

Is India Actually Cheaper at Small Volumes?



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At small volumes India is often not cheaper than a local supplier once the fixed costs are counted. Samples, freight minimums, customs entries, broker fees and per-declaration levies cost about the same for 200 units as for 2,000, so a small order carries them on every piece. India starts to win when those fixed costs, divided by your units, fall below the gap between the Indian and the local unit price. Nobody publishes that crossover by category, so work it out for your own product before you order.

The Short Version

- A low Indian unit price is not a low landed cost. The fixed costs per order decide small orders.
- UK and US buyers on trade forums say simple items below a few hundred units are often cheaper bought at home.
- Count the fixed costs once, divide by your units, and compare that with the unit-price gap.
- Splitting a small order into parcels multiplies the fixed costs. It doesn't remove them.
- India tends to win on handwork, special materials and repeat orders, not on one-off commodity runs.

Often not, at least not for a simple product at a few hundred units. The Indian unit price may well be lower, but samples, freight minimums, customs entries and per-parcel charges cost roughly the same whether you buy 200 pieces or 2,000, and a small order has to carry all of them. India starts to beat a local supplier once those fixed costs, spread across your units, come to less than the gap in unit price.

That isn't a knock on Indian makers. It's arithmetic, and buyers keep running into it. When a UK founder asked about sourcing around 240 tote bags from

India in June 2026, one reply was blunt - "I buy tote bags for pennies here in uk" ([r/smallbusinessuk](#), June 2026). Another commenter said there was "no reason to be buying this type of product from India" at that volume. Below we show which costs don't shrink with your order, how to find your own crossover point, and where India wins even at low numbers. The honest caveat - nobody publishes the order size at which India beats a local supplier, category by category, and we haven't measured it yet either.

SourcingFrom Intelligence

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01 Small-volume buyers say "buy local" for simple goods. UK and US voices on trade forums say that for simple items below a few hundred units, home suppliers often match or beat India once everything is counted. A US procurement voice added that reputable Indian suppliers "are more expensive than onshore" for some goods. (*Our forum-signal log FS-SUP-039, [r/smallbusinessuk](#), 2026, [r/procurement](#), April 2026*)

02 Parcels from India cost more than parcels from China. A logistics voice put outbound parcel rates from India to the US and EU at about a quarter to a third above China's in September 2026. It's one source with something to sell, so treat it as a direction, not a rate. (*FS-QMS-027, [r/StartUpIndia](#), September 2026 · Reported*)

03 The fixed costs sit on both sides of the border. New Zealand charges its goods levies per import entry or per low-value declaration, and the US has suspended its duty-free allowance for parcels from every country, so each small shipment carries its own charges. (*[NZ Customs levies guide](#), from 1 April 2026, [CBP e-commerce FAQs](#), updated 2 September 2026, read 18 October 2026*)

What we don't know yet

- The order size at which India beats China, Pakistan, Viet Nam, Portugal or a home supplier on landed cost, by category. We plan to measure it with the same spec sent to several countries

1. Why Isn't a Lower Unit Price Enough?

Because the unit price is only one of two kinds of cost. The other kind is charged per order, per shipment or per entry, and it doesn't care how many pieces are in the box.

Here's the list a small first order usually carries, roughly in the order you meet it:

- **Sampling.** Most Indian makers charge for samples made to your design, and you may need more than one round. How that works is on [Indian supplier sample fees](#).
- **Set-up minimums upstream.** Dye lots, print screens and packaging moulds each have a floor, which is why the real MOQ is often set by the mill or the box maker. [MOQ and pricing in India](#) explains the drivers.
- **International freight minimums.** Forwarders charge minimums, and buyers on forums say those minimums "will kill you" on small air lots (r/logistics, 2025, from our [low-value imports](#) research).
- **Origin and destination charges.** Port and handling lines are billed per shipment, and some only appear after sailing. [Why FOB India quotes and invoices differ](#) lists them.
- **Customs entry and brokerage.** A broker charges per entry, and some border charges are per declaration.
- **Your time.** Emails across a time zone, a sample that's nearly right, a second round. It's real cost, even if it never shows on an invoice.

A local supplier has some of these too, but usually far fewer, and often none at all for a stock item.

2. Where Does the Crossover Sit?

There isn't one number, and anyone who quotes you one is guessing. But the shape is the same for every product, and you can find your own point with two figures.

