TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
NEWSLETTER
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Indian Cottons, Global Reach!

A Fortnightly Publication of THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

Shri Giriraj Singh ji, Hon'ble Minister of Textiles, inaugurated the Indian Pavilion at Heimtextil 2025 in Frankfurt, Germany. The pavilion was open from 14th to 17th January, 2025, and showcased India's textile industry at one of the world's largest trade fairs for home and contract textiles.

The Hon'ble Minister of Textiles was joined by Shri Rohit Kansal, Additional Secretary (Textiles), Shri Vijay Agarwal, Chairman, Texprocil, Dr. Siddhartha Rajagopal, Executive Director, Texprocil, and a distinguished group of officials, including the Core Committee Members of Bharat Tex 2025.

HIGHLIGHTS OF THIS ISSUE

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TEXPROCIL E-NEWSLETTER

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TEXPROCIL - THE FACILITATOR

Kasturi Cotton Standard:

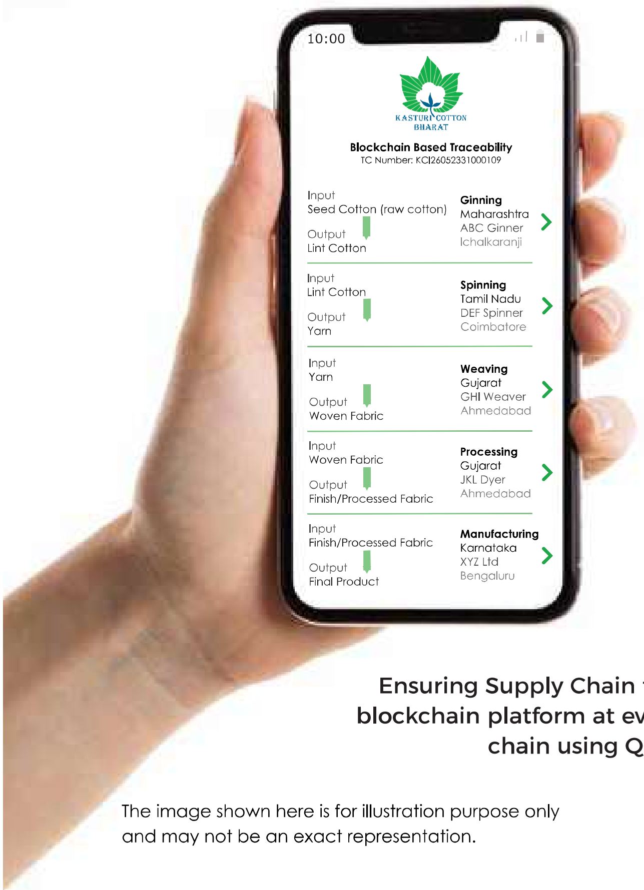
Parameter	Criteria	
Staple length/UHML	30 mm+	29 mm+
Micronaire value	3.7 to 4.5	3.7 to 4.5
RD value	76+	76+
Fibre strength	30.5 (±1.5) g/tex	29.5 (±1.5) g/tex
Uniformity index	84% or more	83% or more
Trash	2% or below	2% or below
Moisture content	8% or below	8% or below

Kasturi Cotton Standards will be implemented with the following processes:

» Audit & Inspection » Sampling & Testing » Certification » Branding

Kasturi Cotton is an initiative of the Ministry of Textiles, Government of India, Trade Bodies and Industry. The branding, traceability and certification of Kasturi Cotton is implemented The Cotton Textiles Export Promotion Council (TEXPROCIL), in association with the Cotton Corporation of India (CCI).

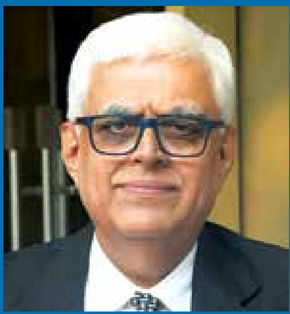
Kasturi Cotton Traceability with Blockchain Technology



Ensuring Supply Chain traceability using blockchain platform at every stage of supply chain using QR code.

The image shown here is for illustration purpose only and may not be an exact representation.

Editorial



Dr. Siddhartha Rajagopal
Executive Director
TEXPROCIL

Dear Reader,

At the outset, I wish to inform that Ms. Neelam Shami Rao has taken charge as Secretary (Textiles). The office bearers of Texprocil had a fruitful meeting with her and we look forward to working under her able guidance and leadership. On behalf of the CoA, I also take this opportunity to thank Ms. Rachna Shah for the various efforts undertaken by her to promote the Indian textiles industry during her term as Secretary (Textiles).

Few days back the export data for December 2024 was released by the Ministry of Commerce & Industry. While India's overall exports dipped by 1.0%; exports of Textiles & Apparel showed resilience and registered growth of 12.8%. I am glad to mention that the export growth for cotton yarn / fabs / made-ups, handloom products etc. was 12.0%.

This reinforces the fact that the export market for Indian textiles is looking up. My experience at Heimtextil – the world's largest trade fair for home & contract textiles – held from 14th to 17th January, 2025 in Germany – is that there is immense interest among global buyers in sourcing from India. We were fortunate that Shri Giriraj Singh ji, Hon'ble Minister of Textiles, inaugurated the India Pavilion at Heimtextil and invited all participating countries to attend 'Bharat Tex' to explore investment opportunities in India's thriving textile ecosystem.

Preparations for 'Bharat Tex 2025' áre in full swing. Exhibitors have been allotted their stalls and buyers are also receiving their confirmations.

In addition to these developments, the present issue offers insights into the top 10 trends of 2025 and key themes that would be at play for the Indian textile & apparel industry in the current year, under 'Special Feature'.

The 'Policy Talks' section of this Newsletter presents the recent changes in policy and procedures announced by the government and various provisions of the Foreign Trade Policy, incentive schemes, and issues of taxation. We do hope that you find reading this edition of the E-Newsletter worthwhile.

We welcome your valuable feedback on the present edition and also invite contributions in the form of short articles on matters relevant to trade and industry.

TEXPROCIL E-Newsletter values your comments and contributions and looks forward to receiving continuous support for the various activities of the Council.

:: TEXPROCIL ::

Chairman's Page

Vijay Agarwal
Chairman
TEXPROCIL

Dear Friends,

The textile industry is in for another exciting year, marked by the interplay of emerging technologies and advancements in sustainability. Like any new year, 2025 is expected to bring not only the changes to the trading order, but also a renewed focus on factors that will shape the textile industry.

The year gone by has left a glimmer of hope for the Indian textiles segment. India's textile exports have entered a positive territory despite global headwinds, economic downturns and supply chain disruptions; reflecting the resilience of industry to withstand tough times. India has also been doing well in few of the FTA markets such as South Korea, Japan, Australia, and Mauritius.

Meeting with Ministers

On January 9, 2025, we had the opportunity to meet with Smt. Neelam Shami Rao, the newly appointed Secretary of Textiles. During this meeting, we discussed the export targets for cotton textiles and briefed her on the challenges faced by exporter members. We also presented her with a special souvenir commemorating the 70th Jubilee Celebrations of TEXPROCIL.

The following day, January 10, 2025, we met with Shri Piyush Goyal ji, the Hon'ble Minister of Commerce & Industry. We also presented him with a copy of the special souvenir that marks Texprocil's 70 years of contributions to the textile industry.

Trade Data

As per the data on quick estimates, released by the Ministry of Commerce, India's total exports during the first 9 months of FY25 (April-December2024) is estimated at USD 602.64 Billion registering a positive growth of 6.03 percent.

The exports of Cotton Textiles under the purview of Council including Cotton Yarn/Fabrics/made-ups, etc. increased by 11.98% from USD 0.94 Billion in December 2023 to USD 1.05 Billion in December 2024. The cumulative exports during Apr-Dec'24, for Indian cotton yarn / fabrics / made-ups, handloom products registered a growth of 2.82%.

Heimtextil 2025

Heimtextil Trade Fair held during 14-17 January, 2025 in Frankfurt, Germany brought in the new calendar year, hosting over 3,000 exhibitors from around the world. The fair highlighted the significant international representation, with 96% of exhibitors coming from various countries. The current edition featured participation from 142 nations, showcasing a notable increase in both exhibitors and visitors, with attendance rising by 10%.

The major attraction at the fair was the visit of a high-level delegation from India, led by Shri Giriraj Singh, Hon'ble Minister of Textiles, Government of India. The main objective of the delegation's visit was to encourage the Indian exhibitors and gain first-hand information on present market trends for the growing Home Textile sector.

On 14th January - the first day of the fair, Shri Giriraj Singh, Hon'ble Minister of

Textiles, inaugurated the India Pavilion, accompanied by Mr. Rohit Kansal, Additional Secretary, Ministry of Textiles, Shri B. S. Mubarak, Hon'ble Consul General, CGI Frankfurt, Germany, and other Ministry officials. The inauguration ceremony held at the Council's Booth saw the presence of Shri Ravi Sam, Vice Chairman, TEXPROCIL, Dr. K. V. Srinivasan, President of ITMF, Mrs. Shanthi Srinivasan, Managing Director, Premier Fine Linens and Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL.

This inauguration was followed by a brief discussion at the TEXPROCIL Stall wherein all those present were briefed about the 'KC-Track' traceability mechanism of the Kasturi Cotton Programme by Shri Rajesh Satam, Joint Director, TEXPROCIL. Shri Giriraj Singh, Hon'ble Minister of Textiles appreciated the display of the products made of 'Kasturi Cotton' at the Council's stall and appealed to all the Indian manufacturers to take all out efforts to place Indian Cottons in the league of Global Brands.

During his visit, the Hon'ble Minister of Textiles visited various stalls at the exhibition, engaging with exhibitors to understand their latest offerings and innovations in home textiles. At the Investor's Meet, held on the sidelines of the fair, the Hon'ble Minister also interacted with importers and textile machinery manufacturers from Germany, and encouraged them to explore and expand their investments in the Indian market.

Bharat Tex 2025 Promotions

It was decided to use the Heimtextil Fair as an opportunity for promoting 'Bharat Tex 2025' amongst buyers interested in sourcing textiles from India. All the 5 EPCs in India including TEXPROCIL, MATEXIL, EPCH, HEPC, CEPC along with the Jute Board, participating in the fair along with the member companies, held joint promotions of the upcoming mega textile event in India.

Fair brochures and special promotional bags including the Buyer's Kit for the Bharat Tex 2025 exhibition were distributed amongst international visitors. During the interactions, the visiting delegation under the leadership of Hon'ble Minister of Textiles invited all participating countries to attend Bharat Tex 2025 and explore investment opportunities in India's thriving textile ecosystem.

Budget Expectations

At various forums, export bodies have reiterated the need for sustained government support to counter external challenges. The upcoming budget will be a critical moment for the government to demonstrate its commitment to supporting the export sector and ensuring its growth in the coming years.

In the wake of challenges including the risks on account of ongoing trade conflicts, demand slowdown in advanced nations, supply chain disruptions, etc. government support will be crucial for the textile sector to maintain competitiveness and ensure that India can thrive in international markets.

The world is undergoing a major shift in the sourcing patterns, driven by strategies such as China-plus-one that seek to diversify sourcing out of China. Further, the disruptions in competing countries like Bangladesh, have brought in both risks and opportunities to grow trade which the government needs to capitalise by considering to extend higher support to the textile sector.

Way forward

Friends, the World Trade Organization (WTO) has projected that global trade volume could rise from 2.7% to 3% in 2025, contingent on the resolution of conflicts in West Asia. This potential growth underscores the importance of maintaining robust support for Indian exporters as they navigate a complex global landscape.

In a recent development, despite being committed to a mutually beneficial and trusted partnership, there are growing trade and tariffs concerns between India and the USA, after Donald Trump took over office as President on 20 January. However, both sides are in discussions over the bilateral relationship, and are hoping to move towards a "fair" bilateral trading relationship.

To navigate effectively the complex global landscape, support is sought by the textile industry to make available the raw material at less than international prices, removal of import duty on cotton, credit support by extending the interest equalisation scheme, continuation of remission schemes such as RoDTEP, among others. To emerge successful, we all need to stay vigilant about the happenings around us, and make the best use of opportunities that come our way.

