Clothing Input Costs: Fibre Eases, Freight Stays High but Flat, Wages and the Euro Push Up

How to test clothing supplier cost claims · Buyer briefing

SUBJECT	GEOGRAPHY	TIMEFRAME	CONFIDENCE
Clothing (apparel) input costs	Europe (EU buyers) · Asian sourcing	Markets to 9 Nov 2026 · periods stated per figure	Medium

This briefing covers the main costs behind a garment's purchase price: cotton, polyester, viscose, ocean freight, the euro–dollar rate and factory wages. Each section answers three separate questions: what the market did (verified from a named source), what that could mean for a supplier's cost (an estimate), and when a price adjustment is justified (only with the supplier's own evidence). Every change is shown with its start date, end date and benchmark. Compare each price only with itself over time.

Market direction: Easing = prices falling · Stable = little change · Tightening = prices rising · Mixed = forces pull both ways · Unclear = not enough evidence yet.
Confidence is rated twice: **Market data** = how sure we are of the observed price; **Supplier effect** = how sure we are of what it means for a supplier's cost. High = several sources agree · Medium = reliable, some uncertainty · Watch = early signal only.

> **Bottom line.** Recent market moves give no basis for new fibre surcharges: cotton futures barely moved in the month to 6 November, and polyester's main feedstock fell sharply in the week to 4 November. Freight is far above a year ago but has stopped rising, the euro is weaker against the dollar, and minimum wages are rising in Vietnam and Cambodia from January 2027. These can justify an adjustment only where a supplier shows an extra cost that is not already in the agreed price. Do not accept blanket surcharges. Require the relevant benchmark, procurement dates, actual cost exposure and evidence that the increase is not already included in the agreed price.

1. Executive summary

- **Cotton futures barely moved over the month.** MARKET DATA: HIGH ICE December cotton was 78.71 cents/lb on 5 November. On Trading Economics' continuous cotton series, prices fell 1.2% in the month to 6 November and are 24% above a year earlier. USDA's spot cotton average is 19% above a year earlier.
- **Polyester feedstock fell sharply in one week; the effect on fibre is unconfirmed.** MARKET DATA: MEDIUM Paraxylene fell 9.1% in the week to 4 November, to $1,265/t. We have no current polyester fibre or yarn price.
- **Freight is high but no longer rising.** MARKET DATA: HIGH Shanghai–Rotterdam was $3,615 per 40ft container on 5 November, down 2% on the week and 84% above the same week a year earlier.
- **A dollar invoice costs about 3.5% more in euros than a year ago.** MARKET DATA: MEDIUM EUR/USD was about 1.115 on 6 November 2026, against 1.1545 on 6 November 2025. This affects buyers paying in dollars directly; it affects a supplier only if its own costs and prices are in different currencies.
- **Legal minimum wages are rising.** MARKET DATA: HIGH Vietnam's regional minimum wages rise by 7.8% on average from 1 January 2027, after 7.2% in January 2026. Cambodia's garment minimum goes from $210 to $212 a month in 2027. Bangladesh formed a wage board on 1 November after protests.

2. Main indicators

COTTON · ICE Dec 2026 (US cents/lb)

78.71

5 Nov · March 2027: 82.55

US SPOT COTTON · 7-market average (US cents/lb)

73.36

Week to 5 Nov 2026 · 61.43 a year earlier

PARAXYLENE · CFR China ($/t)

1,265

4 Nov · −9.1% in the week to 4 Nov

CRUDE OIL · Brent Jan 2027 futures ($/bbl)

94.62

Early Nov · first time below 100 since 22 Sep

OCEAN FREIGHT · Shanghai–Rotterdam ($/40ft)

3,615

5 Nov 2026 · 1,962 on 6 Nov 2025

OCEAN FREIGHT · Shanghai–Genoa ($/40ft)

4,166

5 Nov 2026 · 2,111 on 6 Nov 2025

EURO · US dollars per euro

1.115

6 Nov 2026 · 1.1545 on 6 Nov 2025

VIETNAM WAGES · Region I minimum (VND m/month)

5.70

From 1 Jan 2027 · 5.31 in 2026

Cotton and freight are weekly assessments; paraxylene is a daily assessment. Both euro rates are market quotes taken during the trading day, not official ECB reference rates. All comparison dates and calculations are in Appendix B.

3. What is driving costs

OIL AND SHIPPING

Brent spot averaged $116.8/bbl in September (World Bank). In early November, January Brent futures fell below $100 for the first time since 22 September, to $94.62 (OPIS). That pulled down paraxylene, the main raw material for polyester. On shipping, Drewry says about 60% of Asia–Europe capacity now uses the Suez Canal route (5 November commentary; Drewry does not say whether this counts deployed capacity, scheduled sailings or transits). Drewry warns the return to Suez could make ships arrive in bunches and congest European ports.

