TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
NEWSLETTER
Indian Cottons, Global Reach!
Volume VIII. Issue No. 7 | April 08, 2025
A Fortnightly Publication of THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

A sophisticated range of men and women garments designed to bring comfort and elegance to everyday wear along with elevating personal style – feature in the latest collection of products made with the softness, durability, and luxury of Kasturi Cotton.

A jacket made from "Kasturi Cotton" being presented to Shri Giriraj Singh ji, Hon'ble Minister of Textiles by Shri Vijay Agarwal, Chairman - Texprocil and Dr. Siddhartha Rajagopal, Executive Director – Texprocil at his office in New Delhi.

HIGHLIGHTS OF THIS ISSUE

THINK COTTON, THINK INDIA!

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KASTURI COTTON BHARAT
THE SPIRITUAL FIBRE
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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,

As we write this editorial, the latest overhaul of the U.S. tariffs marks a significant policy shift with wide-ranging consequences for global trade. The recent decision by the United States to impose a 26% import duty on Indian textile and apparel products is a matter of deep concern. The Council has been actively consulting with key stakeholders to align strategies and mitigate the impact and has suggested that the Indian Government should request the US Government to keep reciprocal tariffs on India in abeyance pending signing of BTA by September 2025.

After the successful conclusion of Bharat Tex 2025, the Council has been awarded a token of appreciation from Shri Giriraj Singh ji, Hon'ble Union Textiles Minister, for its role in successfully organizing the global textiles mega event. This token of appreciation actually belongs to the members as the success of Bharat Tex 2025 could only be possible through their participation in large numbers.

TEXPROCIL in its ongoing efforts to strengthen and promote Indian textile exports globally and to build a strong image of Indian textile industry, organized participation of its member exporters at the Vietnam International Trade Fair for Apparel, Textiles and Textile Technologies (VIATT25) in Ho Chi Minh City, Vietnam; and at 21st International Istanbul Yarn Fair in Istanbul, Türkiye from 26th to 28th February 2025.

The Council also enabled participation of its member exporters at the Yarn Expo and Intertextile Apparel Fabric Show in Shanghai, China, from 11th to 14th March 2025; and at the 37th Colombiatex held from 28th to 30th January 2025 at the Medellin, Colombia. Complete details about these trade fairs are available in the 'Trade Facilitation' section of this Newsletter.

TEXPROCIL in collaboration with BBSR & Associates LLP (affiliate of KPMG) organized a webinar on Preparation of Annual RoDTEP Return (ARR) on 17th March, 2025. During the webinar, experts from BBSR & Associates LLP (affiliate of KPMG) shared their insights on embedded taxes and addressed the exporters concerns. Details on the webinar can be seen at the 'Trade Promotion' section of this Newsletter.

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::

TEXPROCIL - The International face of Indian Cotton textiles !

TEXPROCIL - Grievance Redressal Cell

For representing Procedural / Policy issues with various Govt. Authorities and Redressal of Complaints / Trade Disputes against Buyers/ Suppliers with Indian Missions Abroad/ Foreign Missions in India, you may kindly write to us at sybil@texprocil.org and annie@texprocil.org

Chairman's Page

Vijay Agarwal
Chairman
TEXPROCIL

Dear Friends,

April 2025 began with a major disruption in global trade as U.S. President Donald Trump introduced sweeping tariffs on imported goods. This policy shift, aimed at addressing trade imbalances, has alarmed economists and businesses worldwide. The reciprocal tariffs threaten to overturn decades of established trade practices, potentially triggering chaos for global supply chains.

Impact of U.S. Reciprocal Tariffs

President Trump's tariff policy marks a significant change in U.S. trade strategy. For India, apparel imports to the U.S. will now face an average tariff of 38.5%, up from approximately 12%, representing a dramatic increase of 26 percentage points. Although this rate is slightly lower compared to other nations like China and Bangladesh, it poses substantial challenges for Indian exporters.

The repercussions include: higher import costs for U.S. retailers, leading to price hikes for consumers; pressure on U.S. importers to explore tariff-exempt regions or adopt nearshoring strategies; and potential shifts towards domestic production in certain industries.

As can be seen, the recent hikes in the U.S. import tariffs represents a substantial policy shift with far-reaching implications for global trade. These changes are poised to reshape sourcing strategies, cost structures, and trade dynamics, particularly impacting Asian suppliers including India who have long been central to the U.S. textile and apparel imports.

India's Response and Bilateral Trade Agreement (BTA)

The Ministry of Commerce and Industry in India is carefully evaluating the implications of these tariffs while exploring opportunities arising from this policy shift. Recent discussions between Indian and U.S. trade teams have focused on expediting a multi-sectoral Bilateral Trade Agreement (BTA). The Council has been actively consulting with key stakeholders such as the Ministry of Textiles, Ministry of Commerce, Invest India, CII, and CITI to align strategies and mitigate the impact.

In light of these developments, India's industry must adapt boldly and confidently to navigate the evolving global trade landscape while striving for self-reliance and resilience in business dealings.

Meeting with Ministry Officials

On 6th of March, 2025, I, along with the Council's Executive Director, had the privilege of meeting the Hon'ble Union Textiles Minister Shri Giriraj Singh and Ms. Shubhra, Trade Advisor, at their offices in New Delhi. The discussion focused on addressing the challenges faced by exporters in the Cotton Textiles Sector.

On 13th of March, 2025, the Hon'ble Commerce and Industry Minister, Shri Piyush Goyal held a virtual interaction with Export Promotion Councils (EPCs). TEXPROCIL Vice Chairman, Shri Ravi Sam along with the Council's Executive Director attended this meeting in person

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and raised critical issues impacting the Cotton Textiles Industry.

Meeting with the RoSCTL Committee

A stakeholder consultation was convened on 6th March, 2025 at Vanijya Bhawan, New Delhi. During this meeting with Shri G.K. Pillai, Chairman of the RoSCTL Committee, discussions revolved around the RoSCTL data format and updating the recommended ceiling rates under the scheme for DTA/AA/EOU/SEZ exports. The Committee requested industry stakeholders to submit RoSCTL data for FY 2023-24 by March 31, 2025. It was emphasized that data from key exporters representing a major share of exports under HS codes in Chapters 61/62/63 should be submitted to expedite rate calculations. The Committee clarified that rate calculations are based strictly on submitted data and actuals under the remission scheme, not on subsidy requests.

As a follow-up, the Council convened a series of meetings with relevant members to discuss RoSCTL data submission for FY 2023-24 for Made-up products under Chapter 63. In this regard, we urge all our members to expedite their submissions by 15th April, 2025 to facilitate timely calculations by the RoSCTL Committee.

Annual RODTEP Return (ARR)

We are indeed grateful to the DGFT for granting a three months extension (up to 30th June, 2025) to the industry for filing the Annual RODTEP Return (ARR) for FY 2023-24. Further, to explain the process of filling the ARR form, the Council organised an informative webinar on 17th March, 2025, with BBSR & Associates LLP (affiliate of KPMG).

Our heartiest gratitude to Mr. Sunil Patwari, Immediate Past Chairman - TEXPROCIL & MD - Nagreeka Exports Ltd; Mr. Dharmendra Goyal, MD - Shreedhar Cotsyn Pvt Ltd; and Mr. Nitin Goyal, Sr. Vice President, Group Indirect Tax Head - Welspun Group, for their valuable guidance in organising this webinar and for releasing a 'Study-cum-Reference Guide on ARR' for the benefit of the industry. The webinar provided members with a comprehensive understanding of the ARR guidelines, including key compliance aspects and the possible methodology that may be used for accurate filing.

Way Forward

Friends, the global tariff landscape presents challenges and opportunities for countries worldwide, including India. While the recent tariff hikes have disrupted international trade, experts believe these disruptions could open doors for certain sectors. With a $10.8 billion share of the U.S. imports in 2024, it is imperative to sustain the share of Indian textiles and clothing in this traditional market.

Furthermore, even though the new reciprocal tariffs for India are lower than competing countries like China, Bangladesh, Vietnam etc., it is higher in comparison to EU, Turkey and Egypt which are at 10%. To maintain its global leadership, therefore, a balanced and fair trade environment will be crucial for sustained growth.

The Government's recent announcement of "Export Promotion Mission," backed by a budget of ₹2,250 crore, aims to boost exports by improving export credit access, cross-border factoring, market access initiatives, and operationalizing the interest equalization scheme. Timely implementation of this initiative can help to position India favourably in the global market.

Finally, to capitalize on these developments, India must focus on building domestic industrial resilience and enhancing efficiency in its textile sector. This strategic approach will help India strengthen its competitive edge in international trade amidst evolving global challenges.

:: TEXPROCIL ::

Avail more information on Value Addition in textiles, please write to
Fabrics Sub-Committee @ TEXPROCIL on Email : info@texprocil.org

Trade Facilitation

Report on VIATT 2025 - Vietnam

TEXPROCIL participation at Vietnam International Trade Fair for Apparel, Textiles and Textile Technologies (VIATT25) from 26-28 February 2025

TEXPROCIL organized participation of its member exporters at the Vietnam International Trade Fair for Apparel, Textiles and Textile Technologies (VIATT25) in Ho Chi Minh City, Vietnam from 26th to 28th February 2025 at SECC – Saigon Exhibition & Convention Center, Ho Chi Minh City in Vietnam with a participation of 20 member-companies.

About VIATT 2025

VIATT 2025 is the second regional international trade exhibition organised by Messe Frankfurt (HK) Ltd. and the Vietnam Trade Promotion Agency (VIETRADE) covering the entire textile industry value chain.

Being ASEAN's comprehensive trade fair for the integrated textile supply chain, VIATT provided a diversified trade platform comprising three major zones – Apparel Textiles Zone, Home Textiles Zone, Technical Textiles and Technology Zone.

Dr. Vipra Pandey, Consul General and Shri Mahesh Chand Giri, Consul and Head of Chancery, Consulate General of India, Ho Chi Minh City, Vietnam along with the participating Indian companies at TEXPROCIL booth

Exhibitors Profile

Exhibitors were Manufacturers and Exporters of Fibres, Yarns, Fabrics, Made-ups, Garment Accessories, Apparels, Home Textiles, Textile Technology and Sewing Machines. VIATT25 hosted over 450 exhibitors from 24 countries and regions including European participation from France, Germany, Italy, the Netherlands, Portugal, Switzerland, Türkiye and the UK while major Asian players will be represented by pavilions from India, Japan, Korea, Taiwan, and Thailand.

Visitors Profile

Yarns and Fabric Manufacturers, Importers, Wholesalers, Agents, Designers attended the event. A total of approximately 15,000 buyers from Vietnam and neighbouring countries visited the Fair during the 3-day event.

India Pavilion

20 companies through TEXPROCIL participated in VIATT 2025 and were positioned in a specially designed India Pavilion. The Council has a complimentary booth of 9 sq.mtrs. The Council promoted Kasturi Cotton by distributing pamphlets and Brochures among the visitors to the TEXPROCIL stall. Also, Kasturi Brochures were distributed at all the Stalls in Vietnam Pavilion. A total of 77 enquiries were received at TEXPROCIL Stall for Yarns and Fabrics.

Report on VIATT 2025 - Vietnam

Trade Facilitation

Dr. Vipra Pandey, Consul General and Shri Mahesh Chand Giri, Consul / Head of Chancery, Consulate General of India, Ho Chi Minh City, Vietnam inaugurating the Indian Pavilion

Inauguration of India Pavilion

Dr. Vipra Pandey, Consul General and Shri Mahesh Chand Giri, Consul/ Head of Chancery, Consulate General of India, Ho Chi Minh City, Vietnam inaugurated the India Pavilion. He appreciated the presence of Indian Delegation at VIATT 2025. The Consul General along with The Consul visited all the Stalls at the India Pavilion and interacted with all the participants.

Feedback from the Participants

As this was the 2nd edition of VIATT 2025, exhibitors had an opinion that the event needs to be publicised extensively to get potential buyers. One company booked order on the spot, while others expressed their view that they were able to contact a few buyers of their products and firm contracts are under negotiation.

Conclusion

In 2025, the Vietnam textile market is estimated at $3.04 billion, with a projected growth to $3.96 billion by 2030, driven by a 5.46% CAGR. Vietnam is a major garment exporter, with a GDP share of 16% and is the 3rd largest apparel exporter globally. The industry has been attracting investments to increase garment exports. The industry is also focusing on sustainability and digitalization.

Vietnamese manufacturers serve both local and global markets. The nation's textile and garment industries are robust, with numerous factories producing textiles in tandem with apparel. While Vietnam competes with regional textile powerhouses like China, India, and Bangladesh, it distinguishes itself through a business-friendly environment, a skilled workforce, and strategic trade agreements that provide advantageous access to major export markets. Additionally, government initiatives to boost the textile industry and investments in advanced manufacturing technologies have further strengthened Vietnam's position in the global market.

Trade Facilitation

Report on Istanbul Yarn Fair 2025 - Turkey

TEXPROCIL participation at 21st International Istanbul Yarn Fair 26th to 28th February 2025

TEXPROCIL in its ongoing efforts to strengthen and promote Indian textile exports globally and to build a strong image of Indian textile industry, participated and organized India Pavilion with 25 participants along with SRTEPC (MATEXIL) with 20 participants at 21st International Istanbul Yarn Fair at Tüyap Fair and Congress Centre.

