same period last year.

Growth Drivers & Trends

- **Steady Demand Across Months**
  The increase underscores sustained international appetite for Sri Lankan apparel, especially from traditional markets like the EU and UK. By June, half-year apparel exports had already reached **$2.46 billion**, up 8.95% from 2024 .
- **July Momentum**
  In July 2025 alone, garment exports rose nearly **9.84% year-on-year**, with the monthly value clocking in at **$455.16 million**.
- **Textile Exports Slightly Softened**
  While garment exports gained traction, the broader textile category recorded a **4.8% decline**, indicating export focus is driven mainly by apparel
- **Sector Snapshot**
  Garments remain a powerhouse—accounting for over **52% of Sri Lanka’s total export earnings** and nearly **half of merchandise export value** overall .

Challenges on the Horizon

Despite this positive trajectory, the sector faces increasing headwinds from global trade shifts.

- **US Tariff Pressure**
  Starting August 2025, Sri Lanka faces a hefty **30% tariff on apparel exports to the U.S.**, raising alarm about falling competitiveness against markets like Vietnam with lower rates .
- **Broader Export Risk**
  Analysts warn that continued U.S. tariff hikes could erode export earnings by up to **$290 million**, hitting employment and economic stability.

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