

How to Test Whether a Second Country Can Make Your Product Under China+1

SourcingFrom

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China+1 works product by product, not country by country. This guide gives seven tests that start with your product and market: capability in your own customs data, input sources, duty on both sides, origin rules, lead time by leg, real landed cost and a pilot order. India is the worked example.

The Short Version

- Check capability in your own country's import data at the four-digit heading, using 2019 as the base year.
- Ask in the RFQ where the fabric, yarn, chips or sub-assemblies come from, because inputs decide resilience and FTA rates.
- A duty cut alone does not move trade. Under ECTA, India's share of Australia's non-fuel imports went from 1.93% to 1.97%.
- On a plain cotton tee, India is dearer than China into the US but far cheaper into Australia.
- Prove it with one SKU pilot run alongside China, with the scorecard written before you order.

The week US tariffs on China jumped in April 2025, an Amazon seller posted something we keep coming back to. "The professionalism and on time performance is unmatched on the Chinese end," they wrote. "In the meanwhile, we've shifted to Indian suppliers for some of our goods" ([r/FulfillmentByAmazon, 10 April 2025](#)). Not all of their goods. Some, and they still rated China higher.



That one comment holds the whole China+1 problem. Most plans start with a country and work backwards to the product, which is the wrong way round. This guide gives you seven tests that start with your product and your market, so you know whether a second country can make it, what it costs you landed, and how to prove it with one small order. India is our worked example because we've pulled the trade data for it. The honest caveat - we won't rank countries. The method works the same for Viet Nam, Mexico or Türkiye, and the answer changes with the product.

1. Check Capability in Your Own Customs Data

Every "country X is the new China" article skips the one free, neutral source that answers the question. Every importing country reports what it bought, from whom, by HS code, and UN Comtrade publishes it. Used to study the exporter, that's called mirror data.

Set the reporter to your country, not the candidate. Your customs records the country of origin, while the exporter's records only show where goods were sent. Switzerland recorded 13.6 times more Indian woven apparel in 2025 than India recorded shipping to Switzerland, because most of it came through EU distributors (our analysis of UN Comtrade, 2025). Read India's export figures alone and you'd miss nearly all of it.

Then go to the four-digit heading, because chapter shares mislead. At chapter level (HS 63, home textiles) India is the UK's third supplier and Pakistan its second. At the heading for bed and bath linen, 6302, Pakistan is first with 53.6% of UK imports (UN Comtrade, 2025). Same data, different rival. And use 2019 as your base year, never 2020. With a 2020 base, India's share of EU home-textile imports looks like it rose 7.2 points, because PPE swelled the 2020 figures. From 2019 it fell 0.25 points (our Eurostat analysis).



What does a real shift look like? Smartphones are the clearest case. India supplied US\$74 million of US smartphone imports in 2019 and 42.3% of them in 2025, worth US\$22.1 billion (UN Comtrade). In castings India is already the top supplier to the US at 42.8% (UN Comtrade, 2025). If your product shows numbers like that then capability is proven and your question is which supplier. If the candidate has under 1% of your market then you're the pioneer, and pioneers pay for the learning. India's share of chip and computer imports into the US, UK, Australia and the EU is 0.3% or less (UN Comtrade, 2025), so anyone promising you an Indian semiconductor supply chain this year is selling something.

2. Map Where the Inputs Come From

A country can assemble your product and still depend on China for what goes into it. That matters twice – it sets how resilient your new supply really is, and in step 4 it decides whether you get a trade-agreement rate. So list the bill of materials and ask, for each big input, whether it's made in the candidate country in enough volume.

For India the answers are mixed, and we'd rather say so plainly. Cotton is strong. India grew 23.8 million bales in 2025/26, second only to China ([USDA ERS, 13 April 2026](#)), so a cotton garment can go from fibre to finished piece inside one country. Even here there's a wrinkle, though, because Indian mills use 25.5 million bales and imports rose 38% to 4.2 million (same USDA source). Synthetics are thin. Man-made-fibre textile exports were US\$4.83 billion in FY2025–26 against US\$11.59 billion for cotton ([PIB annexure](#)), so a polyester-led product often runs on imported fabric.