Shri. Raj Kumar Tanwar, Consul (Commercial) from the Consulate General office of India in Istanbul, inaugurated the Indian pavilion and also organised a meeting with domestic associations

About 21st International Istanbul Yarn Fair

Organised by Tüyap Fairs and Exhibitions Organization Inc., the 21st International Istanbul Yarn Fair brought together 490 companies from 17 countries. The fair received over 15,700 visitors from 87 countries, on an area of 50,200 square meters.

Exhibitors Profile

Most of the exhibitors at Istanbul Yarn Fair were dealing in Cotton Yarns, Natural Yarns, Elastane Yarns, Regenerated Yarns, Wool Yarns, Metallic Yarn, Viscose Yarns, Technical Yarns, Acrylic Yarns, Polyester Yarns, Fancy Yarns, Nylon Yarns, Silk Yarns, Hand Knitting Yarns, Polypropylene Yarns, Textured Yarns, Fibers, Regenerated Yarns and Bobbin, Spool and Reels.

In its 21st year, the International Istanbul Yarn Fair opened a unique exhibition area and add one more hall in the exhibitions, to its participants with the inspiration it takes from nature. In this area where recycled yarns will be specially exhibited in support of sustainability moves for a more liveable world, the colours of nature will meet with visitors.

Shri. Raj Kumar Tanwar, Consul (Commercial) from the Consulate General office of India in Istanbul, at a meeting organised with domestic associations

Visitors Profile

Top-10 visitor countries were: Iran, Italy, Russia, Egypt, Pakistan, Germany, Uzbekistan, Tunisia, China, Ukraine.

Inauguration of India Pavilion

In addition to the sector representatives meeting at the official ceremony, the Consul (Commercial) Mr. Raj Kumar Tanwar from the Consulate General office of India in Istanbul, inaugurated the Indian pavilion at the fair. Later a meeting was organised by the Indian Embassy in Istanbul with various Turkey based associations of Textiles, along with TEXPROCIL and SRTEPC (MATEXIL) to discuss issues impacting the textile trade between India and Turkey. The meeting was held at Hotel Tuyap Palas on 26th February 2025. As many as 42 representatives from TEXPROCIL and SRTEPC attended the meeting.

Conclusion

Istanbul Yarn Fair is one of oldest and major events in Turkey and Central Asia. Visit to Istanbul Yarn fair is a must for every yarn manufacturer as they can even get an opportunity to meet our potential competitors like Uzbekistan and local Turkish manufacturers to learn from them for better product & service.

Report on Yarn Expo & Intertextile - China

Trade Facilitation

TEXPROCIL participation at Yarn Expo & Intertextile Apparel Fabric Show Shanghai, China from 11th to 14th March 2025

TEXPROCIL organized participation of 14 companies at the Yarn Expo & Intertextile Apparel Fabric Show Spring edition in Shanghai from 11th to 13th March 2025.

Exhibitors and Buyers at Yarn Expo China

Indian exhibitor at Yarn Expo China

Event Details

Yarn Expo & Intertextile Apparel Fabric Show Spring edition is the largest exhibition for Yarn & Fabric in Asia attracting buyers from across the world. The Council put up the India Pavilion under the TEXPROCIL banner comprising of 12 companies in Hall 8.2 at the Yarn Expo and had organized participation of 2 companies at ITAFS.

Since the event was not under MAI subsidy the participation was limited to 14 companies without financial assistance. The event was organized by Messe Frankfurt, Hong Kong.

The Indian pavilion at both, Yarn Expo was highlighted through well designed 'Hanging Banner' and the theme and design of the Indian booths was well appreciated by the exhibitors.

Exhibitors Profile

559 Exhibitors from 12 countries exhibited at the Yarn Expo. Of these only 45 were International Exhibitors, 13 from Hong Kong, 12 from India, 3 from Vietnam, 2 from Pakistan, 2 from Turkiye, 2 from UAE, and one each from the other countries.

Visitors Profile

Nearly 24000 visitors from 123 countries visited the Yarn Expo 2025, Spring Edition. The leading countries from where the visitors participated are South Korea, India, Hong Kong, Russia, Japan, Taiwan, Turkey, Indonesia, Vietnam and Thailand. In the profile of the visitors at the Yarn Expo 34% were Yarn producers, 24% were Knit Fabric manufacturers, 22% were Woven fabric manufacturers, 16% were Knitwear manufacturers and 14% were Garments & Accessories manufacturers.

Intertextile Apparel Fabric Show attracted 95,000 visitors from 131 countries. Leading countries from where the visitors participated are South Korea, India, Hong Kong, Russia, Japan, Turkiye, USA, Italy and Indonesia. 50% of the visitors at ITAFS were garment manufacturers, 35% were traders, 10% wholesalers & distributors and 4% were agents.

Trade Facilitation — Report on Yarn Expo & Intertextile - China

Visit by Consul General of India

Shri Pratik Mathur, Consul General, Indian Consulate along with his team met almost all the exhibitors at Yarn Expo and both the exhibitors at ITAFS.

Dinner organized by Messe Frankfurt

Messe Frankfurt, Hong Kong organized a dinner programme of Intertextile at Hotel InterContinental on 11th March 2024. Mr. Murali Balkrishna, Joint Director, attended the same with Mr. Kapil Gogri, Partner, Innocence Couture, a long-time participating member exporter of the Council.

Overall Market Situation

The number of international visitors had reduced significantly as compared to the previous editions. The participating Indian companies were not satisfied with the number of visitors to their booths and the overall situation. Orders are extremely price dominated on account of which the importers in China are adopting a 'Wait and Watch' policy.

Price of Indian yarn is much higher than the expectations of Chinese Buyers. Even in the coarser counts, Indian prices were 4 to 5% higher. For 16/1 carded yarn, Indian companies cost price works out to USD 2.35 per Kg, FOB, while the requirement is USD 2.25 to 2.3. In the higher counts, India cannot compete as local suppliers are very competitive. One of the large local companies was offering spot rates for booking during the exhibition of USD 2.45 per kg for 32/1, while Indian 16/1 is being offered at the same price. Reasons for Chinese competitiveness range from smart manufacturing which uses AI and Robots replacing human labour, lower electricity charges, especially the Xinjiang area and huge investments in spinning with many local companies competing.

Low export orders for finished goods that has resulted in supply chain being full, thereby depressing demand for imports. One of the fabric exporters was of the opinion that China is moving away from concentrating on its traditional export markets and investing in finished goods factories in Africa - Benin, Ghana, Lesotho and Latin America - Guatemala, Dominican Republic to name a few and hence their requirement for fabrics will sustain in the near future.

Report on Colombiatex 2025 - Colombia

Trade Facilitation

TEXPROCIL participation at Colombiatex 2025, Medellin, Colombia

TEXPROCIL organized participation of 29 member exporters at the 37th Colombiatex held from 28th to 30th January 2025 at the Plaza Mayor, Medellin.

About Colombia Tex

Colombiatex is the largest textile event organized in Latin and Central America. It is an integrated textile show that brings together all the stakeholders in the supply chain. Over the years, Colombiatex has positioned itself as the most important sourcing destination that facilitates business amongst suppliers and buyers from across the world.

Exhibitors and Buyers in business discussions at Colombiatex 2025

Promotion of Kasturi Cotton at Colombiatex 2025

Exhibitor Profile

619 companies from 20 countries exhibited at Colombiatex 2025 over 12000 sqm of space. These included manufacturers and suppliers of yarn, fabric for top wear, bottom wear, denim wear, sportswear, beach wear, lingerie and inner wear, machinery and chemicals. 420 companies from the regions of Anioquia, Cundinamarca, Valle del Cauca and the Santanderes in Colombia exhibited. The balance 199 exhibitors were mainly from Brazil, India, Italy, USA, Ecuador and Turkey.

Visitor's Profile

29000 visitors attended the event over the three days. The profile of the visitors included manufacturers of fabrics, garments, sourcing companies, fashion stylists, distribution companies, agents and retailers.

Of the 29000 visitors, 17800 were buyers – 15900 from Colombia and 1900 International buyers mainly from Ecuador, Venezuela, Mexico and USA.

TEXPROCIL Pavilion

TEXPROCIL organized participation of 29 member exporters in the White Pavilion, White Hall and Yellow Pavilion. The Council designed the TEXPROCIL pavilion to promote the Kasturi Cotton Bharat with a minimalist yet modern look. The branding was at a height to facilitate easy visibility of TEXPROCIL companies from a distance.

In line with international trends, the Council designed an open booth for display and to highlight the products being exhibited by its member companies which was well received by the exhibitors as well as the visitors. The TEXPROCIL booth had a display of intermediate and end-products made out of Kasturi Cotton such as T-shirts, Shirts, Hand and Bath Towels, Bath robes manufactured by Trident Ltd, Adwaith Lakshmi Mills, Arvind Ltd, Welspun Living, Sambandam Spinning Mills, Guru Karunaa Mills and Christy's. In addition, the Council distributed flyers in Spanish promoting the programme among the visitors.

The Council shared the profile of the 29 participating companies in Spanish with the Embassy of India in Bogota for circulation. The brochures were printed and given to visitors at the TEXPROCIL booth as reference guide to visit the booths. Flyers in Spanish promoting Bharat Tex 2025 were also distributed from the Council's booth.

In addition, the Council had facilitated the dispatch/carrying

Trade Facilitation

Report on Colombiatex 2025 - Colombia

of samples by exhibitors for display at the event in association with the officials of Plaza Mayor. The Council had also facilitated services for interpreters and made arrangements for bottled water for its participants.

Feedback from Participants

All the exhibitors were satisfied with the facilities and arrangements made by the organizers and the services provided by TEXPROCIL. The number of trade enquiries received varied as informed by the exhibitors, however, on an average 8 to 10 enquiries have been received per exhibitor.

Out of 29 companies from TEXPROCIL, 10 were first time participants. Companies participating regularly have created their goodwill and were able to generate very good business visitors. 5 companies reported spot booking worth USD 5.5 million during the event. Few of the companies reported business under discussion/negotiation.

The new companies reported visits by smaller players. Another factor as expressed by the Indian exhibitors was the extensive credit terms required by the local companies of 60 to 90 days.

100 visitors were received at the Council's booth, details of which have been shared with the participating exhibitors.

Conclusion

Colombia is among the top 3 importers of Cotton Textile products in South and Central America along with Guatemala and Peru. India's market share of cotton yarn is nearly 60%, while its market share in cotton fabrics and denim has reduced from a high of 20% to around 9% last year. However, there were 9 denim exporters from TEXPROCIL and all of them had good footfalls at their booths, which is an encouraging sign.

In Denim, stretch denim of 9.5 ounce has good demand, however, prices of Chinese companies are lower by 15% as compared to prices offered by Indian suppliers. Besides, the payment terms of 60 days credit without Bank Guarantee as is being demanded by the local companies is a major deterrent for exploring business with new customers.

Indian denim suppliers must target brands as they require value added denim products like slubs, warp & weft (using ring spun yarn), where the going price is USD 2.00 plus per metre. Also, the regular shirting suppliers from India, Topman and Shivarman reported a good flow of visitors for yarn dyed and printed fabrics.

For yarn suppliers, regular denim of 12.5 ounce which requires regular O/E yarn of 7/9/10/12 counts using 1200 CSP is a major enquiry generator. The price demanded for this is between USD 1.65 to USD 1.75 per metre FOB. Indian manufacturers are not able to sell below USD 1.85. Local converters buy from the large distributors as their requirements are small. They come only to enquire the price so that they can negotiate with the distributors.

Besides, the local manufacturers set up booths at Colombiatex and hence do not entertain our yarn suppliers during the show. In the earlier editions, there would be a large number of buyers of yarn from Peru, but the trend in recent years has been for companies to go to Peru from Colombiatex and hence there were fewer companies from this country at Colombiatex 2025.

As an ideal nearshoring country, USA has been investing in Colombia, by putting up factories for RMG, which are then exported into USA at zero percent duty. This will ensure continuous sourcing of raw material at competitive prices.

Colombia has a strategic location in Latin America to offer suitable delivery times to supply the international demand. The country is less than three days by ship from the main ports in the Americas and 12 days from Europe with more than 4,500 maritime shipping routes and access to 680 ports worldwide.

Colombia is the fashion capital of the region and domestic consumption of the latest trends, style is always high as the people are very fashion conscious and spend significant portion of their income on clothing, apparel and fashion accessories. It has more than 14000 companies, largely MSME's in the fashion industry complimented by a specialized and qualified workforce.

There is a lot of scope for product categories like Lingerie & Innerwear, Sportswear and Beachwear. The awareness and demand for sustainable and innovative products is high, and the expectation is for more Indian companies in this area to be exhibiting. The event showcased the industry's commitment with conscious fashion with spaces like the "Sustainability Route", highlighting more than 40 companies with circular processes, while the "Materials Library" exhibited supplies innovations focused on conscious fashion.

Considering that Colombia continues to import fabrics and denims as well as yarns for further conversion, it is important to maintain continuous presence in this market by participating in this event.