:: TEXPROCIL ::

Trade Facilitation

Meeting with Government Officials

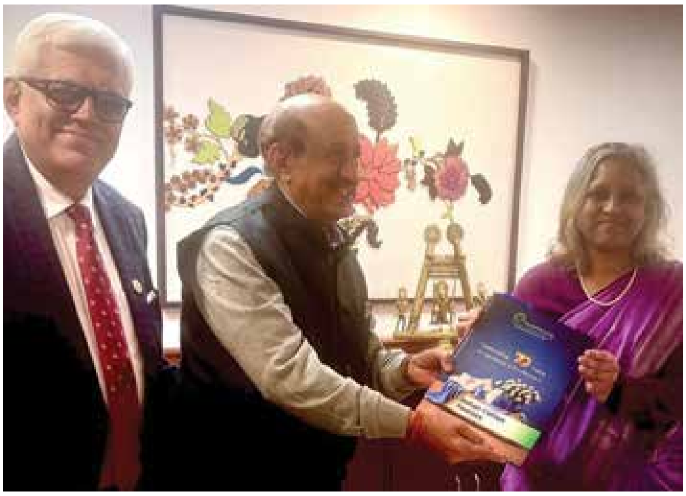
Meeting with Hon'ble Minister of Commerce & Industry

On 10th January, 2025, Shri Vijay Agarwal, Chairman – Texprocil, Dr. Siddhartha Rajagopal, Executive Director - Texprocil, and the Core Committee Members of Bharat Tex 2025 had a fruitful meeting with Shri Piyush Goyal ji, Hon'ble Minister of Commerce & Industry.

Shri Piyush Goyal ji, Hon'ble Minister of Commerce & Industry, with Shri Vijay Agarwal, Chairman – Texprocil, Dr. Siddhartha Rajagopal, Executive Director - Texprocil, and other members of the textiles and apparels trade.

Meeting with Secretary (Textiles), Govt. of India

On 9th January, 2025, a meeting was held under the chairpersonship of Smt. Neelam Shami Rao, IAS, who has recently taken the charge as Secretary, Textiles, Govt. of India. Shri Vijay Agarwal, Chairman - Texprocil and Dr. Siddhartha Rajagopal, Executive Director – Texprocil, attended the meeting and discussed the export targets for Cotton Textiles. They also briefed Secretary, Textiles about the issues faces by exporter members and presented a copy of special souvenir brought out to commemorate 70 years jubilee celebrations of Texprocil.



Smt. Neelam Shami Rao, Secretary (Textiles), Govt. of India, being greeted by Shri Vijay Agarwal, Chairman - Texprocil and Dr. Siddhartha Rajagopal, Executive Director - Texprocil.

Texprocil leads Indian participation at Heimtextil 2025

Trade Promotion

On 14th January, 2025, Shri Giriraj Singh ji, Hon'ble Minister of Textiles, inaugurated the India Pavilion at Heimtextil 2025, at Frankfurt, showcasing India's growing strength in the textile industry.

Shri Giriraj Singh, Hon'ble Minister of Textiles appreciated the display of the products made of 'Kasturi Cotton' at the Council's stall. Shri Rajesh Satam, Joint Director, TEXPROCIL demonstrated the 'KC-Track' traceability mechanism of the Kasturi Cotton Programme. The Hon'ble Minister shared that he was extremely happy to see the progress made in 'Kasturi Cotton Bharat' and appealed to all the Indian manufacturers to take all out efforts to place Indian Cottons in the league of Global Brands.

Later, he toured various stalls at the exhibition and engaged with participants to understand their latest offerings and innovations in home textiles. During the 'Investors meet and Interactive Session', the Hon'ble Minister invited all participating countries to attend 'Bharat Tex 2025' and explore investment opportunities in India's thriving textile ecosystem.

Heimtextil 2025 is the world's largest trade fair for home and contract textiles. The current edition of Heimtextil witnessed over 3,000 exhibitors from 65 countries. The number of Indian exhibitors at Heimtextil 2025 was over 550.

Shri Vijay Agarwal, Chairman – Texprocil, Shri Ravi Sam, Vice Chairman– Texprocil, and Dr. Siddhartha Rajagopal, Executive Director-Texprocil, at Heimtextil 2025.

Shri Giriraj Singh, Hon'ble Minister of Textiles looks at the demonstration of 'KC-Track' traceability mechanism by Shri Rajesh Satam, Joint Director - Texprocil, at Heimtextil 2025.

Shri Giriraj Singh ji, Hon'ble Minister of Textiles, at the 'Investors meet and Interactive Session' that was held on the first day of Heimtextil 2025.

Trade Promotion

Prospects for India's Denim Industry

Denim is a fabric that is made by spinning cotton fibres into yarn, then weaving the yarn into a twill pattern. Denim is known for its characteristic blue colour and primarily used for making jeans, apart from everyday wear such as jackets, skirts, and shirts.

Denim gained immense popularity due to its durability and comfort. When denim was invented, it was made from 100% cotton. However, over the years, blends of other fibres like polyester or elastane were added to cotton to make a lighter Denim. As a result, today's Denim is a highly modified new generation fabric in comparison to its traditional form which was made from 100% cotton and stained with natural indigo.

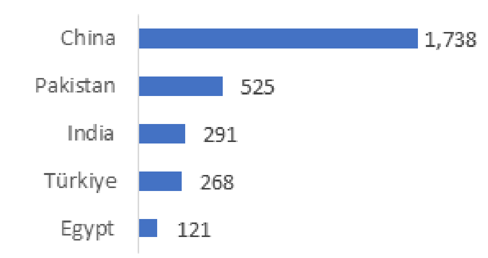
Denim that is flexible, light, soft, recycled, and viscose blended is in high demand these days. Additionally, since consumers and brands are becoming more conscious of the environmental impact of their purchases, there is also a shift towards sustainable and eco-friendly Denim production. Denim manufacturers have also been embracing sustainable practices such as using organic cotton, eco-friendly dyes, and water-saving technologies in their production process.

"Denim is one of the world's oldest fabrics, yet it remains eternally young. The tough, durable and the most popular fabric has been ruling the hearts of the people ever since its origin."

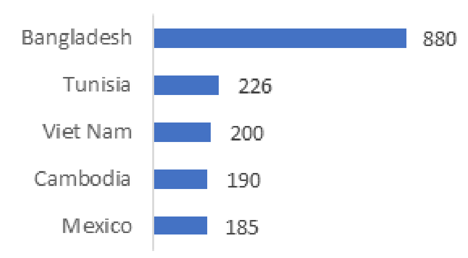
In the context of international trade, Denim is classified under sub-heading 520942 and 521142. The global export market for Denim is valued at over USD 4.0 billion.

During 2023, the top-5 exporters of Denim were China (46.3%); Pakistan (14.0%); India (7.7%); Türkiye (7.1%); and Egypt (3.2%). Egypt is a recent entrant in the above list due to decline in exports of Denim from Italy, Japan and the United States of America. Likewise, during 2023, the top-5 global importers of Denim were Bangladesh (27.6%); Tunisia (7.1%); Viet Nam (6.3%); Cambodia (5.9%); and Mexico (5.8%).

Top global exporters of Denim (USD Mn)



Top global importers of Denim (USD Mn)



Source: Trade Map (2023)

During 2023-24, India exported 213 million sqm of Denim valued at USD 296 million. Bangladesh was the top export destination both in terms of quantity and value. The other large buyers of Denim from India included countries like Colombia, Mexico, Morocco, and Guatemala.

Surprisingly, Tunisia, Viet Nam and Cambodia – which are among the top 5 importers of Denim – do not seem to be sourcing much Denim from India. Instead, Tunisia is importing Denim from Türkiye and Egypt, while Viet Nam and Cambodia are importing Denim from China.

Prospects for India's Denim Industry

Denim is exported from as a many as 15 states of India. However, Gujarat, Rajasthan and Maharashtra are the major exporting states.

Key districts exporting Denim from these states are:

1. Gujarat – Ahmedabad, Surat
2. Rajasthan – Bhilwara, Chittorgarh, Banswara
3. Maharashtra – Nagpur, Yavatmal

Other districts of importance in export of Denim are Raisen (Madhya Pradesh) and Coimbatore (Tamil Nadu).

Based on our internal analysis, Indian firms dealing in Denim may target exports to destinations like Cambodia, Indonesia, Nepal, Philippines, South Korea, Sri Lanka, United Arab Emirates, and Viet Nam. All these countries are net importers of Denim and many of them (particularly those in the ASEAN and South Asia) accord preferential tariffs on Denim that is imported from India. The import duty on Denim is reduced to Nil in South Korea and the United Arab Emirates due to India-Korea CEPA and India-UAE CEPA. Although, Bangladesh, Colombia, Mexico, Tunisia, etc. levy customs duty ranging between 10-30% on import of Denim from India, these are attractive markets for exporting Denim.

By strategically targeting these markets and leveraging trade agreements, Indian denim exporters can boost their competitiveness globally while benefiting from reduced tariffs.

In addition to exploring new markets, India can achieve significant growth in the global denim industry by focusing on innovation in fabric blends, adopting sustainable manufacturing practices, and integrating green technologies. Fostering collaborations with international brands, traders, and local stakeholders in target markets will further strengthen its global presence.

Ultimately, by aligning production capabilities with evolving market demands and global trends, India has the potential to emerge as a global leader in the denim industry.

CURRENT TRENDS IN THE DENIM INDUSTRY

The denim industry is currently experiencing a transformative phase characterized by sustainability, innovation, and evolving consumer preferences. As these trends continue to evolve, they promise to redefine the future of denim in both style and production practices, aligning with modern demands while addressing sustainability challenges. Here are the key trends shaping this sector:

- Sustainable Denim – There is a growing emphasis on sustainability within the denim industry as brands respond to environmental concerns. This includes the adoption of organic cotton, recycled materials, and innovative water-saving techniques such as laser finishing and ozone washing. These practices aim to minimize the ecological footprint of denim production while catering to the increasing demand for ethical fashion.
- Circular Fashion Initiatives – Many companies are embracing circular fashion by implementing recycling programs and upcycling projects. These initiatives, including denim buy-back schemes, aim to reduce textile waste and promote a sustainable lifecycle for denim products. Brands are increasingly collecting old garments to repurpose them into new items, fostering a circular economy within the industry.
- Comfort-Driven Designs – The demand for comfort is reflected in the rise of stretch fabrics that incorporate materials like elastane or Tencel. This trend caters to consumers prioritizing functionality alongside style, indicating a shift towards versatile clothing that adapts to various lifestyles.
- Vintage and Retro Styles – Nostalgia plays a significant role in current fashion trends, with vintage styles such as high-waisted jeans and flared silhouettes from the 80s and 90s making a comeback. Influencer-driven trends are amplifying this revival as consumers seek unique pieces that express their personal style
- Smart Denim – The integration of wearable technology into denim is gaining traction. Innovations include garments equipped with sensors for fitness tracking or mobile connectivity, appealing to tech-savvy consumers who value functionality in their clothing.
- Inclusivity and Diversity – Brands are increasingly focusing on inclusivity by offering extended size ranges and gender-neutral collections. This trend reflects a growing recognition of diverse consumer needs within the fashion industry, aiming to cater to a broader audience.

Source: Internet

Trade Update

International News

Korea's textile industry to face sluggish business conditions in 2025

Korea's textile industry is projected to face continued sluggish business conditions in 2025, with a decline in exports and production output. Data from the Korea Institute of Industrial Economics and Trade and the Korea Federation of Textile Industries, shows, exports in the textile and fashion industry are expected to stagnate by 1.9 per cent Y-o-Y, totaling $10.34 billion. The increase in Chinese textile product dumping has further reduced the market share of Korean textile products both domestically and internationally.

With Donald Trump returning to power, he is set to introduce high tariffs on Chinese products, leading to a rise in Chinese dumping across Southeast Asia, intensifying competition for Korean companies. Additionally, European fashion brands increasingly favor suppliers within Europe to stabilize their supply chains, further disadvantaging Korean manufacturers.

The output of Korea's textile industry is expected to decline, particularly in the general-purpose sector. The Korea Institute of Industrial Economics and Trade predicts a 1.0 per cent Y-o-Y decline in output, amounting to 52.6 trillion won in 2025. This downturn is attributed to reduced utilization rates and declining production volumes due to weaker demand for domestic textile products.

Despite these challenges, the chemical fiber sector offers a silver lining. Kolon Industries is poised for improved performance in 2025, driven by strong fundamentals and growth in industrial materials. The company's facility expansion and a recovery in aramid demand are expected to bolster its industrial materials segment. Similarly, HS effectiveness, supported by its global leadership in tire reinforcement, is predicted to perform solidly. Rising tire demand from European customers is likely to further boost this segment.

While Korea's textile industry faces significant headwinds from global competition, protectionist policies, and shifting supply chain preferences, the chemical fiber sector's positive outlook highlights opportunities for growth in niche markets. As the industry navigates these challenges, a focus on innovation and specialized products may be key to sustaining long-term growth.