Metal parts are strong, with the machines imported. Engineering goods are India's largest export group at US\$122.4 billion, 27.7% of merchandise exports in FY2025–26 ([EEPC India](#)), while about 59% of the machine tools India uses are imported ([IMTMA via IPF Online](#), Reported). That doesn't weaken the part you buy, but a new line can take longer to stand up than in

Guangdong. Electronics are assembly-led, with about 18 to 20% domestic value added in phones (ICEA and industry via Business Today, Reported).



The cheap test is one line in your RFQ asking where the fabric, yarn, chips or sub-assemblies come from. UK and US buyers on forums warn that some Indian goods carry Chinese cotton or components nobody mentioned (buyers and agents, 2023 to 2026). A supplier who answers that line clearly is telling you something good about themselves. The fibre-to-garment paper trail is its own topic, covered in cotton traceability.

3. Work Out the Duty on Both Sides

Duty is usually why a China+1 project starts, and it's where most spreadsheets go wrong. Run the method in working out the real import duty twice, once for China and once for the candidate, on the same national tariff line into the same market.

Trade agreements cut both ways. New Zealand gave all imports from China tariff-free eligibility by 2021 ([MFAT](#)). So for a New Zealand buyer, moving to India saved nothing on duty until the India FTA started on 20 October 2026, and since then it's parity, not a saving.

In the US the origin duties now differ by country. Since 24 July 2026 goods of China pay the normal rate plus 12.5% and goods of India plus 10% under the forced-labour Section 301 action ([91 FR 47318](#), [CBP guidance](#)).

Bangladesh, Pakistan, Mexico, [Indonesia](#), Cambodia and the UK sit in the same 10% group, so against India's real rivals the edge is often zero. China also carries the older 301 lists at an extra 25% or 7.5% on the lines they name ([USITC HTS](#)). The 2026 notice doesn't say how the two actions stack, so get your broker's answer in writing. And goods under Section 232 (steel, aluminium, copper, vehicles and parts, timber and a few more) are exempt from the new 301 and pay the 232 rate whatever their origin ([CBP](#)). For a steel article, moving countries may not change your US duty at all.

Here's the lesson we'd put on the wall. A duty cut alone doesn't move trade. Nearly four years into Australia's ECTA with India, India's share of Australia's non-fuel imports went from 1.93% to 1.97% (ABS, 2022 to 2025, our analysis). Finding and trusting a supplier was the constraint, not the tariff.

4. Check the Goods Will Count as Made There

A lower duty is only yours if the goods count as the candidate country's, and two different sets of rules decide that. Non-preferential origin decides which country's duty applies at all, including those 301 rates. In the US, work in a second country must "effect a substantial transformation" to change origin ([19 CFR 134.1](#)), and for garments it's usually where the garment was wholly assembled ([19 CFR 102.21](#)). Packing Chinese goods in India doesn't make them Indian, and the penalty for pretending lands on you as importer.

Preferential origin decides whether you get the FTA rate, and each agreement has its own product rules. Under Australia's ECTA, non-originating material in textiles (chapters 50 to 63) is tolerated up to 10% by weight ([ABF guide](#)). Under the New Zealand-India FTA, apparel needs a change of tariff heading and 40% qualifying value, so a shirt sewn from expensive imported fabric can fail (our [New Zealand page](#)). That's step 2 paying off. A shirt sewn in Tiruppur from Chinese fabric is probably Indian for US 301 purposes and may still fail New Zealand's value test. The tests themselves are explained in [rules of origin](#).

The US adds one more layer. Goods made "wholly or in part" in Xinjiang are presumed barred under the UFLPA ([CBP](#)), and that follows the input, not the last factory. An Indian shirt spun from Xinjiang cotton has the same problem as a Chinese one. On India's side, since April 2026 a preferential certificate must carry the same invoice number as the shipping bill ([DGFT Notification 05/2026-27](#)), so ask for the [certificate of origin](#) against the final invoice.