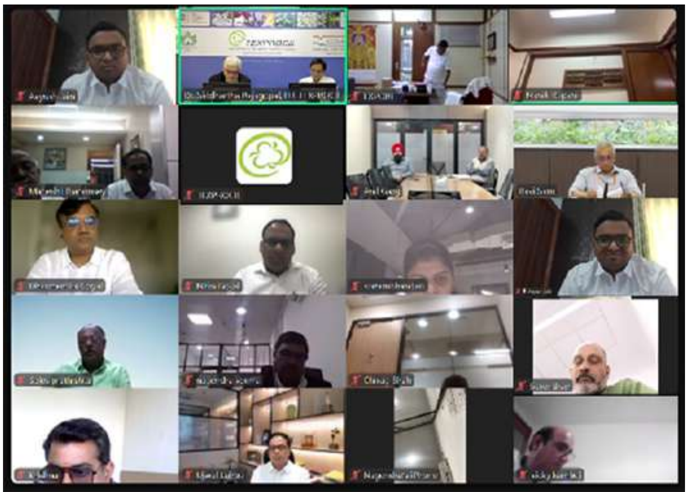
Webinar on Preparation of Annual RoDTEP Return

Trade Promotion

On 17th March, 2025, TEXPROCIL in collaboration with BBSR & Associates LLP (affiliate of KPMG) organised a webinar on Preparation of Annual RoDTEP Return (ARR). Mr. Ravi Sam, Vice Chairman - TEXPROCIL & MD - Adwaith Lakshmi Industries Pvt Ltd delivered the welcome address while Dr. Siddhartha Rajagopal, ED-TEXPROCIL, moderated the discussion. The esteemed panelists included - Mr. Sunil Patwari, Immediate Past Chairman - TEXPROCIL & MD - Nagreeka Exports Ltd; Mr. Dharmendra Goyal, MD - Shreedhar Cotsyn Pvt Ltd; and Mr. Nitin Goyal, Sr. Vice President, Group Indirect Tax Head - Welspun Group.

During the webinar, experts from BBSR & Associates LLP (affiliate of KPMG) shared their insights on embedded taxes and addressed the exporters concerns.

The webinar was attended by 200+ members.



Members attending the webinar

Panellists making a point during the webinar

A Grand Finale to successful organizing of Bharat Tex 2025

On March 12, 2025, the Cotton Textiles Export Promotion Council (TEXPROCIL) received a token of appreciation from Shri Giriraj Singh ji, Hon'ble Minister for Textiles for its role in successfully organizing Bharat Tex 2025. Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL accepted the appreciation memento on behalf of the Council.

Trade Promotion

India achieves first export deal for Kasturi Cotton

On 19th March, 2025, Amit Cot Fibre, Maharashtra, successfully exported 600 bales (100 metric tons) of Kasturi Cotton, marking a significant milestone for India's premium cotton brand. These Kasturi Cotton-certified and fully traceable bales were sent to a Bangladeshi importer. The development highlights the growing demand and strong market potential for Kasturi Cotton in the global textile industry.

Buldhana-based Amit Cot Fiber is a major exporter to countries like Bangladesh, China and Vietnam.

Amit Cot Fiber (Team) standing beside the export shipment of Kasturi Cotton to Bangladesh

TEXPROCIL co-organised a discussion on 'Opportunities for Manufacturing in the Textiles Sector in India'

On 20th March, 2025, Consulate General of India in Hong Kong & Macau SARs organised a discussion on 'Opportunities for Manufacturing in the Textiles Sector in India' in partnership with Invest India and TEXPROCIL. Participants at the discussion included global textile enterprises with a presence in Hong Kong & representatives from various textile and industrial associations in Hong Kong.

Presentation highlighting the investment potential in India's textile sector.

The presentations & subsequent discussion highlighted the investment potential in India's textile sector & the enabling Government of India policy initiatives. A sharing of 'on-the-ground experience' was done by Mr. Ranjan Mahtani, Founder and Chairman of Hong Kong based Epic Group Global about their experience of setting up a textile factory in Odisha.

India's Export Statistics of Cotton Textiles (Apr – Dec 2024)

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India's Export Statistics of Cotton Textiles							
Product	**Unit**	**in Quantity (Million)**		**% Growth**	**in Value (Million USD)**		**% Growth**
		April - December			**April - December**		
		2023-24	**2024-25**		**2023-24**	**2024-25**	
Fibre	Kgs	317.20	320.43	1.02	626.29	575.74	-8.07
Yarn	Kgs.	908.55	845.17	-6.98	2,856.25	2,633.98	-7.78
Fabrics	Kgs.	49.04	56.03	14.25	272.42	305.79	12.25
	Sqm	1591.04	1655.41	4.05	1,384.35	1,426.79	3.07
					1,656.77	1,732.58	4.58
Made-ups	Kgs.	275.89	293.72	6.46	1,592.85	1,749.90	9.86
	Nos.	796.33	771.44	-3.13	1,618.33	1,684.27	4.07
					3,211.18	3,434.17	6.94
Total (Fibre, Yarn, Fabrics, Madeups)					**8,350.49**	**8,376.47**	**0.31**

Source of Data: DGCIS, Ministry of Commerce

The above table provides India's export statistics for cotton textiles during April - December for the fiscal years 2023-24 and 2024-25, comparing the performance in terms of both quantity and value. Here's the explanation:

1. Fibre (in kilograms):

   Quantity exported grew by 1.02% (from 317.20 million kg to 320.43 million kg). However, export value decreased by 8.07% (from USD 626.29 million to USD 575.74 million)

2. Yarn (in kilograms):

   Quantity exported declined by 6.98% (from 908.55 million kg to 845.17 million kg). Export value also saw a decline of 7.78% (from USD 2,856.25 million to USD 2,633.98 million).

3. Fabrics (in square meters):

   Quantity exported increased by 14.25% (from 49.04 million kgs to 56.03 million kgs). Export value grew by 12.25% (from USD 272.42 million to USD 305.79 million). In square meters: Quantity increased by 4.05% (from USD 1,591.04 million to 1,655.41 million). Export value also recorded growth of 3.07% (from USD 1,384.35 million to 1,426.79 million).

4. Made-ups (measured in kg and numbers):

   In kg: Quantity exported rose by 6.46% (from 275.89 million kg to 293.72 million kg). Export value increased significantly by 9.86% (from USD 1,592.85 million to USD 1,749.90 million). In numbers: Quantity decreased slightly by 3.13% (from 796.33 million to 771.44 million). Despite this, value rose by 4.07% (from USD 1,618.33 million to USD 1,684.27 million).

Overall Performance (Fibre, Yarn, Fabrics, Made-ups)

- Overall Performance (Fibre, Yarn, Fabrics, Made-ups) showed a slight growth of 0.31% during the period April – December 2024.

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Quick Estimates For Texiles & Clothing April 2024 – February 2025

QUICK ESTIMATES FOR TEXILES & CLOTHING (APRIL 2024 – FEBRUARY 2025)						
Exports (Million USD)	**FEB'24**	**FEB'25**	**% Change**	**APR'23-FEB'24**	**APR'24-FEB'25**	**% Change**
Cotton Yarn/Fabs/made-ups, Handloom Products etc	**1,027**	**982**	**-4.41%**	**10,589**	**10,938**	**3.29%**
Man-made Yarn/ Fabs/ made-ups etc.	432	396	-8.36%	4,240	4,432	4.54%
RMG of all Textiles	1,476	1,535	3.97%	13,059	14,458	10.71%
Jute Mfg. Floor Covering	27	30	12.40%	310	349	12.52%
Carpet	113	119	4.87%	1,266	1,404	10.88%
Handicrafts excl. handmade carpet	216	155	-28.17%	1,523	1,636	7.42%
Textiles	1,814	1,681	-7.35%	17,928	18,759	4.63%
Apparel	1,476	1,535	3.97%	13,059	14,458	10.71%
Textiles & Apparel	**3,291**	**3,216**	**-2.27%**	**30,988**	**33,217**	**7.19%**
All Commodities	41,406	36,913	-10.85%	395,379	395,629	0.06%
% Share of T&C in Total Exports	7.95%	8.71%		7.84%	8.40%	
Imports (Million USD)	**FEB'24**	**FEB'25**	**% Change**	**APR'23-FEB'24**	**APR'24-FEB'25**	**% Change**
Cotton Raw & Waste	31	100	217.72%	550	1,140	107.38%
Textile yarn Fabric, made-up articles	185	197	6.38%	2117	2,283	7.83%

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 declined by (-) 4.41% in Feb'25 over Feb'24.
- During Apr'24-Feb'25, Indian cotton yarn/fabrics/made-ups, handloom products registered a growth of 3.29%.
- During Feb'25, Indian Textiles Exports declined by (-) 7.35% over the previous year and Apparel Exports registered a growth of 3.97% during the same time period.
- Cumulative Exports of Textiles and Apparel during Feb'25 reported a decline of (-) 2.27% over Feb'24.
- During Apr'24- Feb'25, Indian Textiles Exports registered a positive growth of 4.63% over the previous year while Apparel Exports registered a growth of 10.71% during the same time period. Overall T&A registered a growth of 7.19% during Apr'24- Feb'25.

International News

Trade Update

Global economic outlook uncertain; growth to slow: OECD

The latest Interim Economic Outlook of the Organisation for Economic Cooperation and Development (OECD) projects global growth slowing to 3.1 per cent in 2025 and 3 per cent in 2026, with important differences across countries and regions.

The global economy has been resilient in 2024, but some signs of weakness are appearing against a backdrop of slower growth, lingering inflation and an uncertain policy environment, it noted.

GDP growth in the United States is projected at 2.2 per cent this year before slowing to 1.6 per cent in the next. In the euro area, growth is projected to be 1 per cent in 2025 and 1.2 per cent in 2026.

China's growth is projected to slow from 4.8 per cent this year to 4.4 per cent in the next.

Inflation is projected to be higher than previously expected, although still moderating as economic growth softens.

Goods price inflation has begun picking up in some countries, although from low levels.

Annual headline inflation in G20 economies is projected at 3.8 per cent in 2025 and 3.2 per cent in 2026.

These projections have been revised upwards by 0.3 percentage points compared to OCED's Economic Outlook in December.

"Increasing trade restrictions will contribute to higher costs both for production and consumption. It remains essential to ensure a well-functioning, rules-based international trading system and to keep markets open," OECD secretary general Mathias Cormann said.

The Outlook highlights a range of risks, starting with the concern that further trade fragmentation could harm global growth prospects.

The Outlook also draws attention to the risk of macroeconomic volatility. An unexpected downturn, policy change or deviation from the projected disinflation path could trigger market corrections, significant capital outflows, and exchange rate fluctuations, particularly in emerging markets.

High public debt levels and elevated asset valuations further heighten these risks.

Decisive fiscal actions are needed to ensure debt sustainability, preserve room for reacting to future shocks and generate resources to meet large impending spending pressures, it recommends.

Stronger efforts are needed to reallocate spending towards activities that support longer-term growth, set within credible medium-term adjustment paths tailored to country-specific circumstances, it adds.

Source: fibre2fashion.com

Tariffs, Trade and Textiles

On Mar. 19, 2025, Jerome Powell, Chair of the United States Federal Reserve, indicated that tariffs have partly played its role with the elevated inflation situation. Given the headline inflation is at 2.8%, federal interest rate remains at 4.25-4.5%, which will influence consumer spending. Surveys indicate consumer confidence is down, which, in turn, will affect the buying of non-essential items that depend on discretionary spending.

Speaking about tariffs, Powell stated, "They tend to bring growth down, and they tend to bring inflation up."

On Mar. 20, 2025, the Bank of England also chose to maintain the current interest rate at 4.5% while its domestic economy is weak. Again, the global economic uncertainty due to tariff situations has weighed heavily to maintain the current interest rate.

The United States, China, and India – all with a sizeable middle-class population – have interests in textiles as they engage in exporting and importing fibers and textiles. The U.S. is the largest market for consumer goods, and its economy matters for global trade. While the U.S. economy is on strong footing, this year's growth will be slightly less than expected at 1.7%. According to the Federal Reserve's Powell, growth in the next two years will be slightly less than 2%.

The tariff situation, consumers' spending power, and, more importantly, confidence will determine the amount of trade in textiles and apparels. As textile manufacturing is labor intensive with less margins, the tariffs are not at a level to shift the manufacturing of commodity textiles to the United States.

Developed economies like the U.S. and the European Union are poised to grow its advanced textiles sector. More importantly with EU countries committing to spending more on their defense budget, opportunities in defense, healthcare, and industrial textiles will grow and may support new investments.

So, what will the textiles sector's landscape be in the tariff scenario?

Trade between China and the United States will see some change. China's exports to the U.S. will take a hit. Other countries like Bangladesh, Vietnam, India, and Indonesia may see an increase in exports of apparels. However, industries with Chinese investments in Vietnam and low wage countries would see export enhancements.

China's imports of U.S. cotton will show a decreasing trend, which is already happening due to its weak domestic consumption. But this can be offset by exporting to other major textiles and apparel manufacturing nations. How much that shift will be is difficult to predict at this uncertain time.

India is currently in the fourth position as an exporter of apparels to the United States. It is unlikely to see a sudden

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shift in its ranking, but its share of exports will increase. According to the U.S. Office of Textiles and Apparels, in 2024, India exported about US$4.69 billion worth of apparels in 2024, while Bangladesh exported about US$7.34 billion.