Source: fashionatingworld.com

European brands increase pressure: Turkish textile industry shifts focus to Egypt

President of the Turkish Clothing Manufacturers Association (TGSD), Ramazan Kaya, stated that European clothing brands are pressuring Türkiye's textile industry to move production to Egypt because of lower costs, signaling a critical transformation for the sector.

Kaya evaluated Turkish denim manufacturer Denim Rise's most recent $8.8 million investment in a ready-to-wear production facility in Egypt's West Kantara Industrial Zone, which will employ 1,000 people, in an interview with the business-focused patronlardunyasi.com. He explained that the industry is evolving toward a model where value-added production stays in Türkiye while labor-intensive operations shift to Egypt.

"In textiles, almost everyone is heading to Egypt, examining opportunities, and making investment decisions. Egypt's free trade agreement with the U.S. is a major draw. European brands working with Turkish producers are also pressuring them to expand into Egypt to extend contracts," Kaya stated.

Highlighting lower labor costs, Kaya said, "In Egypt, the gross cost of a worker is $150, compared to $1,000 here, especially in labor-intensive sectors like denim; the shift to Egypt is accelerating."

Kaya noted that companies investing in Egypt are maintaining their operations in Türkiye. He explained the pandemic emphasized the importance of "nearshoring" and "secure supply chains," areas where Türkiye continues to hold a significant advantage.

Huseyin Guzel, a member of Denim Rise's Board of Directors, described the investment as an initial step toward exploring new markets, as the new facility would export 70% of its production.

Egypt continues to attract considerable investment from Türkiye by offering special incentives in its free zones, particularly for labor-intensive sectors, and leveraging its trade agreements. Last year, Eroglu Holding signed a deal for a factory in the same region, initiating a project to produce 7.2 million jeans annually, as this $40 million investment is expected to create 3,000 jobs.

Source: turkiyetoday.com

Bangladesh: Int'l yarn and fabric show starts on Jan 15

The 23rd Dhaka International Yarn and Fabric Show 2025 (Winter Edition), an event for the textile and garment industry of Bangladesh and South Asia, will be held at the International Convention City Bashundhara in Dhaka from January 15 to 18.

The four-day show was jointly organised by CEMS-Global USA, a leading multinational exhibition organiser, and the Sub-Council of Textile Industry of the China Council for the Promotion of International Trade (CCPIT TEX).

Over 325 exhibitors from over 15 countries from across the world will showcase their products on yarn, fabric, trims, and accessories, said a press release.

Meherun N Islam, president and group managing director of CEMS-Global, made the disclosure through a press conference at the Pan Pacific Sonargaon Dhaka in the capital today.

As one of the world's largest apparel exporters, Bangladesh provides a dynamic setting for industry leaders to engage in meaningful collaboration and dialogue, enhancing the value of the show, she said.

The event will provide the Bangladesh and South Asian textile and garment industries to explore sourcing opportunities in one of the world's most dynamic textile markets, Islam added.

It is part of CEMS-Global's widely acclaimed "Textile Series of Exhibitions", which spans three continents in Bangladesh, Brazil, Morocco, Sri Lanka and Thailand.

The event is an unparalleled platform for professionals in the textile and garment sector to explore innovations, foster partnerships and connect with hundreds of exhibitors showcasing yarn, fabrics, trims, and accessories.

This event will mark the 8th anniversary of joint endeavours between CEMS-Global USA and CCPIT TEX to promote textiles in Bangladesh, which is extremely helpful for increasing the

International News

Trade Update

country's exports from the industry.

Source: thedailystar.net

Brazil world's largest cotton exporter in 2024 as production soars

Brazil has ascended to become the world's top cotton exporter in 2024, overtaking the US, which had held the position since the 1993-94 crop season. This shift comes after Brazilian cotton production increased for the third consecutive year, while output in the US declined, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

In Brazil, the area dedicated to cotton has expanded annually, driven by favourable profitability, technological advancements, and the high quality of the produce. Although domestic demand has seen only a modest rise, the growing surplus has been balanced by increases in international prices, sustaining cotton prices in the local market, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

In 2024, the CEPEA/ESALQ cotton index in Brazil saw prices fluctuating within a narrow range. The lowest price recorded was BRL 3.8063 (~$0.62) per pound, with the highest reaching BRL 4.3645 (~$0.71) per pound. Despite these fluctuations, average prices remained below those of 2023 throughout most of the year.

The 2023-24 crop season in Brazil witnessed a significant 16.9 per cent increase in planted area from the previous year, reaching 1.944 million hectares—the highest since the 1991-92 season. However, productivity slightly declined by 0.18 per cent. Despite this, the output for the season is estimated at a record 3.7 million tons, marking an increase of 16.64 per cent compared to the previous season. These figures underscore Brazil's strengthening position in the global cotton market.

Source: fibre2fashion.com

Egypt's textile industry upgrade could reshape global cotton supplies

Egypt is currently undergoing a major transformation of its textile industry, pouring hundreds of millions of dollars into the process, which is expected to affect the country's long staple cotton supplies.

The revitalisation effort is primarily concentrated in, though not limited to, Al-Mahala al-Kobra, a key textile, spinning, and weaving center in Egypt's Nile Delta, about 120 kilometers north of Cairo. Here, numerous state-owned factories are being extensively renovated after years of neglect and decay.

The first phase of the initiative has already been completed, resulting in significant industrial mergers, including the establishment of what the Egyptian Government calls the "world's largest textile factory."

The Egyptian government has also launched a national program to modernise the textile industry, allocating US $ 1.1 billion for the overhaul of its textile, spinning, and weaving factories. Industry experts predicted that the program's implementation would make Egypt a significant manufacturer of manufactured goods, textiles, and fabrics.

Given that Egypt is one of the world's leading producers of long staple cotton, the modernisation of its textile sector is probably going to have an impact on the country's exports of cotton.

Egypt, the Egyptian prime minister remarked, may not need to export the cotton it grows soon after the textile sector transformation initiative is executed in full later this year or early next year at most.

Egypt produced about 1.8 million pounds (about 4 million kilogrammes) of cotton during the 2024 cotton growing season, up from 1.4 million pounds (about 3.1 million kilogrammes), according to the government.

However, the majority of this production is anticipated to be used to run local industries due to the expanding industrial needs in the area; as a result, local experts anticipate a significant impact on long staple cotton supply in the global market.

According to the Agricultural Research Centre, the research division of the Egyptian Ministry of Agriculture, Egypt, which supplies around 20 per cent of the world market for long staple cotton, now exports its cotton to 22 states instead of the previous 55.

Expats have said that this could lead to other countries, such as India, China and the US, to step in to compensate for this shortage by increasing production.

Source: apparelresources.com

Texworld Apparel Sourcing Paris 2025 brings innovations and new sourcing destinations

Texworld Apparel Sourcing Paris will return to the Paris-Le-Bourget Exhibition Centre from February 10 to 12, 2025, bringing with it exciting innovations and an enhanced visitor experience.

Over 1,200 weavers and garment makers will showcase their products in Halls 2, 3, and 4, marking a new chapter for the event as it adopts a redesigned layout to better serve attendees.

The exhibition will highlight a diverse range of global sourcing, with creative collections offered at competitive prices for the fashion industry. Traditional sourcing nations like China, Turkey, India, South Korea, and Taiwan will continue to play a key role, while new sourcing areas such as Malaysia, Singapore, the UK, Vietnam, the Netherlands, and Egypt enrich the show's offerings. Dutch exhibitors like Quality Textile, Nooteboom, and Verhees Textiles will present cutting-edge cotton collections, while Korean companies ONK and W-Tex will feature innovative knitwear.

Sustainability will also be a focal point at the show, with the new 'Initiatives' zone in Hall 4 showcasing eco-friendly solutions. Vietnamese company Bao Lan Textile, for example, will display fabrics made from pineapple leaf fibers, known for their natural antibacterial properties and UV protection. The China Textile Information Centre's trends forum and the Econogy Hub will also focus on sustainability in textiles.

Apparel Sourcing will see the participation of over 500 exhibitors, offering a broad range of finished products, clothing, and fashion accessories.

A key highlight will be the focus on local and near-sourcing, with products from Africa, including companies from Ethiopia, Rwanda, and the Arise Integrated Industrial Platform in Togo,

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Benin, and Gabon. Ukrainian exhibitors, supported by their national textile association, will add to the Euromed offering.

The event will also feature new exhibitor itineraries to optimize the sourcing experience. These include the Econogy Finder trail for sustainable textiles, the Small Quantity trail for limited production runs, and the Hand Made trail for authentic, handcrafted products.

With an expanded range of exhibitors and services, Texworld Apparel Sourcing Paris 2025 promises to be a must-attend event for the global fashion and textile industry.

Source: fashionatingworld.com

China's export growth quickens amid trade risks, imports surprise

China's export growth picked up steam in December, while imports recovered, closing out the year on a positive note as the world's second-largest economy braces for mounting trade risks with the incoming U.S. administration.

Outbound shipments in December rose 10.7% year-on-year, customs data showed on Monday, beating 7.3% growth forecast in a Reuters poll of economists, and improving from November's 6.7% increase.

Imports surprised to the upside with 1.0% growth, the strongest performance since July 2024. Economists had expected a 1.5% decline.

U.S. President-elect Donald Trump, set to return to the White House next week, has proposed hefty tariffs on Chinese goods, sparking fears of a renewed trade war between the two superpowers.

Adding to the challenges, unresolved disputes with the European Union over tariffs of up to 45.3% on Chinese electric vehicles threaten to hinder China's ambitions to expand its auto exports.

Meanwhile, China's trade surplus grew to $104.8 billion last month, up from $97.4 billion in November.

Export momentum has been a critical driver for China's economy, which remains weighed down by a prolonged property market slump and fragile consumer confidence.

There have been signs, however, of stabilisation following China's stimulus push in recent months.

Factory activity remained in modest expansion for the third consecutive month, while services and construction recovered in December, an official survey showed.

South Korea, a key indicator of China's imports, reported a 8.6% increase in shipments to China in December, suggesting resilience in demand for technology products.

China's top leaders have pledged to loosen monetary policy and adopt a more proactive fiscal policy in 2025, aiming to offset external pressures and revitalise domestic demand.

The government is targeting economic growth of around 5% for the year, a goal that had proved challenging to achieve at times in 2024.

Source: uk.fashionnetwork.com

WASDE: Global cotton production, consumption, exports projected higher

Unites States Department of Agriculture (USDA) has increased global cotton production projection by 1.75 per cent to 119.45 million bales of 480 pounds in its latest world supply and demand estimate (WASDE) report released on last Friday evening. It has also projected higher consumption, exports and ending stocks compared to the projections of December 2024. However, beginning stock and import projections were kept unchanged in its January 2025 report.

According to the World Agricultural Supply and Demand Estimates (WASDE) report of January 2025, world production for 2024-25 is increased just over 2 million bales to 119.45 million, largely the result of a 1.8- million-bale increase for China's crop. Larger crops are also projected for Australia and the United States while production in Pakistan is reduced.

World consumption projection is raised by 100,000 bales as increases in Bangladesh and Vietnam more than offset a reduction for Türkiye. Projected exports are raised 225,000 bales as increases for Brazil, Australia, and India exceed the reduction for the United States. Ending stocks are increased almost 1.9 million bales as increases in China, the United States, Australia, and India more than offset the reduction for Brazil.

For the 2024-25, US cotton balance sheet, production and ending stocks are increased while exports are reduced. Domestic use and beginning stocks are unchanged. The US all-cotton production is revised upward by 159,000 bales to 14.4 million as the national all-cotton yield estimate is raised 44 pounds to 836 pounds per harvested acre, reflecting a larger crop and lower harvested area. Most of the reduction in harvested area occurred in the Southwest while yields in numerous Southeast, Delta, and Southwest States are expected to be higher. Projected exports are lowered 300,000 bales to 11 million. Ending stocks are raised to 4.8 million bales for a stocks-to-use ratio of about 38 per cent. The 2024-25 season average upland farm price is reduced to 65 cents per pound.

Source: fibre2fashion.com

US retailers scramble as Mexico increases tariffs on textiles, apparel

Retailers across the United States are reassessing supply chains after Mexico announced significant tariff hikes on textiles and apparel. On December 19, the Mexican government revealed protective measures imposing a 15 per cent tariff on textiles and up to 35 per cent on finished apparel imports.

These tariffs aim to shield Mexico's textile industry from low-cost Chinese goods, a critical move to support nearly 500,000 workers, according to Economy Secretary Marcelo Ebrard.