5. Measure Lead Time Leg by Leg

Nobody has published a measured lead-time comparison between India and China. We looked, and our [why-India page](#) lists it as a gap. So build your own from legs you can check, and be suspicious of anyone who quotes you one number.

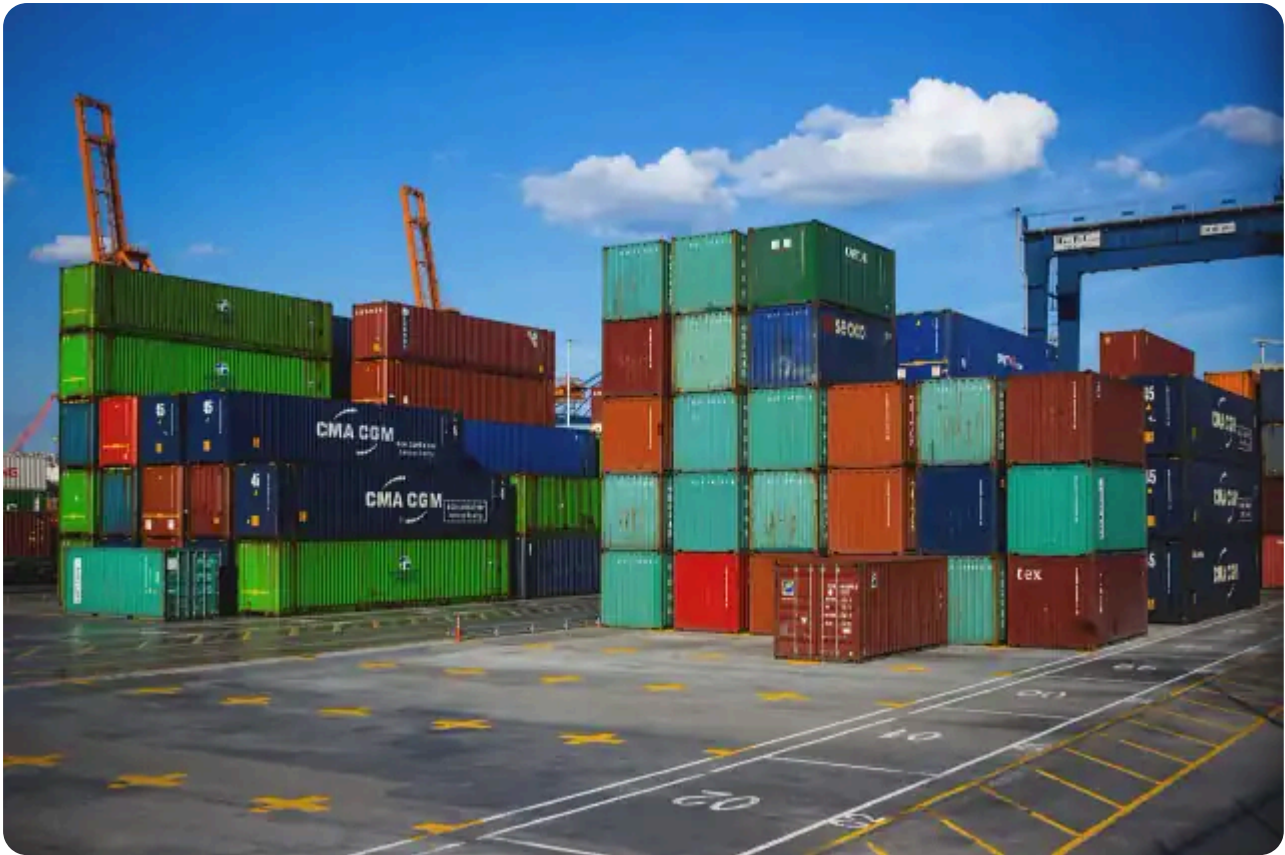
Sampling is where buyers used to China feel the difference first. One buyer described getting a catalogue of 10 to 50 fabric compositions from China, delivered to their home within a week, and found that only one or two Indian makers had anything similar ([Hacker News, 2023](#), one voice). Older threads describe Indian makers who say yes to a new product and then go quiet (buyers on forums, 2020, due a re-check). The fix that works is to find a factory already making something close to your product, not to send a drawing and wait. How to find and brief one is in [how to source from India](#).