First, add up the fixed costs for one order from India - sampling, freight minimum, origin and destination charges, entry and brokerage. Second, take the gap between the local unit price and the Indian unit price, after duty. India wins once the fixed costs divided by your units come to less than that gap.

An illustration, not a real quote. Say the Indian piece costs about half the local one after duty. If the fixed costs of one Indian order come to the value of 300 local pieces, then at 200 units India loses, at about 600 it breaks even (half the local price saved on each piece, against 300 local pieces of fixed cost), and at 1,000 it wins comfortably. Change the gap and the point moves fast. If the Indian piece is only 20% cheaper, the same fixed costs need about 1,500 units before India pays.

That's why the forum advice clusters around "a few hundred units". It isn't a rule, it's where the maths tends to land for simple goods with a modest price gap.

3. Why Doesn't Splitting Into Parcels Fix It?

Because most of the fixed costs follow the shipment, so more shipments means more of them. Parcels skip some charges and add others. Courier handling fees, per-declaration levies and per-entry brokerage all multiply, and in the US every parcel of Indian goods now pays duty, because the duty-free allowance is suspended for every country ([CBP, September 2026](#)).

The Indian side feels it too. Each export shipment has its own shipping bill, and small Indian sellers say closing each one with their bank costs money and time, so many small shipments make them reluctant or push the quote up (an Indian handicraft exporter, [r/StartUpIndia, April 2025](#)). What a shipping bill is, and why it matters to you, is on [what an Indian shipping bill is](#).

And splitting to dodge a customs threshold is a separate problem, because customs services count the order, not the box. That's covered in [can you split an India order to stay under the duty-free limit](#).

4. Is Another Country Cheaper for Small Runs?

Sometimes. For small streetwear runs, under about 300 pieces, foreign founders on forums default to Pakistan, China and Portugal rather than India, and an Indian supplier-side voice agreed there's a small-batch gap ([r/streetwearstartup, 2024](#), from our forum research, FS-CAT-006). The same thread had a consultant saying "you can certainly achieve the same quality in India". So it's about which makers in India take small runs, not whether they can make the goods. The India and Pakistan picture for textiles is on [India vs Pakistan textiles](#).

China's advantage at small volumes is mostly logistics. Its parcel network is cheaper per piece (see the parcel rate signal above), and there are more makers set up to sell small stock runs. India's advantage shows up when the product needs hands, skills or materials India is strong in.

5. When Is India Worth It Even at Low Volumes?

When the product carries value that a local supplier can't match at any price. Handwork such as block printing, hand-knotted rugs, carved wood, brass and leatherwork. Materials India has in depth, such as cotton, jute, natural

fibres and some spices. And anything where your brand's story is the Indian origin.

It's also worth it when the first order is a test for a second. Your fixed costs fall on repeat orders, because the sample is approved, the spec is settled and the freight route is known. A first order that only breaks even can still be the right move if the second order is three times the size. Plan it that way, and say so to the supplier, because a maker who can see a repeat order will often bend on the first.

Ready to act

Need hands-on help?

If you want someone to price the same spec in India and at home, line up the fixed costs and tell you honestly which side wins, SourcingSync does that work, including telling you when India isn't the right fit.

Talk to SourcingSync ↗

6. How Should You Decide for Your Order?

Run three numbers before you send a deposit.

1. **The fixed costs of one Indian order**, with every line from section 1 in, written down.
2. **The unit-price gap after duty**, using the rate for your market on your destination page, Australia, New Zealand, the UK or the US. The duty sum itself is on working out the real import duty.
3. **Your crossover**, fixed costs divided by the gap per piece. If your order is well below it, buy locally this time, or grow the order, or cut the fixed costs (fewer colours, a stock sample, one consolidated shipment).

If your order sits well above the crossover, India is probably cheaper. If it sits close, it's a judgement on quality, story and the second order, not on price.

Questions Buyers Ask

Is India cheaper than buying locally for 200 units? ^

For a simple product, often not, once sampling, freight minimums and entry charges are counted. For handwork or a material India is strong in, it can be.

What's the minimum order that makes India worth it? v

Does air freight make small orders work? v

Will the Indian supplier lower the price for a bigger order? v

7. Back to the Tote Bags

So was the UK founder wrong to look at India for 240 tote bags? Not wrong to look. Plain totes are a commodity with a small price gap and a lot of fixed cost per order, so at that volume the home supplier "for pennies" probably wins. Make the same bag hand-block printed, or order 2,000 of them for a second season, and the sum flips. Price the fixed costs first, then decide.