The new tariffs also challenge US e-commerce brands that have relied on Section 321's de minimis provision, which exempts customs duties on shipments valued under $800. Many companies had been routing goods from China through Mexico before shipping them to the US, a strategy now in jeopardy.

Ryan Martin, president of ITS Logistics, highlighted a significant increase in inquiries from businesses as they work to navigate the new tariffs. He noted that many companies are in the early stages of assessing their options and gathering information to determine the best path forward amidst the uncertainty.

Adding to the uncertainty, President-elect Donald Trump

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announced plans to impose a 25 per cent tariff on imports from Mexico and Canada and an additional 10 per cent on Chinese goods. These measures, aimed at curbing illegal immigration and drug trafficking, could further disrupt trade flows.

Source: fashionatingworld.com

China: Is there 'export rush' in December textile and apparel exports?

According to the latest data released by the General Administration of Customs on January 13, 2024, textile and apparel exports reached $28.07 billion in December 2024, representing a year-on-year increase of 11.4% and a month-on-month rise of 11.5%. Among these, textile exports amounted to $13.13 billion, with a year-on-year growth of 17.4% and a month-on-month growth of 8%. Apparel exports totaled $14.93 billion, up 6.6% on annual basis and 14.7% month-on-month respectively.

Is the double-digit year-on-year and month-on-month growth in textile and apparel exports in December related to "export rush"? The answer is yes.

As early as November 5, 2024, following Trump's election victory, concerns about an escalation in the China-U.S. trade war emerged in the market. On November 26, Trump announced on his personal social media platform (Truth Social) that he would sign executive orders upon taking office on January 20 that would impose an additional 10% tariff on all imported goods from China and a 25% tariff on all imports from Mexico and Canada.

Reviewing the experiences from the four rounds of tariff lists in 2018-2019, there tends to be a rush to export once the threat of tariffs becomes clear and the specific tariff plans are announced. For instance, on March 22, 2018, Trump signed a presidential memorandum announcing significant tariffs on goods imported from China, which led to a staggering 51.69% month-on-month increase in China's textile and apparel exports in April.

In December, CCFGroup also surveyed some textile companies exporting to the U.S., and the feedback indicated that overseas downstream customers required Chinese suppliers to ship all goods destined for the U.S. before New Year's Day and ensure they arrived at ports before Trump took office. Consequently, some textile and apparel exporters worked overtime to meet these demands.

Data from CCFGroup monitoring supported this observation. Despite the gradual winding down of domestic sales, the downstream order index in December rebounded compared to November, indicating an improvement in foreign trade orders. Moreover, the operating rate of downstream plants in December was generally better than market expectations, and the combination of improved orders and low-priced raw materials prompted downstream buyers to increase their procurement of upstream raw materials, while also generally postponing the Spring Festival holiday schedule.

However, feedback from downstream clients currently indicated that the performance of foreign trade order acquisition after the Lunar New Year is modest. Some overseas downstream customers may want to wait for clarity on tariff policies after Trump takes office before making decisions.

Source: ccfgroup.com

Türkiye's garment imports surge in 2024 amid concerns over 'fixed' currency

Spearheaded by domestic brands, Türkiye's garment imports rose by more than 15%, surpassing $4 billion and setting an all-time annual high, sparking concerns about the Turkish textile sector's near future as it begins to adopt a consumption-driven model.

The garment and textile sector, which saw exports drop by over 6% last year, experienced a record-breaking increase in imports during the first 11 months of 2024. According to business-focused ekonomim.com, sector representatives anticipate that imports will close in 2024 at $4.5 billion, with projections for 2025 exceeding $5 billion.

As industry experts forecast, imports will continue to exponentially increase, driven by the period of strong Turkish lira, which they call "fixed" currency, and increasing reliance on international suppliers.

Garment imports from Egypt skyrocketed by 168%. China remained Türkiye's top import source, accounting for $733 million. Meanwhile, Egypt, which has garnered growing attention from Turkish investors, saw its exports to Türkiye rise dramatically.

Ready-made imports from Egypt reached $260 million in just 11 months, surpassing the total for the previous year. By year's end, this figure is expected to approach $300 million—a 168% increase over the past five years.

Other key import sources included Bangladesh with $304 million, Vietnam with $161 million, and India with $64 million. Spain also emerged as a notable contributor, with imports totaling $110 million during the first 11 months of 2024, primarily driven by major brands like Inditex and Mango exporting through their local warehouses.

Ramazan Kaya, President of the Turkish Clothing Manufacturers Association (TGSD), highlighted the unprecedented surge in imports, which have risen from an average of $2.5–2.6 billion to over $4 billion.

"Historically, imports accounted for about 14–15% of our total exports. Last year, this figure surpassed $4 billion, and we expect it to exceed $4.5 billion by the end of this year," Kaya explained.

He attributed this trend to cost inflation, noting that local brands increasingly source from countries like Bangladesh, China, and Egypt. "Protective measures are not sufficient to curb import growth," he added.

Seref Fayat, Chairman of the TOBB Ready-Made Clothing and Apparel Sector Assembly, warned that Türkiye's reliance on imports will persist as long as domestic production costs remain uncompetitive.

"The strong lira has unfortunately fueled consumption-driven imports. While trade deficit reduction is being discussed, consumption spending continues to soar, limiting resources for production. Even Türkiye's local brands struggle to manufacture domestically, leading to a dramatic rise in imports. With imports likely to reach $5 billion in 2025, I don't foresee a different scenario unfolding," Fayat said.

Source: turkiyetoday.com

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India-EFTA trade pact may come into force before end of 2025: Goyal

The implementation process of free trade agreement (FTA) between India and the four-nation European bloc EFTA is progressing fast and is expected to come into force before the end of this year, Commerce and Industry Minister Piyush Goyal said.

The two sides signed the Trade and Economic Partnership Agreement (TEPA) on March 10, 2024. Under the pact, India has received an investment commitment of USD 100 billion in 15 years from the grouping while allowing several products such as Swiss watches, chocolates and cut and polished diamonds at lower or zero duties.

The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway, and Switzerland.

"Yes, EFTA is progressing very fast," Goyal told PTI when asked if the agreement would come into effect this year.

The minister said the Swiss Council of States has approved the agreement and now will go to their National Council for approval.

"So this overwhelming support in political circles in Switzerland for the TEPA with EFTA is truly a sign of the times to come... and in their statement also, it shows that that it has cleared an important hurdle and they are hoping to bring in entry to force by autumn of 2025, before the end of calendar year 2025," Goyal said.

The bloc committed an investment of USD 100 billion -- USD 50 billion within 10 years after the implementation of the agreement and another USD 50 billion in the next five years -- which would facilitate the creation of 1 million direct jobs in India. This is a first-of-its-kind pledge agreed upon in any of the trade deals signed by India so far.

The commitment is the key substance of the TEPA (Trade and Economic Partnership Agreement), which took almost 16 years to conclude, for India in return for opening its markets for several products coming from the EFTA nations.

There is a provision in the agreement that if the proposed investments would not come because of some reasons, India can suspend duty concessions to the four countries.

Domestic customers will get access to high-quality Swiss products such as watches, chocolates, biscuits, and clocks at lower prices as India will phase out customs duties under the trade pact on these goods over 10 years.

It is taking time to implement the agreement due to an elaborate ratification process of these pacts in different countries. In India, such agreements are approved by the union Cabinet, in EFTA countries, they need approval from their parliament.

On the progress of FTA negotiations with other countries, Goyal said he has held meetings with the new UK trade minister on the proposed pact.

India and the UK are expected to hold the next round of talks for a proposed FTA later this month to resolve the pending issues and close the negotiations.

The talks for the proposed FTA began in January 2022. The 14th round of talks stalled as the two nations stepped into their general election cycles.

With the European Union (EU) also, the minister has held discussions with European Commissioner for Trade Maros Sefcovic.

"We have agreed to meet soon again in the next couple of months to take the talks forward," he added.

He added that India will never compromise its national interest in these agreements.

"Unless the agreement is equitable, fair and balanced, India will not agree to any irrational terms," he noted.

Source: business-standard.com

Exporters stare at uncertainty over RoDTEP

With the expiry of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for exports under advance authorisation (AA), export-oriented units (EOU), and special economic zones (SEZ) schemes on December 31, 2024 and no communication regarding its extension, exporters are uncertain about RoDTEP benefits for these schemes.

An advisory, issued by the Office of the Commissioner of Customs - NS II, Centralised Export Assessment Cell, Jawaharlal Nehru Custom House, on January 2, urging exporters and customs brokers filing shipping bills under AA, EOU, or SEZ schemes to "carefully opt" for the RoDTEP scheme, was withdrawn on January 3, adding to the confusion.

In September last year, the Directorate General of Foreign Trade issued a notification that the RoDTEP scheme was extended till September 30, 2025 for export goods manufactured in the domestic tariff area and till December 31, 2024 for goods exported under AA, SEZ or EOU schemes.

"[Now] The system does not accept RoDTEP applications under AA, EOU or SEZ schemes. Exporters need the support to be competitive," said a forwarding agent in Coimbatore.

A textile exporter near Erode in Tamil Nadu said exports under AA, EOU or SEZ schemes are not affected by customs duty for imports. But, there are fuel tax, electricity tax, etc which the exporters get refunded only through RoDTEP. Hence, the scheme should be continued.

Source: thehindu.com

Textile Ministry aims for $300 billion market and 6 crore jobs by 2030: Textile Minister

Union Minister of Textiles Giriraj Singh stated that the textile ministry is committed to helping the industry to reach the market size of $300 billion in year 2030 and provide employment

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to 6 crore persons in textile value chain, the Ministry stated in a release on Sunday.

Textiles Minister Singh inaugurated the new permanent campus of the Indian Institute of Handloom Technology at Fulia, Nadia, West Bengal.

The new campus of the institute has been constructed using state-of-the-art technology in a sprawling campus of 5.38 acres of land with the expenditure of ₹75.95 crore.

The building is having modern infrastructure consisting smart classes, digital library, and modern and well equipped testing laboratories.

The new campus will be a model learning place and will serve as Center of excellence in the field of handloom and textile technology and cater to the educational needs of the students from West Bengal, Bihar, Jharkhand and Sikkim.

Talking to ANI on December 7, Singh stated, "The Textile Department has decided that India's textile market will grow to $300 billion from the current $176 billion. Last October, exports of textiles rose by 11 per cent and that of garments by 35 per cent. I hope under the leadership of PM Modi we will touch new heights."

Meanwhile, Textiles exports from India during October were about 11.56 per cent higher at $1,833.95 million, compared to the same month last year.

At the same time, apparel exports registered a significant growth of 35.06 per cent during the same period October at $1,227.44 million, the Confederation of Indian Textile Industry said in a report, citing government data.

Cumulative exports of textiles and apparel in October 2024 increased by 19.93 per cent compared to October 2023.During April-October, Indian textiles exports registered a growth of 4.01 per cent over the previous year while apparel exports registered a growth of 11.60 per cent during the same time, data showed.

India's textile industry is on the brink of expansion, with total textile exports projected to reach $65 billion by FY26, according to Invest India, which is the central government's investment promotion and facilitation agency.

According to Invest India, the domestic textile market, valued at around $165 billion in 2022, includes $125 billion from domestic sales and $40 billion from exports. Projections indicate that the market will grow at a compound annual growth rate (CAGR) of 10 per cent to reach $350 billion by 2030.

Source: thehindubusinessline.com

Andhra Pradesh to strengthen textile value chain with Rs 10,000 crore investment

The state prioritizes textile industry growth with an investment of Rs 10,000 crore, boosting value chain, employment, and sustainable manufacturing.

To boost its economy and attract investments worth Rs 10,000 crore, the Andhra Pradesh government is prioritizing the development of textile and garment industries in the state. Leveraging abundant raw materials, the initiative aims to strengthen the textile value chain and create employment opportunities.

Unlike the previous YSRCP government, which introduced a five-year textile policy but failed to implement operational guidelines, the N Chandrababu Naidu-led NDA government has crafted a new textile policy with actionable guidelines to ensure smooth execution and sectoral growth.

Andhra Pradesh is India's sixth-largest cotton-producing state, yielding 15.41 lakh bales in 2022-23. This presents vast opportunities for value addition within the state, says S Savita, Textiles sand Handlooms Minister.

The state is equipped with 106 spinning mills, approximately 3 lakh spindles, and 12,635 power loom units, which helps attract investment to generate employment."