Booking is the leg that surprises people. A forwarder in a 2026 thread said "I can get 10 containers on the water in China before India can even quote or book" ([r/freightforwarding, July 2026](#)). The ocean leg is long too. From public carrier schedules we read on 23 September 2026 (Indicative), Mundra to New York runs about 30 days and Cochin to Melbourne 28 to 45 days, every sailing transshipped, and the ports and hubs are on [sea freight routes](#).

Our planning rule is simple. Take the top of each range, add them up, and hold the total against your current China lead time. If the gap breaks your sales calendar then China+1 for that SKU means buffer stock, not a switch.

6. Compare the Real Landed Cost

Unit price is the number everyone compares, and it's the one that matters least. Landed cost is the goods plus origin charges, freight, insurance, duty, tax, broker fees and inspection, per sellable piece.



Two things catch China+1 buyers out. First, "FOB India" doesn't cap your costs. An Indian exporter wrote in 2026 that terminal handling, bill of lading, seal and VGM charges get billed on top of FOB and land as a surprise on the buyer's invoice ([LinkedIn, Indian exporter, May 2026](#)). List every origin charge by name in the PO and check them with your forwarder. Second, small orders often lose. UK importers on forums say that below a few hundred units, simple items can cost less bought at home (four voices, 2016 to 2026).

Run both countries through the [landed cost calculator](#) with the same quantity, Incoterm and destination, and change one assumption at a time. Where exactly India beats China or Viet Nam on landed cost for a given product is something nobody has published, and it's on our research list.

7. Prove It With a Pilot Order

Everything above is desk work. The pilot is where you find out, and the forums describe how the shift really happens - some SKUs to India, some to Mexico, some to Viet Nam or Cambodia, and China kept for the rest (US sellers on forums, three voices, 2025 to 2026). Plan for that, not for a clean exit.

Pick one SKU, one tariff line and one destination where step 1 showed real capability and step 6 showed a margin worth having. Keep China running in parallel, because your shelves shouldn't depend on a test. Shortlist two or three suppliers and check them first. India has exporters who ship to large brands every week and domestic-first units just starting to export, and both can be good, but you need to know which one you're talking to and who answers for quality ([how to check an Indian supplier](#) covers the free public checks).

Then run the pilot in this order.

1. **Write the scorecard before you order.** Sample-to-bulk match, defect rate at inspection, days per leg against the quote, and final landed cost against the quoted one. Decide the pass mark in advance so nobody can argue with the result afterwards.
2. **Order above the small-order line**, with the input and origin questions in the RFQ.
3. **Book an inspection before shipment** ([quality control in India](#) has the stages).
4. **Keep the freight booking in your name.**
5. **Score it.** If one leg fails, such as booking time, fix that leg and run it again before you judge the country.

Ready to act

Need hands-on help?

A shortlist of checked suppliers for your product, or a pilot run managed on the ground from sample to inspection, is execution rather than knowledge.

[Talk to SourcingSync](#) ↗

8. A Worked Example With Cotton T-Shirts for the US and Australia

Take a buyer making plain cotton T-shirts (HS 6109.10) in China and selling in the US and Australia. Step 1 says capability is proven. India is the fourth supplier of cotton tees to the US with 9.2% of imports and third to Australia with 10.6%, while Bangladesh leads the US at 12.7% and holds 30.6% of Australia (UN Comtrade, 2025). So the real rival is Bangladesh, not China.