WHERE EUROPE BUYS

Eurostat data released on 16 October, as reported by Bangladesh Textile Journal, put EU apparel imports at €60.28 billion in January–August 2026, 3.8% less than a year earlier. China fell 2.4%, Bangladesh 11.7%, Türkiye 11.0% and India 10.8%; Vietnam rose 4.5%. These are import values only: they do not show whether volumes or prices changed.

LABOUR

Bangladesh's garment minimum wage is 12,500 taka (about $102) a month, set in December 2023, and inflation was 8.34% in September. After protests disrupted 529 factories, the government announced a six-member wage board on 1 November. A workers' representative on the board wants new rates from January 2027 salaries. Vietnam and Cambodia have already set their 2027 minimum wages (section 4.6).

REGULATION AHEAD

EU countries must set up producer-pays schemes for textile waste by 17 April 2028, covering importers and online sellers (Directive (EU) 2025/1892). The Forced Labour Regulation applies from 14 December 2027. These future deadlines do not, on their own, justify a blanket surcharge today. Some member states already run national textile schemes, and their fees can be a current cost where you sell.

4. Cost by cost

4.1 Cotton

STABLE | MARKET DATA: HIGH | SUPPLIER EFFECT: MEDIUM

Market. ICE December cotton was 78.71 cents/lb and March 82.55 cents on 5 November (USDA). On Trading Economics' continuous cotton series (front-month ICE cotton; the rollover method is not published), prices fell 1.2% in the month to 6 November and were 24% above a year earlier. USDA's 7-market spot average, a different series, was 73.36 cents in the week to 5 November against 61.43 a year earlier (+19%). The US harvest is ahead of normal, China's cotton imports fell 42.6% in September, and Brazil expects to ship about 3.4 Mt.

Supplier effect. Cotton bought in recent months cost more than a year ago. The market gives no support for a new increase over the month to 6 November.

Test: ask for the cotton or yarn purchase dates and prices, the cotton share of garment cost, and the cotton price already built into the current agreed price.

4.2 Polyester feedstock (paraxylene) EASING MARKET DATA: MEDIUM

Market. Paraxylene fell 9.1% in the week to 4 November, to $1,265/t CFR China, a seven-week low (OPIS). China's polyester capacity reached 92.84 Mt a year in October, and plants were running below last year's rates.

4.3 Polyester fibre and yarn UNCLEAR SUPPLIER EFFECT: WATCH

Market. Upstream feedstock pressure is easing; the effect on polyester fibre and yarn remains unconfirmed. Our latest fibre evidence is from September, when fibre prices were rising on feedstock costs while textile demand was weak and margins were thin.
Test: ask suppliers for the fibre or yarn price, its source and purchase date. Do not accept or reject a polyester claim on feedstock prices alone.

4.4 Viscose UNCLEAR MARKET DATA: WATCH

Market. We found no current viscose price.
Test: ask for the fibre price, its source and the purchase date.

4.5 Ocean freight MIXED MARKET DATA: HIGH SUPPLIER EFFECT: MEDIUM

Market. On Drewry's World Container Index, Shanghai–Rotterdam was $3,615 per 40ft container on 5 November 2026 (down 2% on the week) and Shanghai–Genoa $4,166 (stable). On 6 November 2025 they were $1,962 and $2,111. Drewry expects Asia–Europe rates to stay stable next week and doubts carriers' mid-November increases will hold.
Supplier effect. These are spot rates. A supplier on contract rates, or shipping on FOB terms where you pay freight, may have no extra freight cost at all.
Test: an adjustment needs the actual extra freight cost compared with the freight allowance already in the price. Ask for the origin and destination, shipment dates, spot or contract rate, delivery terms, container fill and the freight cost per garment.

4.6 Euro–dollar rate TIGHTENING MARKET DATA: MEDIUM SUPPLIER EFFECT: MEDIUM

Market. EUR/USD was about 1.115 on 6 November 2026 and 1.1545 on 6 November 2025. A euro now buys 3.4% fewer dollars, so a fixed dollar invoice costs about 3.5% more in euros (1.1545 ÷ 1.115 − 1).
Who bears it. *Buyer:* on dollar invoices, you carry the conversion cost yourself. *Supplier:* only exposed if it buys in one currency and sells to you in another, for example buying fabric in dollars and quoting you in euros.
Test: for euro quotes, ask for the baseline exchange rate in the current price, the current rate, the share of cost bought in dollars, any hedging, and any currency clause already in the contract. Count the currency effect once.