Emphasizing on the the state's skilled workforce, supported by educational institutions offering textile technology courses, Savitha says, the government plans to establish skilling centers in Vizag and Rayadurg to meet industry needs.

She highlights, untapped opportunities in value-added activities such as weaving, knitting, processing, and technical textiles can drive large-scale employment while minimizing environmental impact. The ministry aims to convert the entire yarn produced in Andhra Pradesh into fabric, preventing value migration, she adds.

The new policy promotes key components of the textile value chain, integrated units, and technical textiles. Andhra Pradesh already hosts seven dedicated textile parks and five private parks, with Brandix India Apparel City standing out as a leading example of success in integrated textile operations.

The government is now focused on enhancing Venkatagiri Textile Park and Chirala Handloom and Textile Park while supporting emerging private industrial parks. This strategic approach aims to transform Andhra Pradesh into a hub for sustainable and value-driven textile manufacturing.

Source: fashionatingworld.com

Industry seeks extension of RoDTEP scheme to SEZs, EOUs till Sep-end

Amid global economic uncertainties, the industry has urged the government to extend key export-boosting scheme Remission of Duties and Taxes on Exported Products (RoDTEP) for export-oriented units (EOUs) and special economic zones (SEZs) till September-end.

Currently, the RoDTEP scheme for exports from the domestic tariff area (DTA), or the domestic market, is in place till September 30 this year. However, in the case of SEZs, EOUs and advance

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authorisation (AA) holders, the scheme expired on December 31 last year.

The RoDTEP scheme refunds the embedded non-creditable central, state and local levies paid on inputs to exporters to boost India's exports. The scheme came into effect in 2021, but was extended to additional export sectors — SEZs, EOUs, and AA holders — only from March 11, 2024 to "help the exporting community in handling the international headwinds".

In a letter to expenditure and commerce secretaries, the Export Promotion Council for EOUs and SEZs (EPCES) has said that there is "no justification" for denying the RoDTEP benefits to one set of exporters — EOUs, SEZs, and AA holders.

The EPCES also pointed out that in case of a budget constraint, the RoDTEP scheme should be limited to limited sectors and products only, instead of a small set of exporters being put to disadvantage. The budget requirement to cover EOUs and SEZs under RoDTEP is limited since exports from EOUs and SEZs constitute about 15 per cent of total merchandise exports.

The Council has also suggested that in case of budget constraint, all exporters be covered only till March 31.

As much as Rs 16,575 crore has been allocated to the RoDTEP scheme under the Union Budget 2014-25.

Source: business-standard.com

UP govt's new export policy to provide additional benefits to exporters

The Uttar Pradesh government is drafting a new export policy to boost the state's share in India's exports. The move aims to provide additional incentives to exporters.

In the last financial year (FY24), UP's merchandise exports were worth nearly $20.67 billion, contributing 4.71 per cent to India's total exports. With the new policy, the government targets to increase this share to 7.5 per cent, a senior official said. For the first six months of FY25, the state logged exports worth $10.56 billion, raising its share in the country's total exports to 4.89 per cent.

The proposed policy would introduce several incentives for exporters, especially in the food processing, handicrafts, and One District One Product sectors. UP is known for its traditional industries, such as Banarasi silk sarees, carpets from Bhadohi, chikan embroidery from Lucknow, Kanpur's leather goods, and leather footwear from Agra.

The policy would emphasise job creation and offer incentives, including marketing development support, air freight subsidies, international certification subsidies, and gateway port freight subsidies, the official added.

The state government is aiming to achieve merchandise exports worth Rs 3 trillion in the next two to three years. Being a landlocked state, UP is also focusing on creating infrastructure to support its export supply chain.

The state plans to develop all 75 districts into potential export hubs by building a robust network of warehouses, cargo terminals, and trucking hubs. These facilities will be located in industrial zones and near expressway projects.

Under the UP Warehousing & Logistics Policy, the government is offering various financial incentives to attract private investments. Additionally, plans are in place to establish seamless air, water, road, and rail connectivity for enhanced access to global and domestic markets.

Source: business-standard.com

Exporters flag terminal fee, low dry ports use to Piyush Goyal

New Delhi: Exporters and freight agencies Tuesday raised the issue of high terminal handling charges at ports and low usage of dry ports or inland container depots, which add to the overall logistics costs.

At a meeting with commerce and industry minister Piyush Goyal, they said the fee charged by shipping terminals to store and position containers before they are loaded on a vessel is higher by ₹10,000-15,000 per consignment than what ports charge.

"It was a stock-taking meeting on logistics and shipping issues. The government is looking at reducing logistics costs everywhere," said an official. India aims to cross $800 billion of goods and services exports in fiscal 2025 as against $778 billion in the last fiscal year.

Source: economictimes.com

Commerce ministry, Indian mission officials of 20 nations discuss ways to boost exports

Senior officials from the commerce ministry, and commercial wings of Indian Missions of 20 countries on Wednesday discussed ways to promote exports of goods and services. The three-day meeting was concluded on Wednesday.

"Discussed country-specific and sector-specific opportunities and challenges in trade, technology, investment & tourism. Together, we explored ways to strengthen India's global leadership and foster deeper international collaborations," Commerce and Industry Minister Piyush Goyal said on X.

The issues which came up during the three-day deliberations included opportunities and challenges and the way ahead in six focus sectors (of goods and services each) in 20 countries of significance; non-tariff barriers; logistics; WTO (World Trade Organisation) matters; and role and importance of MAI (market access initiative), the official said.

The meeting was important as the commerce ministry is in the process of formulating a strategy to push exports of six key product categories, including engineering goods and electronics, to 20 focus countries, including the US, Australia, France, China, Russia, the UK, Japan, South Korea, Singapore, and Indonesia.

These countries, including the US and the European Union nations, account for a major chunk of India's total exports. After

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recording double-digit growth in October 2024, India's exports in November contracted 4.85 per cent year-on-year to USD 32.11 billion.

Cumulatively, during April-November this fiscal year, exports increased by 2.17 per cent to USD 284.31 billion and imports by 8.35 per cent to USD 486.73 billion.

Trade deficit, the difference between imports and exports, during April-November widened to USD 202.42 billion from USD 170.98 billion during April-November 2023.

Last month, Barthwal said that the ministry is focusing on 20 countries and six services and manufacturing sectors, including IT/ITeS to further boost the shipments.

Services exports reached an all-time high of USD 34.31 billion in October, registering an increase of 22.3 per cent year-on-year.

Source: economictimes.com

India Budget 2025: Launch technology mission to boost cotton supply

The Government of India has envisaged a target of achieving $350 billion textile market size including exports of $100 billion by 2030. In order to achieve the target, the country would need more cotton and other types of fibres. However, over the last decade, the country's cotton production has declined by 18 per cent. In this scenario, the industry has urged the government to launch second version of Technology Mission on Cotton (TMC II) and announce it in the upcoming Union Budget for fiscal 2025-26. The Confederation of Indian Textile Industry (CITI) has proposed certain measures to be taken to increase domestic cotton production.

In its memorandum to the government, CITI has said that India would need to increase its cotton production base from the present level of 5.5 billion kg (32.3 million bales of 170 kg) to about 7.5 billion kg (44.1 million bales).

The first Technology Mission on Cotton (TMC I) announced by the government during 2000-01 played an instrumental role in increasing cotton cultivation. However, TMC I was closed a few years back citing that necessary benefits would be made available through different schemes of the Ministry of Agriculture.

Moreover, after the expiry of BT hybrid cotton technology 12 years ago, no new technology has been developed. As a result, India's cotton productivity is estimated to drop to 32.5 million bales in 2023-24 from the highest output of 39.8 million bales in 2013-14. Likewise, cotton yield is expected to drop to 436 kg lint per hectare from the highest yield of 566 kg lint per hectare. These figures may drop further in the absence of suitable policy intervention.

To meet the rising demand for cotton, CITI has urged the government to announce TMC II with a special focus on seed technology. Advanced seed technology is essential to produce cotton with high yield and fibre quality that meets international standards. Additionally, the new seed should be herbicide-tolerant, suitable for high-density planting, similar to ELS cotton, and resistant to drought and sucking pests. Furthermore, global best practices should be promoted for seed sowing, agronomy, harvesting, handling, ginning, and pressing.

A mission-mode approach is required, with a substantial budget allocation for seed and agronomy technology as well as technology transfer. The country also needs a mission-mode initiative for clean cotton with minimal trash, low short fibre content, and contamination-free production. Promoting the branding of Kasturi cotton should also be prioritised.

Source: fibre2fashion.com

Are India-Bangladesh textile ties unraveling amidst unrest?

As political tensions simmer between India and Bangladesh, the intricate textile trade relationship between the two South Asian neighbors hangs in the balance. Here is a look at the interwoven textile supply chain, the stakes, indispensable links, and potential vulnerabilities for both nations.

A symbiotic relationship

India and Bangladesh share a deeply intertwined textile trade relationship, characterized by complementary strengths. India dominates the upstream segment, providing raw materials like cotton, yarn, and fabrics to Bangladesh. Bangladesh, in turn, leverages its competitive labor costs to focus on downstream garment manufacturing, exporting finished apparel globally, including to India.

Table

Trade flow 2022-23 Value (% bn) Key items India to Bangladesh Exports $11 Cotton, yarn, fabrics, dyes, chemicals India from Bangladesh Imports $1.89 Ready-made garments, knitwear, home textiles

The two countries have some indispensible links. For example, Bangladesh's reliance on Indian inputs for garment industry, a cornerstone of its economy, means any disruptions in supply could cripple production and impact export commitments.

Also, Bangladesh provides a significant market for Indian textile products, particularly yarn and fabrics. Losing this market share would deal a blow to Indian manufacturers. Bangladesh also has lower labor costs that make it an attractive destination for garment manufacturing. This benefits global brands and retailers, contributing to the affordability of clothing.

However, the country is seriously vulnerable now. These vulnerabilities include the political volatility. The current political climate has led to uncertainty and risk, potentially disrupting established trade flows. Any disruption in cross-border movement of goods could lead to delays, shortages, and increased costs for both nations. Moreover, both countries also face competition from other textile and garment producing nations, particularly in Southeast Asia.

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What's at stake is their economic growth as the textile industry significantly contributes to the GDP and employment in both countries. Trade disruptions could have adverse economic consequences. Both nations also risk losing their hard-earned positions in the global textile and garment market if the current situation persists. And supply chain disruptions and increased costs could ultimately lead to higher prices for clothing and textiles globally.

Therefore, while certain aspects of the textile trade relationship are indispensable, both countries possess some flexibility. India could seek alternative export markets, and Bangladesh could explore sourcing raw materials from other suppliers. However, such shifts would likely involve higher costs and logistical challenges. Thus the current situation underscores the importance of diversification and resilience in textile supply chains. It also highlights the need for political stability and cooperation to ensure continued growth and prosperity for both India and Bangladesh.

Source: fashionatingworld.com

New credit guarantee scheme for MSMEs soon

The government will soon launch a new credit guarantee scheme for the MSME sector covering loans up to ₹100 crore, DFS Secretary M Nagaraju said on Thursday.

Addressing the concluding session of the Grameen Bharat Mahotsav (GMB) 2025 in the capital, Nagaraju said, "We are likely to come up with a scheme, which was announced by Finance Minister in her last Budget, that could provide loans up to ₹100 crore without guarantee, if they are already having the enterprise".

The scheme is likely to be placed before the Union Cabinet soon for its approval. Finance Minister Nirmala Sitharaman had announced in Budget 2024-25, "For facilitating term loans to MSMEs for purchase of machinery and equipment without collateral or third-party guarantee, a credit guarantee scheme will be introduced.

The scheme will operate on pooling of credit risks of such MSMEs. A separately constituted self-financing guarantee fund will provide, to each applicant, guarantee cover up to ₹100 crore, while the loan amount may be larger".

The GMB 2025 was an initiative of the Department of Financial Services (DFS) and National Bank for Agriculture and Rural Development (NABARD) celebrating rural India's growth and potential.

Rural tranformation

The six-day Mahotsav brought together stakeholders from across the country to envision an empowered rural India. The event underscored the government's commitment to rural transformation, aligning with the goal of achieving a "Viksit Bharat" by 2047.

GMB 2025 was inaugurated, on January 4 by Prime Minister Narendra Modi in the presence of Finance and Corporate Affairs Minister Nirmala Sitharaman and Pankaj Chaudhary,Minister of State for Finance.

More lending

Meanwhile, Nagaraju on Thursday said the government is very keen to lend more to rural areas through its various schemes. From a level of ₹ 8.5 lakh crore in 2015, rural credit has expanded to ₹25 lakh crore in 2023-24, he added. "We want to increase agricultural credit by several times. Agricultural credit was 8.5 lakh crore in 2015", he said.