Being importers of cotton, Bangladesh, Vietnam, and Indonesia will have constraints in exponentially increasing its manufacturing, but their appetite for cotton will grow. India is poised to enhance its apparels exports to the United States.

India needs to increase its cotton availability by improving its productivity. This crop year (October 2024- September 2025), the production will be about 30 million bales (170 Kgs each), which is less than last year's production. This scenario opens opportunity for cotton exporting countries to trade with India, while India maintains an 11% tariff of imported upland cottons. Presently, mills are showing interest in procuring cotton from Brazil, which comes out to be competitive in terms of price. The U.S. cotton sector needs to promote its cotton for its quality, timely delivery and after-sale support, although it is relatively highly priced against Brazilian cotton.

I recently discussed cotton trade dynamics with Velmurugan Shanmugam, general manager of India-based Jayalakshmi Textiles, which has recently bought Brazilian cotton to blend with Indian cotton. According to Shanmugam, balancing the cost and quality of imported cotton is a critical activity while making decisions on purchasing imported cotton. While Brazilian cotton comes out to be economical, United States cotton is still better in terms of nep counts, he stated.

Given the reciprocity tariff policy taking effect on April 2, textile trade with India will not be affected much as India's basic custom duty on knitted products is 20%, and apparels' tariff differential is normally about 7%. India will be competitive against China, as the United States has imposed 20% additional tariff over the existing ones, making it expensive from this point of view.

The Indian industry should utilize the opportunity to enhance its productivity and strengthen its cotton and synthetic base. Importantly, the apparel and garment sectors should increase the size of their product basket.

While it is difficult to predict the loss in export share of China to the United States, given the amount of export it has been doing in recent years, certainly other South Asian countries will benefit. This, in turn, provides opportunities for cotton exporting countries like the United States to realign its market space.

In the cotton trade, Brazil remains a competitor for the United States to penetrate India, but it is possible with coordinated marketing efforts.

The global textile landscape will see a shift.

Source: cottongrower.com

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Bangladesh: Garment exports to EU surged 53% in January

Garment shipments from Bangladesh to the European Union (EU) surged by 52.56 percent year-on-year to $1.97 billion in January this year, according to data from Eurostat.

The shipment was worth $1.29 billion in January last year, said the EU's statistical office.

In terms of volume, the apparel export to the EU rose by 58.08 percent. Meanwhile, average unit prices decreased by 3.49 percent.

In January 2025, apparel imports by the EU surged by 25.12 percent, reaching $8.57 billion, accompanied by a notable 41.10 percent spike in volume and an 11.33 percent decrease in average unit prices.

Various factors contributed to this positive export trend, said Mohiuddin Rubel, former director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), in a WhatsApp message.

The factors include a rise in value added garment production, benefits from the new US tariffs, duty-free market access, adherence to safety standards, and collaborative efforts of manufacturers and workers, he said.

These developments enhanced buyer confidence, solidifying Bangladesh's position in the export landscape, he added.

He was optimistic about future projections, anticipating a rise in work orders throughout 2025, sustaining growth momentum. As buyers expand sourcing activities in Bangladesh, the growth trajectory is set to continue, he said.

Comparatively, China experienced a 33.55 percent growth in garment exports to the EU in January 2025 while India, Pakistan, and Cambodia also posted substantial growth rates of 36.99 percent, 25.12 percent, and 63.54 percent respectively.

China's apparel exports to the EU totalled $2.46 billion in January 2025, up from $1.84 billion in January 2024.

Conversely, Turkey saw a marginal 0.03 percent decrease in apparel imports to the EU, amounting to $904 million in January 2025, while Vietnam recorded a 27.35 percent growth, reaching $412 million.

India, Pakistan, and Cambodia secured $411 million, $360 million, and $435 million in January 2025, respectively, from the EU clothing market.

In conclusion, the data indicates a more pressing need for strategic changes for future growth, even though Bangladesh demonstrated resilience in preserving export quantity and value.

For Bangladesh to maintain its competitiveness and protect profit margins in the face of ongoing global price deflation, value addition and market diversification are still crucial, said Rubel.

Source: thedailystar.net

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US retail sales see modest growth in Feb amid economic uncertainty

Overall retail sales in February increased by 0.2 per cent on a seasonally adjusted month-over-month (MoM) basis and rose 3.1 per cent unadjusted year-over-year (YoY), as per the data released by the US Census Bureau. This follows a decline of 1.2 per cent MoM in January and a YoY rise of 3.9 per cent.

"Lower-than-expected consumer spending in the first couple of months of the year likely reflected payback for very strong spending in the fourth quarter and weather-related events since then. Moreover, these results show that households are apprehensive and carefully navigating lingering inflation and turmoil related to changing economic policies," said National Retail Federation Chief Economist Jack Kleinhenz.

NRF's measure of core retail sales—excluding automobile dealers, gasoline stations, and restaurants—rose by 0.9 per cent seasonally adjusted MoM but fell by 0.2 per cent unadjusted YoY. This decline is attributed to a high base in February 2024. On a three-month moving average, core retail sales declined by 1.2 per cent YoY.

Despite the current slowdown, core retail sales had demonstrated strong performance in the previous months, growing by 4.2 per cent YoY during the 2024 holiday season and recording a full-year increase of 3.6 per cent.

A separate report from the CNBC/NRF Retail Monitor, powered by Affinity Solutions, showed a slight decrease of 0.22 per cent in seasonally adjusted core retail sales in February compared to January. However, on an unadjusted YoY basis, core retail sales increased by 4.11 per cent. This contrasted with January's figures, which recorded a 1.27 per cent MoM drop but a strong 5.72 per cent YoY increase.

"Regardless of the softer spending, consumer fundamentals remain healthy and intact so far, supported by low unemployment, steady income growth and other household finances. American shoppers will likely continue to spend as long as unemployment remains low, and job growth continues," Kleinhenz said in an NRF release.

Source: fibre2fashion.com

Bangladesh's apparel exports to key markets rise by double digits from July'24-February'25: EPB

In the first eight months of the fiscal year 2024-25, Bangladesh's apparel exports to key markets like the EU, the US, and Canada registered a double digits growth as demand from major brands and retailers increased.

As per data from the Export Promotion Bureau (EPB), Bangladesh's RMG exports grew by 10.64 per cent globally, reaching $26.79 billion during the period spanning July 2024-February 2025.

Most of these exports were directed to the European Union, which absorbed 50.10 per cent of the total RMG exports, valued at $13.42 billion. Exports to the US reached $5.06 billion constituting18.91 per cent share, and Canada accounted for 3.16 per cent share with exports reaching $845 million. Exports to another significant market, the UK grew to $2.93 billion, representing 10.94 per cent of the total.

In terms of growth, EU exports rose by 11.53 per cent Y-o-Y, while the US saw a robust 16.38 per cent increase, and Canada grew by 14.12 per cent.

The UK, however, experienced a more modest 3.74 per cent growth.

Within the EU, Germany is the largest destination ($3.38 billion), followed by Spain ($2.35 billion), France ($1.43 billion), Italy ($1.05 billion), Poland ($1.13 billion), and the Netherlands ($1.43 billion). Notable growth was seen in Germany (11.03 per cent), the Netherlands (25.06 per cent), Poland (12.06 per cent), Denmark (14.58 per cent), and Sweden (21.12 per cent).

Exports to non-traditional markets also showed growth, with a 6.23 per cent overall increase, totaling $4.52 billion. Japan led these markets with $839 million in imports, followed by Australia ($582 million) and India ($478 million). Exports to Turkey ($305 million) and Mexico ($229 million) were also substantial.

Specifically, exports to India increased by 18.58 per cent, Mexico by 25.14 per cent, and Turkey by 32.20 per cent. While exports to Japan, Australia, India, Turkey, and Mexico were positive, shipments to Russia, Korea, the UAE, and Malaysia declined.

Mohiuddin Rubel, Former Director, BGMEA, attributes this growth to shifting global trade dynamics, offering Bangladesh opportunities if it strengthens its production capabilities. He emphasizes on the need to invest in backward linkages to maintain RMG sector competitiveness.

Highlighting the continued importance of the EU and US markets, Rubel points out to the potential for growth in non-traditional markets. Diversifying into these regions could lessen the reliance on traditional destinations, he emphasizes.

Source: fashionatingworld.com

Turkish textile shift to Egypt shakes apparel sector as trade surplus turns to deficit

Rising production costs have driven Turkish textile investments to Egypt, significantly altering the balance of trade between the two nations in apparel. While Türkiye enjoyed a trade surplus of over $100 million with Egypt before 2022, this shifted to a nearly $200 million trade deficit by 2024.

In January alone, Türkiye's trade deficit with Egypt reached $27 million, marking a 50% increase compared to the same period in 2024.

Speaking to business-focused ekonomim.com, Seref Fayat, Chairman of the Ready-to-Wear and Apparel Industry Assembly

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of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), said that one of the main reasons for Türkiye's growing apparel trade deficit with Egypt is the demand from Turkish brands.

"Many local brands struggle to place orders in Türkiye because of high costs and price pressure from competitors. Their reliance on imports continues to widen the trade deficit. Given the government's foreign exchange policies, high interest rates, and inflation, alongside rising operational costs, this trend is likely to persist," Fayat said.

Currently, more than 200 Turkish textile factories operate in Egypt, while approximately 1,700 Turkish companies have invested over $3 billion in the country, contributing to both local market growth and export capacity. Turkish firms account for nearly one-third of Egypt's textile and apparel exports.

As a result, Egypt has become Türkiye's second-largest source of apparel imports, following China. Meanwhile, Türkiye has emerged as Egypt's second-largest export market after the United States.

Major Turkish apparel manufacturers operating in Egypt include Yesim Group, Tay Group, Eroglu Giyim, Calik Holding, LC Waikiki, and Diktas.

Egypt's competitive advantage losing ground

Labor costs in Türkiye have exceeded $1,000 per worker, whereas in Egypt, they remain around $200, providing a significant cost advantage for manufacturers producing at high volumes.

A recent report by the Turkish Clothing Manufacturers Association highlights that due to increasing production and financing costs, Türkiye is now 61% more expensive than its Asian competitors and 46% costlier than those in North Africa.

Additionally, Egypt benefits from trade agreements with both the European Union and the United States. The QIZ (Qualified Industrial Zones) agreement with the U.S. allows duty-free textile exports as long as they contain a specified percentage of Israeli input. The Free Trade Agreement with the EU further facilitates access to the European market.

Moreover, Egypt's strong domestic cotton production enhances its position as a key textile manufacturing hub.

However, as European brands reassess their supply chains, Turkish investments in Egypt are expected to slow down in the latter half of the year, Fayat noted. He pointed out that buyers who had rapidly expanded capacity in Egypt are now realizing the country may struggle to meet such high demand, as many now admit they have "neglected Türkiye" as a sourcing hub.

Despite ongoing pricing pressures, he stressed Turkish manufacturers are working hard to remain competitive.

"If financial costs decrease in the second half of the year and European demand rises, Egypt's appeal may decline," he said, suggesting that Türkiye could regain some lost ground.

While a return to a trade surplus is unlikely, Fayat predicted that demand for Egyptian production will enter a cooling phase.

Source: turkiyetoday.com

WTO goods barometer little changed, trade policy uncertainty looms

Global goods trade appeared to remain steady in the fourth quarter (Q4) of 2024 and looked set to continue growing in the first months of 2025 as the World Trade Organisation (WTO) goods trade barometer ticked up to 102.8, nearly unchanged from the previous reading of 102.7 from last December.

However, increased trade policy uncertainty and the prospect of new tariffs could weigh on trade in the medium term, WTO said in a release.

The barometer is a composite leading indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends. Barometer values greater than 100 are associated with above-trend trade volumes, while barometer values less than 100 suggest that goods trade has either fallen below trend or will do so in the near future.

The latest reading of 102.8 for the barometer index is above both the quarterly trade volume index and the baseline value of 100. This would normally signify that merchandise trade was above trend, with accelerating growth.

However, rising trade policy uncertainty could have temporarily boosted trade as businesses and consumers frontload imports ahead of potential measures, possibly reducing demand later in the year. As a result, the barometer index should be interpreted with caution, WTO noted.

In Q3 2024, the volume of world merchandise trade continued to recover from the trade slump of 2023, growing by 3.3 per cent year on year (YoY).

Developments in the first three quarters last year were broadly in line with the WTO's most recent trade forecast of 10 October, which predicted trade volume growth of 2.7 per cent for the whole of 2024.

Although the global average remained steady, there were some significant regional disparities in goods trade growth. In particular, European exports and imports were much weaker than anticipated, while Asian exports and North American imports exceeded expectations.

All of the barometer's component indices are currently on or above trend. Export orders (101.0) and raw materials (101.6) are on trend, while indices for container shipping (103.7) and air freight (102.7) are above trend to varying degrees.

Export orders, which are usually the most predictive barometer component, remain close to the baseline value of 100.

Source: fibre2fashion.com

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Global trade starts 2025 on stable ground, but new risks loom: UNCTAD

Though global trade started the year on stable ground, but challenges are mounting and new risks loom, including trade imbalances, evolving policies and geopolitical tensions, according to the latest Global Trade Update by UN Trade and Development (UNCTAD) covering data till early March.