4.7 Factory wages TIGHTENING MARKET DATA: HIGH SUPPLIER EFFECT: MEDIUM

Market. *Vietnam, current:* regional monthly minima of VND 5.31m, 4.73m, 4.14m and 3.70m (Regions I–IV) since 1 January 2026, an average rise of 7.2% (Decree 293/2025/ND-CP). *Vietnam, announced:* VND 5.70m, 5.08m, 4.45m and 4.04m from 1 January 2027, an average rise of 7.8% (Decree 399/2026/ND-CP, signed 2 November 2026). *Cambodia:* $210 a month in 2026 and $212 in 2027 for garment, textile, footwear and travel-goods workers (approved 30 September 2026). *Bangladesh:* 12,500 taka a month; wage board formed 1 November; workers demand 30,000 taka.
Supplier effect. A minimum-wage change raises a factory's cost only for workers paid near the minimum, plus related employer contributions.
Test: ask for the factory's actual wage change, the number of workers affected, employer contributions, labour minutes per garment and the Vietnamese region. Deduct any increase already included in current pricing. For Bangladesh, wait for the board's decision.

5. Claims and the evidence needed

Supplier claim	What the market shows	Before any adjustment, the supplier must show
"Cotton costs more"	Little change over the month to 6 Nov; above a year ago	Purchase dates and prices; cotton share of cost; cotton price already in the agreed price
"Polyester costs more"	Feedstock down sharply in the week to 4 Nov; fibre price unconfirmed	Fibre or yarn price, source and purchase date

Supplier claim	What the market shows	Before any adjustment, the supplier must show
"Freight costs more"	Spot rates 84–97% above the same week last year; flat to lower now	Actual extra freight cost per garment against the current freight allowance; delivery terms; contract or spot rate
"The euro is weaker"	A dollar invoice costs about 3.5% more in euros than a year ago	Own currency exposure: baseline rate, share of cost in dollars, hedging, existing currency clauses
"Wages are rising"	Vietnam and Cambodia 2027 minimums set; Bangladesh under review	Factory wage change, workers affected, contributions, labour minutes; increases already priced in
"EPR or compliance costs"	EU-wide schemes due by April 2028; some national schemes exist now	Itemised fees for the countries where you sell

6. How to test a clothing cost claim

No double counting: check first

- What allowance for each cost is already in the agreed price
- Earlier adjustments granted for the same cost
- Contract terms, including any index or currency clause
- Stock and materials already bought at earlier prices
- Fixed-price purchase contracts and hedges

No adjustment should be accepted only because a benchmark is higher than a year ago.

If you agree an index clause

- Name the benchmark for each input (for example ICE cotton, Drewry Shanghai–Rotterdam)
- Agree a base date and the baseline cost share
- Apply the same rule to rises and falls
- Fix review dates, such as each season
- Set one exchange-rate rule

Estimated contribution to total unit-cost change (%) = baseline cost share × exposed share × relevant input-price change (%)

Exposed share = the part of that input not already fixed through stock, purchase contracts or hedging. **Worked example (example figures only):** garment cost €10.00; freight is 4% of cost (€0.40); half of freight is on fixed contract rates, so the exposed share is 50%; the relevant freight rate is 10% above the allowance in the price. Contribution = 4% × 50% × 10% = 0.2% of unit cost = €0.02 per garment. The result is a change in the supplier's estimated cost; the purchase price also depends on its other costs, margin and contract terms.

7. Risks and mitigation

Risk	What to watch	What to do
Bangladesh wage rise and unrest	Wage board decision; further protests and disruption	Ask suppliers for factory-level labour costs; check delivery buffers
Confirmed 2027 wage rises	Vietnam (by region) and Cambodia from 1 January 2027	Assess factory by factory, net of increases already priced in
Freight swings	Suez return, port congestion in Europe, Hormuz	Review freight monthly; tie any surcharge to actual shipments
Oil rebounds	Middle East talks; Brent back above $100	Index polyester to a named fibre benchmark, both ways
Euro weakens further	ECB decision in December; US data	Agree one exchange-rate rule; consider hedging dollar purchases
Upcoming EU rules	National EPR laws by June 2027; Forced Labour Regulation from December 2027	Start traceability checks; pay only itemised fees

8. Confidence, data gaps and open items

Market data, high: cotton futures and spot, freight, legal minimum wages. **Market data, medium:** paraxylene (one source), euro rates (market quotes, not ECB reference rates). **Supplier effect:** medium at best for every cost, because it depends on each supplier's contracts, stock and cost structure. **Watch:** polyester fibre, viscose, the Bangladesh wage outcome.