As the country surges ahead, he said, there is need to focus on four things: quality, linkages for exports, capacity building, and support to achieve the vision of Vikshit Bharat.

Nagaraju said that the Mahotsav has brought to light the vast potential of rural India as a driver of nation's economic progress. With over 53 crore Jan Dhan accounts, primarily held by women and rural communities, and 14.4 million self-help groups (SHGs) fostering financial inclusion, the event underscored the critical role of grassroots resilience, innovation, and entrepreneurship.

Initiatives such as Lakhpati Didi, agricultural credit worth ₹25 lakh crore annually and dedicated support for FPOs in every State reflect government's unwavering commitment to empowering rural communities, especially women entrepreneurs, he added.

Source: thehindubusinessline.com

Epic Group and Creative Group sign ₹500 Crore MOU

In a significant development aimed at harnessing growth opportunities in India, Epic Group and Creative Group are pleased to announce a joint venture that promises to transform the Indian apparel business landscape. Today marks the beginning of this promising collaboration with the signing of a non-binding memorandum of understanding (MOU). This initial agreement sets the stage for an extensive joint business planning exercise.

The joint venture brings forth a potential investment of Rs 500 crores (approximately 60 million USD) and is set to leverage India's local talent by creating employment opportunities for a 10,000 strong workforce. This venture aims not only to enhance operational capabilities but also to lay the foundation for substantial economic contributions through job creation.

The partnership is poised to set new industry benchmarks, drive innovation, and deliver superior value to our customers and stakeholders in India. Both Epic Group and Creative Group are committed to fostering innovation and growth in the apparel sector, with a focus on sustainable practices and community development.

Source: indiantextilemagazine.in

UK and India relaunch FTA talks to strengthen bilateral trade relations

National News

Trade Update

The UK government on Tuesday told Parliament that the Free Trade Agreement (FTA) talks with India have been relaunched to deliver a joint ambition of taking the bilateral relationship to "even greater heights".

During a debate on UK economic growth in the House of Commons, British Indian Labour MP Jeevun Sandher asked Foreign Secretary David Lammy about the steps being taken to get a "good UK-India trade deal over the line".

Describing 2025 as an "exciting year" for the UK's trading relationship with India, the co-chair of the India All Party Parliamentary Group (APPG) flagged the "exchange of green technologies to help prevent and reduce the warming of our planet" among the areas of focus.

"We are two nations with an intertwined history and common democratic ideals and we face the risks of a dangerous world and a warming planet," said Sandher, a first-time member of Parliament from Loughborough, in the East Midlands region of England.

In response, Lammy pointed to his India visit within weeks of the Labour government being elected in July last year and British Prime Minister Keir Starmer hosting a roundtable with Indian business leaders at 10 Downing Street last month.

"We have relaunched the Free Trade Agreement (FTA) — we have said that it is a floor, not a ceiling on our ambition — and it was important that a delegation of Indian businessmen met the chancellor of the exchequer, me and the prime minister [Keir Starmer] just a few weeks before Christmas," said Lammy.

The UK foreign secretary reiterated his own Indian connection with a "great-grandmother on my mother's side, who was from Calcutta" and went on to reveal that he plans to invite his Indian counterpart, External Affairs Minister S Jaishankar, to the UK in the coming spring months.

"The UK and India's prime ministers have committed to an ambitious refresh of the Comprehensive Strategic Partnership. They announced that the UK-India trade talks will relaunch, which will deliver our joint ambition to take the UK-India relationship to even greater heights, and India is one of a handful of countries that will determine whether we meet the global warming limit of 1.5 degrees Celsius," said the senior UK Cabinet minister, referencing the meeting between Starmer and Prime Minister Narendra Modi on the sidelines of the G20 Summit in Brazil last November.

According to the official UK Department for Business and Trade (DBT) statistics, the total trade in goods and services between the UK and India was GBP 42 billion in the four quarters to the end of 2024.

This is expected to be significantly enhanced with an FTA, negotiations for which began in January 2022 before being paused in the fourteenth round for general elections in both countries in 2024. The FTA talks are expected to resume later this month.

Source: thehindubusinessline.com

First e-commerce export hub may start operations in March: DGFT

New Delhi: The first e-commerce export hub in the country is expected to be operationalised from March this year, a senior government official said on Wednesday. The pilot launch of these hubs has been approved for five firms -- logistics aggregator Shiprocket and air cargo handling company Cargo Service Centre in Delhi; DHL and Lexship in Bengaluru; and goGlocal in Mumbai, Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said.

He said the departments of commerce and revenue, along with the Bureau of Civil Aviation Security (BCAS), are working on formulating a standard operating procedure (SOP) to operationalise these hubs. "We expect the first e-commerce hub operational by March of this year," he told reporters here.

The key features of these hubs would include self-sealing with no customs/BCAS examination at gateway ports; easy reimport policy for returns; and onsite outposts for quality and certifying agencies.

The move assumes significance as India is looking to tap into the growing export opportunities in this segment.

E-commerce exports have the potential to grow to over USD 100 billion by 2030 and then further to USD 200-250 billion in the coming years.

India's exports through this medium are only about USD 5 billion compared to China's USD 250 billion annually.

Sarangi also said the directorate is working to launch the second phase of the Trade Connect ePlatform.

The phase one was launched in September last year to provide all kinds of information related to exports and imports.

"We are working on launching the phase-2 of this which will have a lot more value added services including trade dispute related issues to be raised here and also trade analytics... trade intelligence reports from overseas missions will land here... trade finance and insurance will also come in this platform," he said.

The DGFT also announced launching of Diamond Imprest Authorisation (DIA) scheme.

"It will be implemented from April 1. The software module for this is under implementation and we will make it functional from the coming financial year," he said.

The scheme allows duty-free import of cut and polished diamonds up to a specified limit with 10 per cent value addition.

It aims to establish India as a hub for diamond processing and value addition.

Trade Update

National News

The Diamond Imprest Licence allows eligible exporters to import cut and polished diamonds, including semi-processed, half-cut, and broken diamonds. Exporters can import diamonds up to 5 per cent of their average turnover from the past three years, with a requirement to add 10 per cent value.

Source: economictimes.com

Piyush Goyal to visit Brussels, discuss India-EU trade, progress in FTA: Sources

New Delhi: Commerce and Industry Minister Piyush Goyal will be visiting Brussels later this week. He will discuss India-EU trade, progress in the Free Trade Agreement (FTA) and other issues with new EU Trade Commissioner Valdis Dombrovskis, as per sources.

The Union Minister has been taking active steps towards making the India-EU trade agreements successful, as Goyal in December last year interacted with Ambassadors of the European Commission delegation, Austria, Belgium, Bulgaria, Czech Republic, Estonia, Italy, Ireland, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovak Republic, Spain and Sweden.

The FTA negotiations, after 9 rounds of intense engagement, need political directions to arrive at a commercially meaningful deal while understanding the sensitivities of each other, the ministry has stated.

The Minister further underlined that any sustainability discussions must appreciate the principle of Common But Differentiated Responsibility (CBDR) and implementation of such measures should take into account differing paths of development.

Goyal has stressed that the FTA would be instrumental in further diversifying and expanding India's exports while strengthening critical value chains.

In October last year, he expressed his optimism about the potential of trade between both sides.

Speaking at at the launch of the Federation of European Business in India (FEBI) in New Delhi last year, Goyal said that two-way trade between Europe and India can grow exponentially if both sides understand each other's concerns and cooperate meaningfully.

The agreement is aimed at further boosting bilateral trade and investments between the two regions. The two sides are negotiating a free trade agreement, an investment protection agreement and an agreement on geographical indications (GIs).

The FTA negotiations between India and the EU, which have been ongoing since 2007, have seen periods of stagnation and revival.

Talks resumed with renewed vigour in 2021 after a nearly eight-year hiatus, focusing on reducing tariffs, addressing market access challenges, and facilitating investment flows between the two regions.

India's bilateral trade in goods with the EU reached USD 137.41 billion in 2023-24, making the EU India's largest trading partner for goods. Furthermore, bilateral trade in services between the two partners stood at an impressive USD 51.45 billion in 2023.

Source: economictimes.com

Apparel and textile exports register growth despite challenges

Apparel exports registered 12.9 % growth in dollar terms in December 2024 compared with the previous year and cumulative exports for April - December of 2024 registered 11.6 % growth as against the same period the previous year.

Sudhir Sekhri, Chairman of the AEPC said in a statement, "This is the appropriate time when India needs to capitalise this opportunity and accelerate the momentum to expand its global footprints and enter new markets."

The long-term outlook for Indian apparel exports remains positive, largely on account of improved product acceptance, adaptability to changing consumer trends, focus of factories on compliance, etc., he said.

In April - November of 2024, apparel exports from India to the US grew 14.3 %, to Spain by 20.7 %, and 33.6 % in Netherlands. The exports did well in India's FTA markets too, registering 22.7 % growth in South Korea, 9 % in Japan, and 9.8 % in Australia.

According to the Confederation of Indian Textile Industry, textile exports in December went up by 12.76 % compared with December 2023 and 4.87 % in April-December 2024 compared with the same period the previous year. This shows the sector's resilience to global uncertainties, said Rakesh Mehra, its chairman.

Indian textile and garment industry can improve its competitiveness and gain more share in the global trade with the Quality Control Order norms are relaxed and the import duty on cotton is removed, said SK Sundararaman, Chairman of the Southern India Mills Association.

Source: thehindu.com

Quick Estimates for Textiles & Clothing (Apr-Dec 2024)

Trade Update

QUICK ESTIMATES FOR TEXILES & CLOTHING (APR – DEC) 2024						
Exports (Million USD)	**DEC'23**	**DEC'24**	**% Change**	**APR'23-DEC'23**	**APR'24-DEC'24**	**% Change**
Cotton Yarn/Fabs/made-ups, Handloom Products etc	**938**	**1,050**	**11.98%**	**8,670**	**8,915**	**2.82%**
Man-made Yarn/ Fabs/ made-ups etc.	375	422	12.53%	3,428	3,610	5.31%
RMG of all Textiles	1,295	1,462	12.89%	10,142	11,316	11.58%
Jute Mfg. Floor Covering	25	38	51.58%	259	284	9.66%
Carpet	123	134	9.15%	1,038	1,150	10.75%
Handicrafts excl. handmade carpet	135	155	14.90%	1,172	1,319	12.53%
Textiles	**1,595**	**1,798**	**12.76%**	**14,568**	**15,278**	**4.87%**
Apparel	**1,295**	**1,462**	**12.89%**	**10,142**	**11,316**	**11.58%**
Textiles & Apparel	**2,890**	**3,261**	**12.82%**	**24,709**	**26,594**	**7.63%**
All Commodities	38,391	38,011	-0.99%	316,650	321,709	1.60%
% Share of T&C in Total Exports	**7.53%**	**8.58%**		**7.80%**	**8.27%**	

Imports (Million USD)	**DEC'23**	**DEC'24**	**% Change**	**APR'23-DEC'23**	**APR'24-DEC'24**	**% Change**
Cotton Raw & Waste	29	143	384.87%	499	919	84.18%
Textile yarn Fabric, made-up articles	200	220	9.69%	1,747	1,804	3.27%

Source: DGCIS/MOC

- According to the quick estimates data released by the Ministry of Commerce & Industry, exports of cotton yarn/ fabrics/made-ups, handloom products etc from India grew by 11.98% in December 2024 over December 2023.
- During Apr-Dec'24, Indian cotton yarn/fabrics/made-ups, handloom products registered a growth of 2.82%.
- During December'24, Indian Textiles Exports grew by 12.76% over the previous year and Apparel Exports registered a growth of 12.89% during the same time period.
- Cumulative Exports of Textiles and Apparel during December'24 have registered a growth of 12.82% over December'23.
- During April- December'24, Indian Textiles Exports registered a positive growth of 4.87% over the previous year while Apparel Exports registered a growth of 11.58% during the same time period. Overall T&A registered a growth of 7.63% during Apr-Dec'24.

Special Feature

The top 10 trends of 2025: What to expect in US, China, India

Investor and author Ruchir Sharma speaks to economist and psephologist Prannoy Roy on the likely big trends of this year

Prannoy Roy: Hello and welcome to dekoder.com. If there's one show on the economy and what lies ahead, it is this annual program with investor and writer Ruchir Sharma. We will look at the 10 major factors that will affect each one of us in 2025, the research and insights for which are those of Ruchir and his team.