Now the duty, on what US customs actually recorded per piece in 2025. We've added the US general rate of 16.5% ([USITC](#)) and the 2026 Section 301 rate. The duty maths is ours, and freight, tax and fees are left out, so treat these as benchmarks, never quotes.

Origin	US customs value per piece, 2025	Duty rate today	Value plus duty
China	US\$1.59	16.5% + 12.5% = 29%	US\$2.05
Bangladesh	US\$1.63	16.5% + 10% = 26.5%	US\$2.06
India	US\$1.83	16.5% + 10% = 26.5%	US\$2.31

So into the US, the 2.5–point gap doesn't make an Indian plain tee cheaper than a Chinese one, and India stays dearer than Bangladesh. A US buyer

picks India for this product on fibre and certification, since India holds 27.8% of the world's GOTS-certified facilities (sources on our [why-India page](#)), not on price.

Australia is a different story. Australian customs recorded India at US\$2.29 a piece, Bangladesh at US\$2.64 and China at US\$4.43 (UN Comtrade, 2025). With an ECTA certificate the Indian shirt pays 0%, as long as non-Indian material stays under 10% by weight. Even if the Chinese shirt also enters duty-free (we couldn't read the ChAFTA page at source), India is about US\$2.14 a piece cheaper before freight. Tiruppur ships through Cochin or Tuticorin, so plan on 28 to 45 days to Melbourne. For the pilot, one colourway, a few hundred pieces and two Tiruppur suppliers checked in advance.



Two markets, one country, two different answers. That's the reason to run the steps rather than read a headline.

9. Where the Rules Stand on 28 September 2026

The method should hold for years. These rules won't, and we update this section in place.

In the US, goods of India pay the normal rate plus 10% and goods of China plus 12.5%, with China's older 301 lists on top where they apply, and Section 232 goods paying the 232 rate instead ([91 FR 47318](#)). In Australia, Indian goods enter at 0% under ECTA with a certificate, and Chinese goods fall under ChAFTA, which we report but didn't read at source this time. In New Zealand, Chinese goods are already tariff-free and Indian goods have reached 0% since 20 October 2026 ([MFAT](#)). In the UK, the India agreement has been live since 15 July 2026, so check your own line on the UK tariff for both countries. The EU has no FTA with India in force yet ([India to the EU](#)), and in the UAE the CEPA rate needs a DGFT certificate ([India to the UAE](#)).

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- 01 Your own customs data is the best capability test. Switzerland recorded 13.6 times more Indian woven apparel in 2025 than India recorded shipping there, because it came through EU distributors. (*UN Comtrade, our analysis, 2025.*)
 - 02 A duty cut alone didn't move trade. Nearly four years into ECTA, India's share of Australia's non-fuel imports went from 1.93% to 1.97%. (*ABS MERCH_IMP, our analysis, 2022 to 2025.*)
 - 03 The 2026 US forced-labour 301 puts India at plus 10% and China at plus 12.5%, with Bangladesh, Pakistan, Mexico, Indonesia and Cambodia also at 10%. ([91 FR 47318](#), read 28 September 2026.)
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04 On a plain cotton tee, US customs recorded China cheaper per piece than India, and Australian customs recorded India far cheaper than China. (*UN Comtrade, 2025, our analysis.*)

05 US sellers moved some SKUs, not whole ranges, and still rated China higher on on-time delivery. (*r/FulfillmentByAmazon, 2025, three voices.*)

What we don't know yet

- A measured India versus China lead time, leg by leg, for the same product.
- Where India's landed cost beats China's or Viet Nam's, product by product.

10. Wrapping Up

Go back to that Amazon seller. They didn't leave China, they moved some goods, and they kept China for what it still did better. That is exactly what these seven tests produce when you run them SKU by SKU - a country that wins on one product and loses on the next.

So start with your own customs data, map the inputs, price both duties honestly, check the origin rules, add up the legs and prove it with one small order you're allowed to fail. If you're weighing a plant of your own rather than moving your buying, that's a bigger project, and moving manufacturing from China to India covers it. Hope this helps.