Unresolved before negotiation use: (1) The EU import figures cannot yet be reproduced: the source does not name the Eurostat dataset, the product codes or whether the data covers imports from outside the EU only. Use them as background only. (2) The year-on-year euro change uses market quotes taken at different times of day; official ECB reference rates should replace them. (3) No current price for polyester fibre, yarn or viscose. (4) The Trading Economics cotton series does not publish its contract rollover method.

Appendix A. Benchmarks and sources

Indicator	Series, basis and unit	Observation	Date	Source
Cotton futures	ICE Cotton No. 2 · Dec 2026, Mar 2027 · US c/lb	Weekly report levels	5 Nov 2026	USDA AMS, Weekly Cotton Market Review, 6 Nov 2026
US spot cotton	7-market average, grade 41-4-34 · US c/lb	Weekly average	Week to 5 Nov 2026; year earlier	USDA AMS, 6 Nov 2026
Cotton, monthly and yearly change	Trading Economics "Cotton" continuous series, front-month ICE · US c/lb	Daily; rollover method not published	6 Nov 2026	Trading Economics, Cotton page, updated 8 Nov 2026
Paraxylene	CFR China · $/t	Daily assessment	4 Nov 2026	OPIS, "Asia PX-naphtha spread narrows in November", 5 Nov 2026
Brent	Jan 2027 futures · $/bbl	Futures price	Early Nov 2026	OPIS, 5 Nov 2026
Brent	Spot, monthly average · $/bbl	Monthly average	Sep 2026	World Bank Pink Sheet, 2 Oct 2026
Polyester fibre	PSF FOB Shanghai · direction only	Market report	Sep 2026	ChemAnalyst, 24 Sep 2026
Ocean freight, current	Drewry WCI · Shanghai–Rotterdam, Shanghai–Genoa · $/40ft	Weekly spot assessment (Thursday)	5 Nov 2026	Drewry WCI page, 5 Nov 2026
Ocean freight, year ago	Same series and lanes	Weekly spot assessment (Thursday)	6 Nov 2025	Cyprus Shipping News, 12 Nov 2025, reporting Drewry WCI
Suez share	Share of Asia–Europe capacity using Suez · %	Drewry commentary; measure not defined	5 Nov 2026	Drewry WCI page, 5 Nov 2026
Euro, current	EUR/USD spot · USD per EUR	Intraday quote, 16:12	6 Nov 2026	XTB, "EURUSD loses 0.6%", 6 Nov 2026
Euro, year ago	EUR/USD spot · USD per EUR	Late-session quote	6 Nov 2025	FXStreet, "EUR/USD climbs as weak US jobs data fuels Fed cut bets", 6 Nov 2025
Bangladesh wages	Garment minimum wage · taka/month; wage board	Policy	Dec 2023; 1 Nov 2026	Al Jazeera, 1 Nov and 3 Nov 2026
Vietnam wages	Regional minimum, Regions I–IV · VND/month	Decrees 293/2025/ND-CP and 399/2026/ND-CP	From 1 Jan 2026; from 1 Jan 2027	Vietnam Briefing, Nov 2026; Vietnam News Agency
Cambodia wages	Garment, textile, footwear, travel goods · $/month	Policy	2026; 2027	The Star, 17 Sep 2025 and 30 Sep 2026; CambojaNews, 30 Sep 2026
EU apparel imports	Value · € · Jan–Aug; dataset, product codes and partner scope not stated	Trade data	Released 16 Oct 2026	Eurostat, as reported by Bangladesh Textile Journal, 18 Oct 2026
Textile EPR	Directive (EU) 2025/1892	Law	17 Jun 2027; 17 Apr 2028	VdA Legal Partners
Forced labour	Regulation (EU) 2024/3015	Law	14 Dec 2027	European Commission, Forced Labour Regulation page

Appendix B. Calculations

Figure	Calculation	Result
Shanghai–Rotterdam, year on year	3,615 (5 Nov 2026) ÷ 1,962 (6 Nov 2025) − 1	+84%
Shanghai–Genoa, year on year	4,166 ÷ 2,111 − 1	+97%
US spot cotton, year on year	73.36 ÷ 61.43 − 1	+19%
Dollars per euro, year on year	1.115 ÷ 1.1545 − 1	−3.4%
Euro cost of a fixed dollar invoice	1.1545 ÷ 1.115 − 1	+3.5%
EU apparel imports, Jan–Aug	60.28 ÷ 62.69 − 1 (as reported)	−3.8%
Worked example (section 6)	4% × 50% × 10% × €10.00	0.2%; €0.02

Links between prices and oil, tariffs or policy are the named sources' interpretations.