You start with the biggest trend – that there's going to be a reversal in the recent pattern of American dominance. America is said to underperform the rest of the world. It's overperformed the rest of the world by 6.6% per year for the last 15 years. Give us two or three reasons for it.

Ruchir Sharma: This trend is very extended. The American stock market's outperformance has been going on really on a trend basis for 15 years. If you look at the historical pattern, typically when the American stock market does well in one decade, then in the subsequent decade, it at least gives back some of the gains.

We're halfway through this decade, the American stock market has been way outperforming the rest of the world. The American economy today is just under 30% of the global economy. But the share of the American stock market in global indices, like the MSCI Global Index, is now approaching 70%.

It's almost suggesting there's no other country in the world worth investing in. And this has been boosted a lot with the fact that the dollar has been so strong, and that you've had tech companies in America earning extraordinary profits. Trump's victory has given a further boost to this because there's a feeling that if he imposes tariffs, it's going to be good for America and bad for the rest of the world.

But this has become such a group-think and I'm very wary… In my 30-odd years of watching markets and investing, I've never seen such a strong group-think, which is that everyone expects America to be the only place to invest. This trend could reverse itself for reasons including America's fatal flaw, its fiscal deficit, and also this economic concept of creative destruction.

Roy: Could you expand on this TINA – there is no alternative – factor that investors are mesmerized by?

Sharma: There is a feeling among investors that Europe is in bad shape. Japan is still facing such a big demographic challenge. Emerging markets in general are too small or too insignificant to invest in. China has not been doing well. There's so much money sloshing around and if there's any place we want to put this capital in, it's only America.

Roy: If you look at the top 10 firms in the world, there's been massive churn for decades. But there's been no churn in the first five years of this decade. It is dominated by American companies. Now you're saying there's going to be a churn and American companies will not dominate as much.

Sharma: This domination seems to have reached a peak. These companies have now become household names and they're in a way basic essentials, whether it's Apple, Amazon or even Google, Facebook.

But there are the laws of creative destruction, which is that new companies are supposed to come and take the place of old companies. Otherwise, the same companies will keep dominating, which is not the way capitalism is supposed to function.

In the last five years, the same companies that ended the decade dominating are still at the top; in fact, their dominance has only increased in the last couple of years.

But I feel they're sowing the seeds of their own demise by spending so much on AI, and the returns may not be commensurate. I see the trend of group-think [of TINA] shifting this year.

Roy: Fiscal deficit is in a league of its own in America. It's been 8% of GDP for this decade on average. It's twice as high as Europe, higher than India, and almost twice as high as other emerging markets. That is a fatal flaw.

Sharma: In the last three to four years, America seems to have just blown past all historical records on fiscal deficit. It's been able to get away because it has the world's reserve currency. It's able to print as many dollars as it takes. And because of the AI mania, people are willing to fund these deficits, saying that they have no other place to go.

Roy: The US debt is highly inefficient. It uses more and more public debt to achieve just one dollar of GDP growth. It used to be 70 cents to get one dollar growth. Now it's 1.8 dollars to get one dollar.

Sharma: Yeah, the American economy has done so much better also because of the amount of debt it's taken up. What exactly is public debt? It's the government which is spending a lot. Just look at the number of jobs now being created by the government in America. This is supposed to be a capitalist economy and now nearly 20% of all jobs being created in America are being created by the government.

It shows you the role of government, how it's increased. More than 50% of the counties in America are now reliant much more on transfer payments from the government. That number used to be not even 25% a decade or two ago.

Roy: So now Trump and Musk and Vivek Ramaswamy will change all this and cut down government jobs?

Sharma: We don't know how much they'll succeed. A lot of this government spending is on very sensitive areas like Medicare and social security benefits; very hard to touch.

Probably more importantly, even if they succeed, at least in the short term, it will mean that American growth could take a hit because it's being artificially boosted today by so much government spending. Will they have the appetite to stomach that? And for how long? So, no matter which way you cut it, I think America will look less exceptional in 2025.

Roy: In India, capital expenditure infrastructure has gone up and subsidies have gone down. That's a key aspect of growth.

Sharma: Even though India has always run a very large fiscal deficit, at least it's stabilized. The fiscal deficit hasn't increased much in the last decade or so, particularly at the Centre. The government is spending much more now on capital expenditure and less on subsidies. Although state governments

The top 10 trends of 2025: What to expect in US, China, India

Special Feature

in India are spending a lot more now on welfare, broadly, if you look at the picture over the last decade, the fiscal situation seems relatively calm and better managed with more spending towards productive stuff, which is infrastructure, and less on subsidies and welfare.

Roy: Now, moving to your fourth point, you're saying that the share of key emerging markets is growing faster than the USA.

Sharma: When I wrote my first book, Breakout Nations, a decade ago, there was so much hype about BRICS and emerging markets, and I tried to caution that expectations are very high and these emerging markets may disappoint. And the true breakout nation may end up being America.

In the last decade, in many of these emerging markets, economic growth disappointed. Even in India, compared to what was expected, economic growth didn't come out to be as strong. It's plateauing now at around 6-odd per cent, but 10-12 years ago, everyone thought that India's birthright was to grow at 8%.

I think that in the next few years, and these are projections being also given by the IMF, economic growth in some of these countries may outperform on the upside. That's because they have cleaned up a lot of the excesses that they had built when they had the boom years of the 2000s, plus they're investing a lot more in infrastructure and other productive investments. Also, they're not as reliant on fiscal stimulus as America is to grow. So as America sort of weans off some of this fiscal excess and stimulus, these emerging markets could shine more in the next few years.

Roy: All your data shows that India is growing faster than other emerging markets.

Sharma: That's because our base is lower. The per capita income at $3,000 is much lower than other emerging markets on average, which is closer to about $8,000 to $10,000. But India's growth lead will continue. There's a very old formula I've used for the last 30 years – that whatever the emerging market average, we typically tend to grow about one and a half to two points faster. I expect that growth lead to remain intact in 2025.

Roy: Your fifth forecast is China is investable again. China is now cheap and attractive for investment. The price-earning ratio in China is 10 compared to India and the US, which are 23 and 22. We are twice as expensive as them.

Sharma: I remain structurally bearish on the Chinese economy. The debt and demographic factor haven't been resolved. I still expect those to be a headwind.

On China's growth rate, I'm always concerned when views become too one-sided. Everybody has become very bearish on China. Everyone is telling you the same theories. I'm trying to say that, it's still the world's second largest economy, still the second largest stock market, if you look at China, Hong Kong combined. And there are some companies there, what we call diamonds in the rough. If you objectively look at some of the companies in China, they are doing relatively OK. They have some cutting edge technology.

Roy: One company that you pointed out, that's BYD. Basically, you're saying China's investable and some Chinese companies are very undervalued. The number of cars BYD has sold is 4 million compared to Tesla's 1.8 million. And their market value is 100 billion and Tesla's 1.2 trillion, that's 12 times higher.

Sharma: This is just an example that there are cheap companies in China with good quality products. And you look at these stock prices, which have been pummeled. Some stocks, especially in the tech space, are down 70%, 80% in dollar terms. That's my point, that there are diamonds to be found in the rough in China, even if you're structurally bearish on the economy as I am.

Roy: You're saying there's overspending on AI, and that'll hurt big tech firms. They used to spend an average of 10% a year for many years; now they're spending an average of 27% investment in AI.

Sharma: There's a massive amount of spend which is going on. Some of these companies, they're called the hyperscalers in America – the Microsofts and the Alphabets and Facebook, etc., even Tesla – the amount they're investing in this is quite incredible. These big tech firms in America have been making extraordinarily high profits, but if they're going to spend so much on AI, some of those profits are going to come down. And investors and other people are going to ask, who's going to benefit from this?

If you look at past such revolutions, whether it was the Internet revolution that took place in the 2000s, or the shale oil revolution, the established firms were never the big winners. In fact, the established firms end up spending a lot, but the consumer, or some new firms benefited.

Again, I think that AI is the future. It's here to stay. I'm not debating that. I think it's this entire triangulation, which is that you have a lot of hype being created by these hyperscalers who are spending so much on AI. And then you have expectations, which are very high. And yet, in terms of what the product is being able to deliver, that's still taking a lot of time to materialize.

So therefore, I think that this could be something which could hurt the profitability of these big tech firms that are spending so much on AI.

Roy: You're saying in 8 out of 10 forecasts that trade will grow without America now. Eight out of the 10 hottest trade corridors currently do not include the US.

Sharma: There are signs that this trend is likely to accelerate. We just saw the European Union signed a deal with a bunch of Latin American countries to bring tariffs down by 90%. Regional trade agreements are accelerating; bilateral trade agreements are accelerating.

If you look at the trade corridors around the world, the maximum growth is taking place between countries which don't involve America. In fact, eight out of these 10 don't involve America.

Special Feature

The top 10 trends of 2025: What to expect in US, China, India

So the world is moving on – and when someone asks me how the world should adapt to a Trump world, my point is, start thinking about how to do things outside of America.

Roy: India has also signed, is signing, more regional trade agreements than before.

Sharma: There was a big hiatus. Last decade, India barely signed any new trade agreements. But in the last three to four years, that pace has accelerated. And these are trade agreements without America. With countries like the UK, Oman, trade agreements are being currently negotiated.

I wish we'd do more to trade with our neighbours, though. That remains one of India's weaknesses – if you look at the big success stories around the world, including China, they have very good trading relationships with their immediate neighbours. Cost of transport is so much less, regional hubs are much easier to create, the synergies are much easier to create.

Roy: You're also saying that private funding is going to slow down globally. Between 2000 and 2019, it grew from $1 trillion to $7 trillion. And from 2019 to 2024, in the last five years, it's gone from 7 to 14.

Sharma: We were sort of conditioned to think about all funding mainly happening through public markets. But in the last 10-15 years, particularly after the global financial crisis, you've seen a big explosion take place in the private markets. One is private equity, which is where people take a stake in companies that are not listed on the stock market. Or even when lending happens, it takes place outside of the traditional banking system, on a private basis.

Roy: Your graph says private equity, from being well below public funding, has now overtaken public funding. Public capital is – 5% growth, private equity + 10%, and private equity from being way behind public is now ahead of public.

Sharma: I'm trying to say that a strength taken too far becomes a weakness, which is that this may have gotten a bit too far and now you're seeing a lot of retail people wanting to participate in this. At the end of the day, if you throw too much money at something indiscriminately, there are negative consequences.

Roy: In India, private funding is growing fast, but still at an early stage. It's only $120 billion right now.

Sharma: Very small. The global number runs in trillions of dollars. We are still not even running in hundreds of billions of dollars. Whether it's private lending, private equity, whether it's got to do with public markets in terms of their domination, it's very US centric. I'm not that concerned about what's happening in India as yet. But globally, I do expect the growth in private credit, in private lending and in private equity to slow down, particularly in the US.

Roy: Your final forecast is about obesity – that there is no magic solution. America is at a different level of obesity – 44% – about the highest in the world for any major country.

Sharma: And like nearly three times the global average. That's why in America there's also this big craze for finding a magic solution to this. Some of these weight loss drugs, for some people, are beneficial. But the whole idea [seems to be] that you can just sit there and pop Ozempic and keep popping ice cream as well. And watch television and don't do any exercise.

Roy: Look at the massive increase in sales of obesity drugs, GLP-1, Ozempic and various others. From $3 billion four years ago to $24 billion now.

Sharma: My point is that there is no magic solution to this, it can't be so simple. And how long can you sustain this and what side effects will you have?

Roy: You've got this interesting graph of the side effects. People who have side effects of various types are searching on Google what to do about it, and they've gone up by 300%.

Sharma: These drugs, for curing diabetes and other stuff, they're very beneficial. But to expect that we have found the magic drug, I'm very suspicious of that.

Studies show that when you are on these drugs for over a year or so, you can expect your weight to come down possibly on average of around 18%. But the moment you give it up, then your weight starts to go back up and your net weight loss is closer to 5-6%. Not 18-20%.

Source: www.indianexpress.com

Indian Textile & Apparel Industry Report: Wazir Advisors

Special Feature

Wazir Advisors recently released its Annual Indian Textile & Apparel Industry Report and were kind enough to share it with Texprocil. The below excerpts from the report are being published in the Newsletter with their permission.

The report mentions that 2024 witnessed geopolitical conflicts which continued to impact the textile & apparel industry. While the Russia-Ukraine war remained a major reason of high inflation and subdued consumer demand across Europe; the Red Sea conflict disrupted freight costs and transit times in the early 2024, adding to logistical challenges. Meanwhile, civil unrest in Bangladesh following the change in leadership, impacted the country's supply chain. Furthermore, the global textile industry is accelerating its adoption of initiatives aligned with circular economy & sustainability principles. It is being driven by emphasis of policymakers as well as fashion brands and retailers. This collective push is fostering innovation in materials, production processes, and waste management.