In 2024, world trade saw record expansion to $33 trillion—up by 3.7 per cent year on year (YoY)—driven by developing economies and strong services trade.

The gap between developing and advanced economies is widening. Asia and Latin America remain key trade drivers, but growth has slowed in many advanced economies.

South-South trade is holding up, yet Africa's intra-regional trade is shrinking, reversing gains. Meanwhile, trade between Europe and Central Asia has declined, reflecting shifting demand, UNCTAD said in a release.

Nearshoring and friend-shoring trends reversed in 2024, as businesses moved beyond limiting trade to geopolitical allies or nearby regions. Instead of consolidating supply chains, firms are now diversifying trade networks across multiple regions to reduce risk, creating opportunities but adding complexity, the UNCTAD report noted.

Trade dependence is also shifting. Economies like Russia, Vietnam and India have deepened trade ties with specific partners, while others, including Australia and the European Union (EU), are reducing reliance on traditional markets. The decline in trade concentration suggests that smaller economies are playing a bigger role.

Governments are expanding tariffs, subsidies, and industrial policies, reshaping trade flows. The United States, European Union (EU) and others are increasingly tying trade measures to economic security and climate goals, while China is using stimulus policies to maintain export momentum.

This policy realignment is contributing to uncertainty. Rising protectionism, particularly in advanced economies, is triggering retaliatory measures and adding trade barriers, UNCTAD observed.

Meanwhile, industrial policies are reshaping key sectors like clean energy, technology and critical raw materials, risking competition distortion.

In 2024, global trade imbalances returned to 2022 levels. The US trade deficit grew, China's surplus expanded, while the EU shifted to surplus due to energy price changes.

The US-China deficit is widening, the EU's surplus with China is growing and India's deficit with Russia has increased amid shifting energy trade. These trends could prompt new tariffs, restrictions or investment shifts, adding to economic uncertainty, the report noted.

Trade in apparel and energy sectors slowed due to weaker demand and policy shifts.

Shipping trends indicate a slowdown, with falling freight indices signaling weaker industrial activity, particularly in supply chain-dependent sectors.

As trade uncertainty grows, global cooperation and balanced policies remain critical. While China's stimulus measures and lower inflation in some regions could support trade, protectionism and shifting policies in major economies remain key risks.

The challenge in 2025 is to prevent global fragmentation—where nations form isolated trade blocs, while managing policy shifts without undermining long-term growth, the report added.

Source: fibre2fashion.com

UK retail sales show modest growth in February: BRC

The UK's total retail sales saw a modest increase of 1.1 per cent year on year (YoY) in February 2025, matching the growth recorded in February 2024. However, the figure fell short of the three-month average growth of 2.4 per cent but remained ahead of the 12-month average of 0.8 per cent, as per the British Retail Consortium (BRC) - KPMG Retail Sales Monitor.

Non-Food sales remained flat compared to the same period last year, which had recorded a 2.7 per cent decline. While this was below the three-month average growth of 2.5 per cent, it fared better than the 12-month average decline of 0.9 per cent.

Brick-and-mortar Non-Food sales continued to struggle, posting a 1.0 per cent decline YoY. While this was an improvement from the 1.8 per cent decline recorded in February 2024, it was below the three-month average growth of 0.8 per cent. Nonetheless, it outperformed the 12-month average decline of 1.7 per cent.

Online Non-Food sales provided a brighter spot, rising by 1.9 per cent YoY, bouncing back from a sharp 4.1 per cent decline in February 2024. Despite this positive momentum, the growth remained lower than the three-month average of 5.3 per cent. However, it was still above the 12-month average growth of 0.6 per cent.

The online penetration rate, which measures the proportion of Non-Food purchases made online, climbed to 36.4 per cent in February, up from 35.8 per cent a year earlier. While this showed an improvement, it remained slightly below the 12-month average of 36.7 per cent.

"Retail sales saw more modest growth in February. Fashion performed poorly due to the gloomy weather throughout the month, but retailers are hopeful the early March sunshine kickstarts spending on Spring and Summer wardrobes." Helen Dickinson OBE, chief executive of the British Retail Consortium, said in a release.

"Consumers remain cautious with their spending, and many are continuing to prioritise saving, travel and experiences.

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Online non-food sales growth is outpacing in-store and while shops will always be a key part of many retailers' strategy - rent, rates, and employment costs all must be factored in.

Online shopping and the growth of social commerce has contributed to a lowering of demand for some physical retail stores and boardrooms will continue to keep a close eye on monthly footfall and sales data as 2025 progresses," said Linda Ellett, UK head of consumer, Retail & Leisure, KPMG.

Source: fibre2fashion.com

Global cotton production & consumption estimates up for 2024-25: WASDE

For 2024-25, the United States Department of Agriculture (USDA) has projected an increase in global cotton production by 500,000 bales, bringing the total to 120.96 million bales (each weighing 480 pounds), according to its March 2025 World Supply and Demand Estimates (WASDE) report.

However, global cotton ending stocks were lowered by 80,000 bales, while exports increased by 200,000 bales. Cotton exports were projected higher despite ongoing global uncertainties.

The USDA raised its global cotton production estimate from the 120.46 million bales projected in the February 2025 report. However, it reduced ending stocks to 78.33 million bales, down from 78.41 million bales in the previous report. Global domestic cotton consumption was revised upward to 116.54 million bales, compared with 115.95 million bales in the last estimate.

For the 2024-25 global cotton balance sheet, this month's report reflects increased production, consumption, and trade, while ending stocks have been revised downward. Beginning stocks remain unchanged. Higher production in China more than offsets declines in Pakistan and Argentina. Consumption estimates were raised for Pakistan, Bangladesh, and Egypt, outweighing minor adjustments elsewhere.

Exports from Brazil and Turkiye increased, surpassing reductions from Australia and Egypt. While China's cotton imports were lowered, increased imports by Pakistan, Bangladesh, and Egypt more than compensated. Consequently, global ending stocks for 2024-25 were reduced by 80,000 bales.

There are no changes to this month's 2024-25 US cotton balance sheet. However, the average upland farm price projection for the current year was lowered to 63 cents per pound.

Source: fibre2fashion.com

Sri Lanka's garment exports up 22.7% to $428 million in Jan 2025

Garment exports from Sri Lanka reached $428.4 million in January 2025, reflecting a 22.7 per cent increase compared to the $349.1 million exported in the corresponding month of 2024, according to statistics released by the Central Bank of Sri Lanka.

During January 2025, textile exports from Sri Lanka increased by 3.9 per cent, totalling $23.9 million. During the same period, exports of other manufactured textile articles remained stable at $9.1 million, as reported by the Central Bank.

The combined exports of textiles, garments, and other manufactured textile articles accounted for 55.67 per cent of all industrial exports from Sri Lanka during this period. Total textile product exports amounted to $461.3 million in January 2025, while Sri Lanka's overall industrial exports were valued at $828.3 million during the period.

In terms of imports, textiles and textile articles saw a 3.6 per cent rise, totalling $232.7 million, while imports of clothing and accessories increased by 23.4 per cent, amounting to $22.6 million in January 2025.

During the last year 2024, the island nation's garment exports totalled $4,660.1 million, showing a 4.9 per cent increase. Sri Lanka had also exported textiles of $294.5 million and other manufactured textile articles of $106.4 million during the year. The country imported textiles and textile articles of $2,847.1 million and clothing and accessories of $225.8 million in 2024.

In 2023, Sri Lanka's garment exports were valued at $4,440.6 million, a 19 per cent decrease from the $5,483.1 million exported in 2022. Meanwhile, imports of textiles and textile articles dropped by 22.6 per cent to $2,371.2 million, and imports of clothing and accessories declined by 21.1 per cent, totalling $170.0 million in 2023.

Source: fibre2fashion.com

Vietnam's textile & garment exports up 9.3% to $5.6 bn in Jan-Feb 2025

Vietnam's textile and garment exports (excluding yarn and fibre) grew by 9.3 per cent year-on-year (YoY), reaching $5.633 billion during January-February 2025, according to the Customs IT and Statistics Department of the General Department of Customs under Vietnam's Ministry of Finance.

During the first two months of 2025, Vietnam's yarn exports dropped by 2.8 per cent year-on-year to $648.158 million. In volume terms, yarn exports increased by 2.3 per cent, with the country exporting 284,389 tonnes of yarn in the first two months of 2025.

On a month-on-month basis, textile and garment exports decreased 23.5 per cent to $2.440 billion in February 2025 over the previous month. Yarn exports gained by 15.2 per cent in value and 16.5 per cent in volume in February 2025. The country exported 153,092-ton yarn, valued at $347.058 million during the month.

The United States remained the largest market for Vietnam's textile and garment exports, accounting for 43.63 per cent of the total, equivalent to $2.458 billion in the first two months of 2025. Japan and South Korea were also key markets, with exports amounting to $689.718 million and $536.283 billion, respectively.

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For Vietnam's yarn exports, China was the largest buyer, accounting for 43.36 per cent of the country's total yarn shipments, valued at $281.834 million. Yarn exports to India were valued at $13.253 million during January-February 2025.

On the import side, Vietnam's cotton imports rose 9.6 per cent year-on-year to $526.953 million in January-February 2025. The volume of imported cotton increased 23.9 per cent year-on-year to 301,899 tonnes. The country also imported 189,337 tonnes of yarn, valued at $405.833 million, reflecting a 14.8 per cent increase in value and in 12.8 per cent in volume. Fabric imports totalled $2.110 billion, up 7.5 per cent year-on-year.

During 2024, Vietnam had exported textiles and garments worth $37.036 billion, 11.2 per cent up from the shipment of the previous year 2023. It had also exported 1.873-million-ton yarn valued at $4.407 billion in the last year. Yarn exports gained 1.2 per cent in value and 5.0 per cent in volume. The country also imported 1.503-million-ton cotton, valued at $2.884 million. The value and volume grew 1.8 per cent and 12.3 per cent year-on-year respectively. It also imported 1.243 million tonnes of yarn, valued at $2.713 billion, reflecting a 23.8 per cent increase in value and 18.1 per cent rise in volume. Fabric imports reached $14.905 billion, up 14.5 per cent year-on-year.

Source: fibre2fashion.com

Trump Pauses Tariffs on Mexican and Canadian Goods Covered by USMCA

Update: President Donald Trump also deferred duties on Canadian goods covered under USMCA until April 2, signing an executive order Thursday afternoon.

Mexican President Claudia Sheinbaum has talked President Donald Trump into walking back 25-percent duties on her country just two days after they were implemented.

Taking to his platform of choice Thursday morning, Trump declared on Truth Social that Mexico will not have to pay tariffs on any products that fall under the U.S.-Mexico–Canada Agreement (USMCA)—including an array of footwear, apparel and textile products.

The truce will remain in place until April 2, when Commerce Secretary Howard Lutnick is slated to provide the president with reporting on America's global trade agreements and trade deficits from multiple government agencies.

"I did this as an accommodation, and out of respect for, President Sheinbaum," Trump wrote. "Our relationship has been a very good one, and we are working hard, together, on the Border, both in terms of stopping Illegal Aliens from entering the United States and, likewise, stopping Fentanyl."

Mexico's government has deployed robust enforcement mechanisms in recent weeks to combat the flow of drugs into the U.S., sending 10,000 members of its National Guard to patrol popular thoroughfares for drug trafficking. The country has also taken in 20,000 deportees from the U.S. since Trump took office on Jan. 20.

Since September, U.S. Customs and Border Protection (CBP) has intercepted 7,793 pounds of fentanyl entering the country, 98 percent of which was seized at the Southwest border. The lethal synthetic narcotic is made largely with precursor chemicals imported from China, which was also hit with new duties this week for its role in the drug trade.

"We had an excellent and respectful call in which we agreed that our work and collaboration have yielded unprecedented results, within the framework of respect for our sovereignties," Sheinbaum wrote of her conversation with Trump in a post on X. "We will continue working together, particularly on issues of migration and security," she added.

Lutnick has hinted in recent days, and reiterated Thursday that a similar deferral deal with Canada is likely forthcoming and could take shape as soon as Thursday afternoon.

But in a sharp contrast to his budding collaborative relationship with Sheinbaum, Trump's animus for outgoing Canadian Prime Minister Justin Trudeau seems only to have deepened in recent weeks.

"Believe it or not, despite the terrible job he's done for Canada, I think that Justin Trudeau is using the Tariff problem, which he has largely caused, in order to run again for Prime Minister. So much fun to watch!" Trump Truthed shortly after announcing the deal with Mexico.

Trudeau, whose approval ratings were already on a decline before Trump took aim at Canada, was criticized by both liberal party allies and conservative adversaries for his tepid response to the president's gibes and threats. The Canadian leader announced his intention to step down in early January.

As Trump's insults and intimidation have escalated, however, so too have Trudeau's rhetoric and retaliatory actions. Following the implementation of duties on Tuesday, he imposed duties on $155-billion worth of U.S. products, including finished apparel and textiles, $30 billion of which took effect immediately, and $125 billion of which will be rolled out in the next 20 days.