In terms of expectation for 2025, they've highlighted the below themes.

1. **Improved prospects in Global trade:** With threat of recession in the west now in hindsight, coupled with the potential end of Russia-Ukraine war, demand growth is expected to revive. The supply chain disruptions that have hindered trade in recent years are anticipated to ease, further contributing to overall industry recovery and growth.
2. **Higher tariffs on China:** Possibility of higher tariff on Chinese originating goods by US will lead to further reduction in China's global trade share. The ongoing trend of shifting trade & investment to countries like Bangladesh, Vietnam, Cambodia, and India is poised to persist, fostering export growth in these nations.
3. **Sourcing consolidation:** In the last few years, buyers have increasingly embraced an integrated sourcing approach, favouring fully vertically integrated suppliers over smaller, fragmented ones. This trend is set to accelerate, driving the rapid and continued consolidation of smaller players into fully integrated suppliers.
4. **Digitalization & AI:** Growing influence of Digitalization & AI in process control, demand forecasting, quality control, inventory management, etc. With likely positive results, role of these technologies is expected to expand, transforming various aspects of the textile industry.

Among the key happenings in the Indian textile & apparel industry, the report states that after a sluggish performance in the past couple of years, textile and apparel exports of India showed signs of recovery in FY 2024-25. However, the overall growth over the last five years has been modest, at just 2% CAGR. The report also mentions about Quality Compliance Orders (QCOs) dominating the discussions for the better part of the year, with value chain stakeholders either strongly opposing or supporting them based on their position in the supply chain. The report also touches upon the announcements of revised / new textile sector policies in Andhra Pradesh, Gujarat, and Tamil Nadu.

In terms of expectation for 2025, the report highlights four key themes for the Indian textile & apparel industry.

1. **Industry consolidation:** The growth slowdown in recent years has placed small and inefficient companies under financial strain, accelerating industry consolidation. This trend is expected to persist, with the key beneficiaries being companies that prioritize vertical integration and capacity expansion to achieve scale and enhance their competitiveness.
2. **Growth of mass market brands:** Mass market brands and retailers like Zudio, Vishal, V2 and V-mart will continue driving growth by offering affordable and stylish apparel, catering to value-conscious consumers. Their focus on competitive pricing and retail expansion, even in smaller towns, is reshaping the retail landscape and bridging the gap between premium and unbranded segments.
3. **GST threat on domestic demand:** In recent months, a proposal to increase the GST rate on higher-priced garments has raised concerns. While aimed at taxing premium products, the move could also impact demand for wedding wear, woollen wear, handmade products, etc. If implemented, this change is likely to exert downward pressure on the industry's overall growth.
4. **Accelerating sustainability trends:** As pressure from Western brands intensifies, exporters are rapidly embracing sustainable practices. Larger domestic brands and their suppliers are expected to follow suit soon. This trend is set to gain momentum in the coming year, with an increased emphasis on eco-friendly production, resource efficiency, and circularity to meet evolving consumer demands and global expectations

Source: Wazir Advisors

Policy Updates

Important Notifications on Policies & Procedures

Kindly get in touch with TEXPROCIL Grievance Redressal Cell for any clarifications, if required, on the herein shared notifications issued recently by the Council. The Member companies are appealed by the Council to send their suggestions sought on the various issues.

A) Sea Cargo Manifest and Transhipment Regulations

CBIC has issued Notification No.02/2025-Customs (N.T.) dtd. 15.01.2025 by further amending the Sea Cargo Manifest and Transhipment Regulations 2018. These regulations may be called the Sea Cargo Manifest and Transhipment (First Amendment) Regulations, 2025 and shall come into force on the date of their publication in the Official Gazette. The amendment introduced by the First Amendment involves the modification of a specific deadline within the SCMTR 2018.

Link of the Circular: https://texprocil.org/circular/1737027020-Eserve-13_of_2025.pdf

B) DGFT notifies procedure for export of certified organic products

DGFT has issued Public Notice No.39/2024-25 on 05.01.2025 notifying procedure for exporting certified organic products from India in supersession of earlier Public Notice Nos.73 (RE-2013)/2009-2014 dtd. 18.11.2014 and 10/2015-2020 dtd. 05.05.2015.

Link of the Circular: https://texprocil.org/circular/1737026997-Eserve-12_of_2025.pdf

B) DGFT allows the submission of Supplementary Claims under the incremental Exports Incentivisation Scheme (IEIS) for FY 2013-14

O/o Additional DGFT, CLA, New Delhi has issued Trade Notice No.2/AM25 dtd. 10.01.2025, inviting eligible exporters to submit supplementary claims under the IEIS for FY 2013-14 subsequent to DGFT HQs' instructions on the cap imposed under Notification No. 43 dated 25.09.2013. Last date for submission of claims is 31.01.2025. Submit applications physically or via email to O/o Addl. DGFT, CLA, New Delhi (cladgft-delhi@nic.in) with all required documents. For clarifications, contact O/o Addl. DGFT, CLA, New Delhi.

Link of the Circular: https://texprocil.org/circular/1737010924-Eserve-11_of_2025.pdf

C) List issued by Tuticorin Customs reg. IGST pending errors

Tuticorin Customs has issued a list of S/Bills with IGST identified errors.

- For IGST errors: SB002 & SB005, kindly get the errors corrected at Tuticorin Customs.
- For IGST PFMS Errors, kindly contact the ICEGATE Helpdesk.

Link of the Circular: https://texprocil.org/circular/1736418691-Eserve-7_of_2025.pdf

D) "Enhanced Stakeholder Engagement in Foreign Trade Policy Development: Incorporation of Para 1.04(k) in HBP 2023"

DGFT has issued Public Notice No.37/2024-25 on 02.01.2025 introducing the following Paragraph 1.04 (k) in Chapter 1 of the HBP 2023:

"A process for submitting views, suggestions, comments, or feedback, as outlined in Para 1.07A of the Foreign Trade Policy 2023, will be included in relevant Public Notices or Trade Notices inviting such input."

Link of the Circular: https://texprocil.org/circular/1736160945-Eserve-4_of_2025.pdf

E) Amendment to Para 1.07 of FTP 2023 – Introduction of Stakeholder Consultation and Feedback Mechanism

DGFT has issued Notification No.47/2024-25 dtd. 02.01.2025 by inserting New Para 1.07A and 1.07B in the FTP 2023. These provisions will enhance consultation with stakeholders, such as importers, exporters and industry experts, for their views, suggestions and feedback during the formulation or amendment of the FTP. The Government will provide a 30-day window for stakeholders to submit their input when deemed necessary. However, the Government reserves the right to amend the policy without stakeholder consultation if it chooses to do so.

Link of the Circular: https://texprocil.org/circular/1735971919-Eserve-3_of_2025.pdf

F) Roll out of Automated Out of Charge for AEO T2 and T3 Clients

CBIC has issued Circular No.01/2025-Customs dtd. 01/01/2025, announcing implementation of an Automated Out of Charge (Auto-OOC) system for Authorized Economic Operator (AEO) Tier 2 (T2) and Tier 3 (T3) clients.

Link of the Circular: https://texprocil.org/circular/1735971867-Eserve-1_of_2025.pdf

G) CBIC issues Notification to give effect to the 4th Tranche of Tariff Concession under India-Australia ECTA

CBIC has issued Notification No.50/2024-Customs dated 30.12.2024 to give effect to the Fourth Tranche–Table I and II of tariff concessions under India-Australia ECTA. This notification shall come into force w.e.f. 1st January, 2025.

Link of the Circular: https://texprocil.org/circular/1735642397-Eserve-221_of_2024.pdf

Promote Your Merchanadise / Services Advertise with Us!

Trade Notification

Advertisement Package for promoting products and solutions in the Publications of TEXPROCIL

Dear Madam/Sir,

As a part of TEXPROCIL's knowledge sharing initiatives, the Council is coming up regularly with various E-publications. The circulation of these publications, averaging to over 3000 avid readers, includes the Council's strong database of 2,000 nos. membership comprising manufacturers, exporters, traders of Indian cotton fibre, yarn, fabrics and madeups range of products.

The readership database also includes the contacts of textiles trade associations, government representatives, foreign missions, etc. which are being updated from time to time.

The Council has planned to offer an **'Advertisement Package'** for the various Publications with a view to enhance the exposure of products and solutions being offered by various entities. We request you to kindly consider the advertisement opportunity as per details attached.

Publication details are as follows:

1. **Newsletter** - Published every fortnight
2. **IBTEX** - Published daily - Includes news clippings on articles of interest in T&C appearing in various publications.

Advertisement Package details are given below this column.

For further clarifications you may like to advise your office to kindly write to Mr. Rakesh Chinthal, IT Officer/ Mr. Rajesh Satam, Joint Director on email: rakesh@texprocil.org / rajesh@texprocil.org.

For queries related to advertisement booking kindly write to Mrs. Mrunal Sawant on email: mrunal@texprocil.org.

We look forward to receiving your enquiries / confirmation for availing the advertisement opportunity in publications of TEXPROCIL.

Regards,

Dr. Siddhartha Rajagopal
Executive Director
:: TEXPROCIL ::

ADVERTISEMENT PACKAGE (For Advertisement in TEXPROCIL E-PUBLICATIONS)

TEXPROCIL E-NEWSLETTER (FORTNIGHTLY)

Ad. Option	One Issue	Six issues	Twelve Issues	Twenty Four Issues (BEST OFFER)
Double Spread	Rs. 12,000	Rs. 61,200	Rs . 1,15,200	Rs. 2,16,000
Quarter Page	Rs. 2,000	Rs. 10,200	Rs. 19,200	Rs. 36,000
Half Page	Rs. 3,000	Rs. 15,000	Rs. 28,500	Rs. 54,000
Full Page	Rs. 5,000	Rs. 25,500	Rs. 48,000	Rs. 90,000

IBTEX E-NEWS CLIPPINGS (DAILY)

Ad. Option	Three Months	Six Months	Twelve Months	Twenty Four Months (BEST OFFER)
Click-on-Logo	Rs. 15,000	Rs. 25,000	Rs. 50,000	Rs. 90,000

For more information please contact:

Rajesh Satam
Joint Director

The Cotton Textiles Export Promotion Council (TEXPROCIL)

5th floor,
Engineering Centre,
9, Mathew Road,
Mumbai - 400 004 India
T. 91-22- 49444000

Email
rajesh@texprocil.org

Website
www.texprocil.org

Trade Notification

Membership Renewal Subscription Fee for FY 2024-2025

Dear Member,

As you are aware, it is mandatory for all exporters to apply for registration/renewal/amendment of their RCMC through the e-RCMC module on the DGFT's portal www.dgft.gov.in

Accordingly, the 'Renewal of RCMC' process for 2024-2025 along with the payment of renewal subscription has to be made compulsorily at the DGFT portal only.

In this regard, please note that your Annual Renewal Subscription for the financial year 2024-2025 has become due for payment from 1st April 2024.

The Annual Renewal Subscription charges are as follows:

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Associate Member	Rs. 8,000/-	Rs.1,440/-	**Rs.9,440/-**
Ordinary Member	Rs. 14,000/-	Rs.2,520/-	**Rs.16,520/-**

You are requested to please renew your membership at the earliest.

Please ignore this email, if you have already renewed your membership for the year 2024-2025.

Steps for Renewal of Membership (Renewal of e-RCMC):

- Go to DGFT Website - https://www.dgft.gov.in
- Click on the Login button and log in by using your username and password
- Go to - Services >> e-RCMC >> Renewal of RCMC and click on 'Start Fresh Application'
- Choose the RCMC allotted to you by TEXPROCIL and click on 'Renew'
- Complete the details in each tab and go ahead by pressing "Save and Next"
- After filling up all the details in all the tabs, the payment of the renewal subscription option 'Payment of RCMC' will appear where you need to do the online payment and click on 'Submit' to submit the application.

Please feel free to contact us for any clarification or any guidance required from us by calling on 91-22-49444000 or sending emails to info@texprocil.org, rukshana@texprocil.org or smita@texprocil.org

Kindly renew your membership and allow us to serve you at our best.

Regards,

Dr. Siddhartha Rajagopal
Executive Director
:: TEXPROCIL ::

वस्त्र मंत्रालय
MINISTRY OF TEXTILES

TEXPROCIL

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From:
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