Trudeau spoke directly to the American people, saying, "We want to work with you as a friend and ally, and we don't want to see you hurt either. But your government has chosen to do this to you."

"As of this morning, markets are down and inflation is set to rise dramatically all across your country," he added.

Markets tanked Monday after Trump announced his intention to move forward with the duties, with shareholders anticipating the impacts of lost sales as well as the effects of inevitable retaliation from the trade partners. They rallied slightly Wednesday, when Trump announced that U.S. auto

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makers would see exemptions on necessary inputs from Canada and Mexico.

On Thursday, however, the Dow Jones Industrial Average slid by 1 percent (about 450 points), and the S&P 500 fell 1.7 percent. This week, the Federal Reserve Bank of Atlanta released forecasting showing that gross domestic product (GDP) is projected to decline by an annualized 2.8 percent in the first quarter of 2025, an about-face from the 3-percent growth predicted in early February.

Source: sourcingjournal.com

China: Could cotton linter import from US shrug off tariff action?

Following a 10% tariff increase on Chinese imports by the United States on Feb 4, and there was another 10% tariff increase on Mar 4. China has expressed strong opposition, believing that the U.S. action undermines global trade rules, and has taken countermeasures, imposing tariffs of 10-15% on some goods originating from the United States, such as cotton, corn, and soybeans, starting from Mar 10.

Affected by factors such as Sino-U.S. relations and downstream demand, the import volume of U.S. cotton linter has fluctuated greatly in recent years. Due to the impact of the Sino-U.S. trade war and reciprocal tariffs, the import volume of U.S. cotton linter sharply decreased in 2018-2019, with a decline of about 50-60%.

Afterwards, with the easing of the situation, the import volume increased significantly since 2020, reaching the highest in 2021, at about 17,687 tons, continuing to increase by 54% year-on-year. In 2024, the import volume was about 3,412.2 tons, an increase of 119.1% year-on-year. It is expected to decline again this year.

The average import price of U.S. cotton linter in 2017 was about $851/mt, which was 41.2% higher than the national average import price. Afterwards, the import price of U.S. cotton linter fell rapidly, reaching a periodic low in 2021, with an average of about $470.2/mt, which was 22.5% higher than the national average. In 2024, the import price was about $678.2/mt, about 54% higher than the national average.

Although the average price of U.S. cotton linter is relatively high, significantly higher than the national average import price, it is still favored by downstream refined cotton and nitrocellulose enterprises due to its product quality and end-user demand.

Affected by large fluctuations in import volume, the import share has also experienced significant fluctuations. Due to the Sino-U.S. trade war in 2018-2019, the import share of U.S. cotton linter decreased from 10.1% in 2017 to 2.5% in 2019. In 2020, the share rebounded to 15.7%, which was at a relatively high level. In 2024, the import volume accounted for about 3.6%.

In addition to imposing 10% tariffs on Chinese imports twice this year, the United States has also imposed 25% tariffs on products imported from Canada and Mexico, and has also threatened to impose 25% tariffs on the EU. The U.S. actions have disrupted global trade, damaged major economic partners, and increased uncertainty in global economic growth, which has been widely opposed by various countries.

Canada, Mexico, and China have stated that they will not back down in the trade war initiated by the United States and have successively taken necessary countermeasures. the Customs Tariff Commission of the State Council issued an announcement on Mar 4 that, starting from Mar 10, tariffs will be imposed on some goods originating from the United States: a 15% tariff will be imposed on cotton, chicken, wheat, and corn, and a 10% tariff will be imposed on sorghum, soybeans, pork, beef, aquatic products, and dairy products. Currently, cotton linter is not on the list of tariff increases, but if trade frictions continue to escalate or expand in scope in the future, there is still some uncertainty.

Source: ccfgroup.com

UKFT anticipating further changes to US tariffs to China, Mexico, Canada

The latest US tariff rises on imports from China, Canada, and Mexico have been described by the UK Fashion & Textile Association (UKFT), which also stated that other changes, such as the broader repeal of the “de minimis” rule, are anticipated.

In order to impose further taxes on goods manufactured in China, Canada, and Mexico with immediate effect, US President Donald Trump signed a variety of executive measures. From the initial 10 per cent imposed in February, the additional duty on all Chinese goods has increased to 20 per cent.

Due to the removal of the “de minimis” exemption, which permits duty-free imports under US $ 800, all Chinese goods are now subject to an additional 20 per cent levy. The US regular duty rates are in addition to the additional 20 per cent tariff. Previously subject to a 17.5 per cent levy, Chinese-made goods are now subject to a 37.5 per cent tax. In the meanwhile, products manufactured in Canada and Mexico are subject to a 25 per cent duty.

According to Paul Alger, director of international business at UKFT, the US has previously used higher tariffs to achieve its policy goals. Many have been caught off guard by the pace of these changes, but it’s crucial to maintain composure, be knowledgeable, and, whenever feasible, adopt a long-term perspective.

Additional tariffs are likely to hurt consumers the most, but brands can preserve their market position by agreeing to cover a portion of the higher expenses in the short term in the hopes that things will return to normal in the future. An increase in US visitors coming outside to shop for deals could also be observed, ideally in the UK, as the US currently has higher duty rates for fashion than most other countries, and it is undoubtedly greater than the UK and EU external tariffs, he added.

Source: apparelresources.com

ASEAN manufacturing sees strongest growth in seven months: S&P Global

Manufacturing conditions across the ASEAN region experienced their strongest improvement in seven months during February, according to the latest S&P Global ASEAN Manufacturing Purchasing Managers' Index (PMI).

The index rose to 51.5 from 50.4 in January, marking continued monthly gains since the start of 2024.

Manufacturing output increased at its fastest pace since July 2023. Employment levels expanded at an accelerated rate. Business confidence soared to a 22-month high. New orders saw a solid and quicker uptick, driving production growth.

Following modest gains observed from September 2023 through January 2024, February recorded a notable surge in manufacturing activity. Businesses responded to the increase in new orders by expanding operational capacity, leading to stronger growth in both employment and purchasing activity.

ASEAN manufacturers showed heightened confidence in production prospects, bringing the index closer to its long-term average. This optimism led firms to bolster their inventories and increase their purchasing activity. Notably, purchase stock levels grew for the first time in eight months, reflecting a positive outlook for future demand.

February's report indicated that rising production requirements and anticipated workload increases prompted firms to enhance their operational capabilities. While backlog accumulation extended its year-long trend, the rate of increase slowed compared to January. This suggests that production support measures helped ease capacity pressures.

Cost pressures remained stable in February, aligning with January's levels. Meanwhile, output charge inflation remained modest, with rates of inflation continuing to be weaker than their respective series averages. This stability suggests that cost increases are not significantly impacting manufacturers' pricing strategies at present.

"February saw a significant improvement in ASEAN manufacturing conditions. Strong underlying demand trends contributed to solid growth in total new orders, prompting firms to increase their production levels at a comparable pace.

Optimism strengthened among manufacturers, with projections for the year ahead outlook for output reaching its highest in 22 months. In preparation for higher workloads and to meet current production needs, both employment and input purchases were also increased.

Encouragingly, despite the recent uptick in activity within the region's manufacturing sector, inflationary pressures remained contained and historically subdued, "Maryam Baluch, Economist at S&P Global Market Intelligence, said in a release.

Source: fibre2fashion.com

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Availing preferential tariff for import will need 'proof of origin' in lieu of 'certificate of origin', says Finmin

An importer will now be required to submit 'proof of origin' as against 'certificate of origin' to preferential rate of duty in terms of a trade agreement. Experts feel such a move is aimed at checking imports from China that are routed through third countries.

The Finance Ministry has notified changes in the Customs (Administration of Rules of Origin under Trade Agreements) Amendment Rules 2020. It has been made effective from March 18.

According to Sivakumar Ramjee, Executive Director- Indirect Tax, Nangia Andersen LLP, the amendment is aimed at tightening scrutiny on imports, particularly those from China that are routed through third countries under Free Trade Agreements (FTAs).

India has been facing challenges with Chinese goods being rebranded and rerouted through ASEAN nations, Sri Lanka, and UAE to evade higher tariffs and trade restrictions. By shifting to a broader "proof of origin" requirement, Indian customs authorities now have greater flexibility to demand additional evidence beyond just a certificate, ensuring that importers cannot misuse FTAs to bypass trade barriers meant to protect domestic industries.

Investigations revealed that Chinese products, such as mobile phones, white goods, set-top boxes, and other electronic gadgets, were being exported to India through countries like Vietnam, Singapore, and Indonesia. These goods were claimed under FTAs, allowing them to benefit from concessional duty rates, despite not meeting the required "rules of origin" criteria.

A company in Ho Chi Minh City, Vietnam, was found importing finished silk from China, relabeling it as 'Made in Vietnam,' and then exporting it to India. This misrepresentation exploited Vietnam's trade agreements with India to enjoy lower tariffs, undermining the authenticity of the certificate of origin.

"These practices have prompted Indian authorities to tighten scrutiny on imports, ensuring that goods genuinely originate from the countries specified in their certificates of origin, thereby protecting domestic industries from unfair competition," Ramjee said.

Mayank Jain, Partner at Khaitan & Co, said that amendments stem from the Finance (No. 2) Act, 2024, viz., changes to Section 28DA of the Customs Act 1962. This section outlines the procedure for claiming preferential duty rates under trade agreements, emphasising importer responsibility and requiring due diligence to ensure goods qualify as originating. Historically, a "certificate of origin" was required for free/preferential Trade agreements (FTA/PTA) imports. However, recent trade negotiations with the EU, UK, and EFTA mandated an exporter self-certification system as well. This necessitated shifting from "certificate" to "proof" of origin.

Simply stated, "the 2024 amendment to Section 28DA and the 2025 notification aligns India's statutory framework with these new economic partnership requirements, which should result in increased market access, trade by easier access to FTA/ PTA benefits," Jain said.

Source: thehindubusinessline.com

India's GST Maze: Textile units caught in classification chaos

The recent investigations by the Central Goods and Services Tax (CGST) officials into over 20 textile units across India, over misclassification of processing activities, highlight a critical challenge within the GST regime. At the heart of the problem is the distinction between 'job work services' (5 per cent GST) and transformative processes (18 per cent GST), and it reveals deeper complexities in interpreting and implementing GST within the textile sector.

The crux of the problem lies in the subjective interpretation of "change in the cloth's nature." While washing and dyeing are generally classified as job work (5 per cent), processes like printing, bleaching, and other treatments that "change its main qualities" attract an 18 per cent tax. However, the line between these categories is often blurred, leading to disputes and potential revenue leakage.

Lack of clarity in definitions: The definitions of "job work" and "transformative processes" lack precise, quantifiable parameters. This ambiguity allows subjective interpretations, leading to inconsistencies in tax application. For example, the degree to which a dyeing process "changes the main qualities" of a fabric can be debated. Is a subtle color change a transformative process, or is it merely job work?

Compliance burden: The textile industry, particularly small and medium enterprises (SMEs), faces a significant compliance burden in accurately classifying their activities. The need to meticulously document each process and justify its classification adds to operational costs and administrative complexities.

Revenue implications: The CGST officials' estimate of "hundreds of crores" in potential revenue loss underscores the significant financial impact of misclassification. This shortfall affects government revenue and potentially distorts market competition, as businesses misclassifying their activities gain an unfair advantage.

Impact on SMEs: SMEs, which constitute a significant portion of the textile industry, are particularly vulnerable to the complexities of GST compliance. They may lack the resources and expertise to navigate the intricate tax regulations, increasing their risk of non-compliance.

Frequent changes in tax rates: The fact that the 45th GST

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council meeting discussed increasing tax rates on dyeing and printing, creates uncertainty within the industry. This type of fluctuating discussion creates problems for businesses trying to plan for the future.

It is difficult to find the exact quantity of tax evasion that is currently under investigation, due to these cases being in progress. However, there are numerous reports on the effects of GST on the textile industry.

For example, a report by the Confederation of Indian Textile Industry (CITI) highlights the challenges faced by SMEs in complying with GST regulations, particularly concerning job work and input tax credit. Similarly, a Textile Ministry report from 2022 shows that 80 per cent of textile units in India are classified as SMEs. Meaning that they have a very high likely hood of making accidental mistakes with the complexities of these laws.

So a textile unit specializing in organic dyeing can claim its processes are "job work" because they don't fundamentally alter the fabric's structure. However, CGST officials, argue that the specialized dyeing significantly enhances the fabric's value and marketability, thus classifying it as a transformative process. Similarly, a company that uses advanced patterning machine to create textures on a fabric labels the activity as job work because they are not adding any color. The CGST officials, however, say the processes change the fundamental qualities of the fabric, and label it as printing, or a similar taxable event.

Tax expert say the ambiguity in GST classification is a major concern for the textile industry. There needs to be clearer definitions and guidelines to ensure fair and consistent tax application. A lot of problems arise from differing interpretations of the term 'job work'. The government needs to either make the definitions of job work, and process work, much clearer, or simplify the tax rates.

What needs to be done.

Clarification of definitions: The government should issue detailed guidelines and clarifications on the definitions of "job work services" and "transformative processes," providing concrete examples and parameters.

Simplified tax structure: Consider simplifying the tax structure for the textile industry to reduce the potential for misclassification and disputes.

Capacity building: Conduct workshops and training programs to educate textile businesses, especially SMEs, on GST compliance and accurate classification.

Technology integration: Explore the use of technology, such as AI-powered classification tools, to assist businesses in accurately categorizing their activities.

Industry consultation: Engage in regular consultations with industry stakeholders to address their concerns and gather feedback on GST implementation.

Thus the CGST investigations highlight the need for a comprehensive review of the GST framework for the textile industry. By addressing the issues of ambiguity, compliance burden, and revenue leakage, the government can create a more transparent and efficient tax regime that fosters the growth and competitiveness of this vital sector.

Source: fashionatingworld.com

India-Latin America & Caribbean (LAC) partnership holds immense potential for economic and trade expansion: Shri Piyush Goyal

Union Minister of Commerce & Industry, Shri Piyush Goyal highlighted thatthere remains significant untapped potential for economic and trade expansion.Shri Goyal, addressed the 10th CII India-LAC Conclave today at New Delhi, emphasizing the growing importance of India's economic engagement with the Latin American and Caribbean (LAC) region.

He said, the India-LAC partnership is not just about business but also about cultural exchanges, shared traditions, and a collective commitment to preserving heritage.

He noted that the passion for festivals, sporting spirit, and rich histories of both regions provide a strong foundation for enhanced economic collaboration. He underscored that the conclave serves as an excellent platform for fostering enduring economic ties and deeper people-to-people connections between the two regions.

He called for ambitious targets, aiming to double trade volumes in the next five years by focusing on sectors such as engineering, healthcare, renewable energy, critical minerals, tourism, agriculture, gems and jewelry, and digital services.

Shri Goyal outlined several key areas for deeper cooperation, including trade expansion through preferential trade agreements with MERCOSUR and bilateral agreements where necessary.

He emphasized the need for collaboration in renewable energy, highlighting the LAC region's vast lithium reserves and proposing joint ventures in lithium processing, battery manufacturing, and electric mobility.

He also pointed to India-Brazil cooperation in biofuels and the potential for ethanol-powered vehicles. Agriculture and food security were also identified as crucial areas of partnership, with India and the LAC region complementing each other's needs through investments in climate-resilient agriculture, post-harvest storage, cold chain logistics, and value-added food processing. Additionally, Shri Goyal stressed the importance of improving trade infrastructure through enhanced shipping routes, direct air connectivity, and digitalizing customs procedures to streamline market access. He called for

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expanding sectoral engagement beyond traditional industries, urging collaboration in pharmaceuticals, artificial intelligence, digital public infrastructure, and high-end manufacturing.

Shri Goyal acknowledged the global economic slowdown and supply chain disruptions but emphasized that India remains committed to strengthening economic ties with the LAC region. He urged governments, businesses, and institutions to seize emerging opportunities and move beyond incremental progress toward transformative growth.

In conclusion, Shri Goyal reaffirmed India's commitment to fostering a dynamic and mutually beneficial partnership with the LAC region, built on trust, cooperation, and shared prosperity.

Source: pib.gov.in

India and New Zealand working on a comprehensive, mutually beneficial Free Trade Agreement: Shri Piyush Goyal

India and New Zealand are working to finalize a comprehensive and mutually beneficial Free Trade Agreement. Union Minister of Commerce & Industry, Shri Piyush Goyal, said this while addressing the CEOs of India and New Zealand in New Delhi today. The two countries had announced the launch of negotiations for an FTA earlier this week. The event today was attended by the Right Honourable Christopher Luxon, Prime Minister of New Zealand, Hon'ble Mr. Todd McClay, New Zealand's Minister for Trade and Investment, Agriculture and Forestry, business leaders and senior officers of the two countries.

Addressing the business leaders, Shri Goyal emphasized the immense potential for collaboration between the two countries. He articulated an ambitious vision for the India-New Zealand partnership, targeting 10x growth in bilateral trade over the next decade.

Prime Minister of New Zealand, The Right Honourable Christopher Luxon, while addressing the forum, stated that businesses play a critical role in both economies and in strengthening bilateral relations. The Prime Minister further emphasized the need to explore new frontiers and sectors where New Zealand holds a competitive advantage.

"I feel incredibly optimistic about the future of both India and New Zealand. India for us is a game changer. As a smaller country in the world, India is a really consequential relationship for us. We all recognize that there is a lot more that these two countries should be doing together. When we look at the trading relationship today at $3 billion, there's a huge opportunity for us here," he added.

The Commerce Minister called on business leaders from both countries to contribute towards achieving this goal. "There are hardly any areas where we compete with each other, and the few areas of sensitivity can be navigated with mutual respect. Given our different levels of development, there are limitless possibilities for cooperation in agri-tech, dairy, food processing, pharmaceuticals, renewable energy, critical minerals, forestry, horticulture, tourism, and sports," he said.

Discussing global challenges, Shri Goyal emphasized the importance of trusted partnerships. "The world is going through a lot of problems. A defining partnership between our two nations can serve as a model for how trusted partners work together. It's not about the size of an economy; it's about collaboration and shared values," he said. He noted that India's economy, currently at $4 trillion, is poised to grow to $30-35 trillion in the next 22-25 years, presenting immense opportunities for collaboration.

Shri Goyal highlighted the role of tourism in fostering stronger relations between India and New Zealand. He praised the Prime Minister of New Zealand for his commitment to enhancing ties between the two nations and noted that their partnership could create significant economic opportunities. "Together, we can make a significant difference to our economies. Both countries will emerge as winners through this partnership," he stated.

Drawing a parallel with cricket, Shri Goyal described the partnership as "aggressive yet graceful, passionate but well-composed, and creating a strong innings." He expressed confidence that India and New Zealand are ready to step up for a brighter future.

The Minister underscored the importance of working with democracies where the rule of law prevails and businesses get fair opportunities. He mentioned the strong people-to-people linkages between India and New Zealand, citing Papatoetoe in Auckland as "Little India."

He expressed optimism about Free Trade Agreement (FTA) negotiations, stating that they would be vibrant and add more depth to the relationship.

He also stressed the importance of education and research in bringing people closer, highlighting the potential of New Zealand's innovation to reach the world through India. He suggested that manufacturing in India for global markets at competitive prices could take the partnership to greater heights.

Speaking on connectivity, Shri Goyal reaffirmed India's commitment to strengthening financial and digital linkages, as well as facilitating swift mobility of manpower and technical talent.

He noted that India produces the highest number of STEM graduates annually, with 43% of them being women, showcasing the diversity and strength of India's workforce.

"Our two countries have decisive leaders, and India's young, aspirational population of 1.4 billion, combined with New Zealand's innovative spirit, will create a potent partnership that the world will look up to. Walking into the future while respecting the past—this perfectly captures the essence of

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our collaboration," he concluded.

Source: pib.gov.in

India to gain in an uncertain world of tariffs, says SBI report

"Long trends indicate a possible downturn in U.S. economy GDP growth along with a slowdown in U.S. exports and consumption," SBI said

As tariff action by U.S. President Donald Trump looms large, the State Bank of India (SBI) in a special report said that India however would stand to gain in an increasingly uncertain world of tariffs.

"Trends indicate that the jump in the U.S. economy post-COVID may have been an outlier as a result of policy extravaganza. Long trends indicate a possible downturn in U.S. economy GDP growth along with a slowdown in U.S. exports and consumption," SBI said in the report.

"The overall value add is showing a declining trend with shrinking Total Factor Productivity (TFP) growth. High U.S. wages could hold back new investment. Net savings to GDP is also at the lowest level since 2011, the second lowest since 1951," it said.

"The U.S. debt to GDP ratio shows a secular rising trend… ironically… the U.S. currency showing strength show cyclical trends with falling peaks," it further said.

"If the structural adjustment gains traction, then only the U.S. potential GDP trend can see an upward shift. The crowding in of the private sector that follows along with technical progress can add to growth prospects. However, this adjustment will have short-term costs and has lots of ifs and buts," SBI report.

According to SBI report, the reciprocal tariff may not impact India much.

The decline in exports from India to the U.S. could be in the range of 3-3.5% post reciprocal tariffs, if any, it said.

"We estimated the decline in exports in the range of 3-3.5% which again should be negated through higher export goals across both manufacturing and services fronts, as India has diversified its exports kitty, pitched value addition, exploring alternate areas and works on new routes that transcend from Europe to the USA via the Middle-East, redrawing new supply chain algorithms," it said.

Stating that India has signed 13 Free Trade Agreements (FTAs) in the last five years with its trading partners like Mauritius, UAE, Australia, SBI said these FTAs covering a wide array of topics, such as tariff reduction impacting the entire manufacturing and the agricultural sectors; rules on services trade; digital issues such as data localization; intellectual property rights would help.

"India is negotiating FTAs with the UK, Canada, and the EU, targeting sectors like services, digital trade, and sustainable development. The FTA with the UK alone is expected to increase bilateral trade by $15 billion by 2030," it said.

Future FTAs will likely focus on enhancing digital trade, with projections indicating that the digital economy could add $1 trillion to India's GDP by 2025, it added.

Stating that tech supremacy was driving the U.S. dominance, it said a 'Deep Seek' moment could unsettle much of it.

Source: thehindu.com

India proactively engaged with the US to draw contours of India-US trade pact

India is proactively engaged with the US to draw the contours of the India-US bilateral trade agreement (BTA) that the two sides are set to negotiate and is holding virtual meetings for the same, Commerce Secretary Sunil Barthwal has said.

The Commerce & Industry Ministry is also holding consultations with domestic stakeholders to identify opportunities as well as challenges that emerge from the threat of reciprocal tariffs to be imposed by the US.

"The government is weighing both opportunities and issues emerging from US tariffs. We are doing stakeholders consultation on these issues and will be resolving those issues on a bilateral basis," Barthwal said in an interaction with reporters on Monday.

US President Donald Trump has threatened countries, including India, that have high import tariffs on US goods, with reciprocal tariffs that are scheduled to be announced on April 2.

Trump and Prime Minister Narendra Modi agreed to establish "new, fair-trade terms" to work out an India-US BTA that could more than double bilateral trade to $500 billion. The first tranche is set to be finalised by fall this year.

"We are negotiating this bilateral trade agreement, which is... multi-sectoral, and it will be addressing all issues between us mutually. So, all those things which are of importance to both countries will be part of the negotiations. And we are very proactively engaged with the US on this issue," Barthwal said.

Goyal was recently in Washington DC to talk with his US counterparts on how to proceed with the BTA. Since then, Trump and US Commerce Secretary Howard Lutnick have given statements putting pressure on India to commit to stiff tariff cuts across the board. "They have agreed, by the way; they want to cut their tariffs way down now because somebody is finally exposing them for what they have done…," Trump said at a briefing.

India's tariffs on US goods are at a much higher 15.30 per cent (2022) than US tariffs on Indian products at around 3.83 per cent.

Lutnick also insisted, in an interview with Indian media, that agriculture must also be on the table and India should be ready for a mega deal.

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The US Trade Representative's office recently posted about Goyal's meeting in the US. "Ambassador Jamieson Greer had a productive meeting with the Indian Minister of Commerce and Industry Piyush Goyal during his recent trip to the United States.They have since continued to have engaging conversations on reciprocal trade, expanding market access, and President Trump's America First Trade Policy," the USTR office posted on social media platform `X'.

The US was India's largest trading partner in FY24 with exports worth $77.51 billion and imports worth $42.19 billion.

Source: thehindubusinessline.com

MSME bodies urge RBI to tweak norms for ecom exports

Micro, small and medium enterprises (MSME) industry bodies have requested the Reserve Bank of India (RBI) for certain changes in the regulations for ecommerce exports. These MSME bodies met the central bank in Ahmedabad, Gujarat, last week.

"The industry bodies told the RBI that the current system of manually matching shipping bills with inward remittances (IRMs) is impractical for high-volume ecommerce exports," an industry source privy to the development said.

The source noted that they have requested the RBI to develop an automated reconciliation system within the Export Data Processing and Monitoring System (EDPMS), leveraging artificial intelligence (AI) algorithms, to match IRMs with shipping bills based on exporter records, even when amounts vary due to marketplace fees or refunds.

"This system should also allow bulk uploads of transactions, reducing the need for exporters to handle each bill individually. Additionally, the requirement for CA certificates for small exporters should be removed, replacing it with self-declaration forms for MSME with an annual turnover of ₹5 crore or less," the source said.

A digital verification system linked to bank accounts could further streamline the process. The MSME bodies have also suggested reducing costs, as they urged the RBI to standardise fees for shipping bill regularisation, introducing a fixed annual reconciliation fee (e.g., ₹5,000 for exporters under ₹5 crore turnover), and limiting per-bill charges to ₹100 for transactions over $1,000. Furthermore, a digital dispute resolution portal should be established to address issues like unfair penalties and delayed processing, with a seven-day resolution timeframe.

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Source: business-standard.com

Tamil Nadu announces support to T&C in budget

The government of the southern Indian state of Tamil Nadu (TN) has announced financial support for modernising old power looms in its annual budget for the coming fiscal 2025-26. The state will also set up common facility centre for garment and made-ups segments (cut & sew sector), which will provide facility of fully automatic computerised fabric cutting machines for MSME garment and made-ups units. The state government has also announced setting up of a 'Tamil Nadu Technical Textile Mission' with required financial allocation in the budget.

Thanking the government for its support to the state's textile and clothing (T&C) sector, Dr. SK Sundararaman, Chairman, The Southern India Mills' Association (SIMA) said the budget allocation of ₹30 crore for modernising three years and above old plain power looms into shuttle less looms will help the power loom sector to produce high value-added and better-quality products in a cost-effective manner. He said that the modernised shuttle less looms will enable the power loom weavers to increase their earnings.

The announcement made for garment and made-ups segments (cut & sew sector) for establishing common facility centre for fabric cutting using fully automatic computerised fabric

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cutting machines with an allocation of ₹50 crore for the next five years would greatly help the predominantly MSME garments and made-ups segments across the state, particularly the clusters like Tiruppur, Karur, Virudhunagar, and Chennai, Sundararaman said.

He said that the fully automatic computerised fabric cutting machines would help the cut & sew sector to increase the fabric realisation by 7 to 10 per cent depending upon the design, produce latest fashion garments and home textile products with better quality, reduce the cost of production substantially, and strengthen the competitiveness of small and medium sized sewing units.

SIMA also appreciated the allocation made for technical textiles sector, sunrise sector of the entire textile value chain, by earmarking ₹15 crore for 'Tamil Nadu Technical Textile Mission'. It would not only encourage the existing textile manufacturers to diversify into technical textiles but would also encourage new investments in this key sector and make Tamil Nadu a leading player in the manufacture of technical textile products.

The trade body also applauded ₹20 crore allocated for the creation of infrastructure such as loom sheds, common facility centres and quality testing laboratories to support exports in power loom clusters.

Dr. Sundararaman termed the budget as a unique one, when compared to any other state in the country, as the government is very keen to modernise the existing manufacturing facilities and sustain its global competitiveness.

He thanked Chief Minister MK Stalin for announcing unique proposals along with necessary budget allocations in the State Budget 2025-26 presented on last Friday to strengthen the global competitiveness of the existing industry in the State, particularly the T&C industry, which accounts for one-third of the textile manufacturing capacity of the country.

Source: fibre2fashion.com

Alok to expand global footprint as a matrix-driven organization

New York – Now part of Reliance Group, the largest conglomerate in India, Alok Industries is positioning itself for a resurgence in the global textile industry.

Having transitioned from a family-run enterprise into a matrix-driven organization, the company is leveraging the synergies of the Reliance Group to develop a targeted range of new products. The portfolio includes sustainable yarns, bedding and bath products, knitted and woven fabrics, apparel and specialized Schiffli embroidery products.

Company leadership now includes Harsh Bapna as Group CEO for Alok Industries, Bihi Chacko as Group COO, Jayesh Saxena as CEO of home textiles and Ravi Bhargava as CEO of apparel and fabrics.

During New York Home Fashions Market, Alok will showcase performance fabrics designed to offer comfort, durability, and sustainability. The multi-category assortment will feature technology yarns and fibers sourced from Reliance's Recron brand, including Green Gold, EcoGold, Kooltex, and Ecotherm.

In addition to its core offerings, Alok will present a range of eco-conscious bed and bath products made from bamboo, Tencel, Modal, cotton and India-grown Kasturi Cotton. Alok's new collections also include products made with recycled materials and organic natural fibers.

"The leadership team at Alok Industries brings fresh perspectives and a forward-thinking approach," the company said, pointing to Chacko's and Saxena's work on global growth and production diversification. "Their expertise and vision are pivotal in driving the company's strategy as it seeks to expand its presence in the ever-evolving home textiles sector."

Source: hometextilestoday.com

India, US to focus on mkt access, reducing tariff, non-tariff barriers: MoS

India and the US are planning to negotiate a trade agreement and both countries will focus on increasing market access, reducing import duty and non-tariff barriers, and enhancing supply chain integration, Parliament was informed on Tuesday.

In a written reply to the Lok Sabha, Minister of State for Commerce and Industry Jitin Prasada said that as on date, reciprocal tariffs have not been imposed by the US on India.

"Both countries plan to negotiate a mutually beneficial, multi-sector Bilateral Trade Agreement. Both countries would focus on increasing market access, reducing tariff and non-tariff barriers, and enhancing supply chain integration," he said.

The US issued Memorandum on Reciprocal Trade and Tariffs on February 13, wherein the Secretary of Commerce and United States Trade Representative are to take necessary actions to investigate harm to America from any non-reciprocal trade arrangements adopted by trading partners and provide a report with detailed proposed remedies for each trading partner.

Tariffs are import duties imposed and collected by the government and paid by companies to bring foreign goods into the country.

During the visit of Prime Minister Narendra Modi to Washington last month, India and the US announced their commitment to more than double the two-way commerce to $500 billion by 2030 and negotiate the first tranche of a mutually beneficial, multi-sector Bilateral Trade Agreement (BTA) by fall of 2025.

In 2023, the US-India bilateral trade in goods and services stood at $190.08 billion ($123.89 billion in goods and $66.19

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billion in services trade). That year, India's merchandise exports to the US stood at $83.77 billion, while imports were $40.12 billion, leaving a trade gap of $43.65 billion in favour of India.

During 2021-24, America was India's largest trading partner. The US is one of the few countries with which India has a trade surplus.

Prasada also said that India continues to engage with the US to achieve enhancement and broadening of bilateral trade ties in a mutually beneficial and fair manner.

"This is an ongoing exercise and Indian exporters are working towards diversifying trade baskets and export destinations," he said.

In 2023-24, India has exported engineering goods worth $17.62 billion. The other major goods included electronics ($10 billion), gems and jewellery ($9.9 billion), petroleum products ($5.83 billion), textiles ($4.7 billion), marine products ($2.5 billion).

In a separate reply, the minister said India's tariff policy aims to regulate trade, protect domestic industries, and generate revenue through taxes on imported and exported goods.

"Recent reforms have focused on streamlining the tariff structure and facilitating trade," Prasada said.

India is a member of the WTO (World Trade Organization) and bound to its maximum tariff that can be applied on a product category. The applied tariffs are generally below the bound tariff for a given commodity line.

"With the changing trade scenario, India is moving towards having Preferential/Free Trade Agreements wherein customs tariffs and non-tariff barriers are reduced or eliminated on substantial trade between the PTA/FTA members," he added.

At present, India is a member of 13 FTAs and 9 PTAs apart from the negotiations with the EU, the UK, and Oman.

Source: business-standard.com

Government urged to introduce measures to improve cotton productivity, make sector more competitive

In light of the declining price of products on the worldwide market, Indian farmers are pleading with the government to enact policies that will increase cotton productivity in the nation, with the goal of making local markets globally competitive. The need for immediate action to increase cotton output in India has been highlighted by the rise in the import of raw and waste cotton over the past seven months.

In December 2024, cotton imports totalled US $ 142.89 million, and in January 2025, they totalled US $ 184.64 million. In contrast, imports totalled US $ 19.62 million in January 2024 and US $ 29.47 million in December 2023. Since the start of the current season on 1st October 2024, the Cotton Corporation of India (CCI) has purchased around 100 lakh bales of Indian cotton that have entered the market. Nearly 60 per cent of the daily arrivals of cotton were purchased by the CCI at the minimum support price (MSP) during the peak arrival season in December 2024. The price of the Shankar 6 variety of cotton was Rs. 52,500 (US $ 635) per quintal.

According to Kurbur Shanthakumar, head of the Karnataka State Federation of Farmer Associations, the MSP is Rs. 7,235 (US $ 87) per quintal, and the cost of production is Rs. 9,000 (US $ 109) per quintal. Brokers, meanwhile, were purchasing quintals on the open market for just Rs. 5,000 (US $ 60) to Rs. 5,500 (US $ 67). The Cotton Mission, which aims to increase productivity, was part of the Union Budget that was presented in February.

In the global market, Brazil is an aggressive seller. Up until a few days ago, prices in Brazil, Africa, the US, and Australia were all favourably positioned. The cost of cotton in India was greater than in these nations. In order to enhance textile exports and maintain parity in cotton pricing for farmers and processors, the Indian government and textile sector should consider increasing demand, said Manish Daga, president of the All India Cotton Farmers Producers Organisations Association, adding that maintaining "fibre security" for the mills through increased cotton yield and area is also crucial.

Source: apparelresources.com

India, E.U. to hold next round of FTA talks from March 10 amid Trump tariff threats

India and the 27-nation European Union (E.U.) bloc will start the tenth round of negotiations for a proposed free trade agreement from Monday (March 10, 2025) in Brussels amid Trump tariff threats, according to an official.

The talks are expected to focus on resolving remaining issues so that the agreement can be finalised by the end of this year.

During the recent visit of E.U. Commissioner for Trade and Economic Security Maros Sefcovic, the two sides have discussed ways to accelerate efforts towards a balanced and mutually beneficial trade pact.

Prime Minister Narendra Modi and European Commission President Ursula von der Leyen last month agreed to conclude the ambitious India-E.U. free trade deal by this year amid fears of the Trump administration's threat of higher tariffs.

"The two sides are scheduled to hold the tenth round of negotiations for the FTA from March 10-14 in Brussels," the official said.

In June 2022, India and the 27-nation E.U. bloc resumed the negotiations after a gap of over eight years. It stalled in 2013 due to differences over the level of opening up of the markets. The two sides are also negotiating an investment protection agreement and an agreement on Geographical Indications (GIs).

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According to the think tank Global Trade Research Initiative (GTRI), key sticking points include agricultural tariffs, especially on dairy and wine import duties, automobile tariffs, and regulatory barriers affecting labour-intensive goods.

India is reluctant to lower auto import duties and is cautious about committing to E.U. demands on sustainability and labour standards, it said, adding that services trade remains another contested area, with India seeking easier mobility for professionals and data security recognition under the E.U.'s GDPR framework (European Union's General Data Protection Regulation).

"Government procurement, investment protection, and environmental regulations like the Carbon Border Adjustment Mechanism (CBAM) further complicate talks. Despite these challenges, a successful agreement could significantly enhance bilateral trade, which exceeded USD 190 billion in FY 2024," GTRI founder Ajay Srivastava said.

India exported $76 billion in goods and $30 billion in services to the E.U., while the E.U. exported $61.5 billion in goods and $23 billion in services to India.

Agriculture remains a highly sensitive area in the negotiations, as the E.U. is pushing India to cut tariffs on cheese and skimmed milk powder, which India currently shields through high duties to protect its domestic dairy industry.

Srivastava also said that the E.U.'s complex tariff system for agriculture makes negotiations particularly challenging, as it applies Non-Ad Valorem tariffs (NAVs) on 915 agricultural tariff lines (or product categories), which significantly raise the effective duty rates on imported products.

"These high tariff structures, combined with stringent Sanitary and Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT), make it difficult for Indian agricultural exports to enter the European market. Even if tariffs are reduced, the E.U.'s regulatory framework remains a major hurdle for Indian farmers and food producers," he added.

European winemakers are pushing for greater access to the Indian market, where imported wines currently face a 150% tariff.

The E.U. wants India to eliminate or significantly reduce these duties to 30-40% levels, he said, adding that India may like to match what it offered to Australia under the India-Australia Economic Cooperation and Trade Agreement (ECTA), where tariffs on wines were slashed to 50 per cent in 10 years.

India and the E.U. may be willing to eliminate tariffs on all textiles and garments from the first day of the pact's implementation.

Currently, India's textile exports to the E.U. face tariffs between 12-16%, making Indian products less competitive compared to exports from countries like Bangladesh and Vietnam, which enjoy preferential market access under EU trade agreements.

On auto, Srivastava said that European car manufacturers want India to cut import duties on completely built-up (CBU) vehicles to 10-20 per cent, down from the current 100-125%.

This would significantly lower the price of European luxury cars in India, making brands like BMW, Mercedes-Benz, and Volkswagen more accessible to Indian consumers.

The E.U. already exports over $2 billion worth of automobiles and auto parts to India annually, with most of them in completely knocked-down (CKD) form, which faces a 15 per cent tariff when assembled locally.

However, India's auto industry is a major pillar of its economy, accounting for one-third of its manufacturing GDP and employing over 40 million people.

"Reducing import duties on CBUs could hurt domestic carmakers. Moreover, India has previously refused to lower auto tariffs for Japan and South Korea under its existing FTAs," Mr. Srivastava said.

If India agrees to significant tariff cuts for the E.U., it may have to extend the same benefits to other trading partners, reducing incentives for Japanese and Korean automakers to manufacture in India and instead increasing direct imports from their home countries, he added.

A potential middle ground may involve allowing a limited number of European cars to enter India at lower tariffs, he suggested.

Source: thehindu.com

Textile & apparel units seek zero-duty trade with US

With the US planning to impose reciprocal tariffs on imports from its trade partners from April 2, India's textile and apparel industries want New Delhi to strike a "zero for zero" tariff deal with the country for most products, with special carve-out to safeguard "strategic products."

Interestingly, the push for reciprocal tariffs by US President Donald Trump is being looked at as an opportunity by the Confederation of Indian Textile Industry (CITI) as it will further strengthen the growth of exports to the US. "We are looking forward now since the scenario has changed and the US is looking for new partners," secretary general of CITI Chandrima Chatterjee said.

The proposal for zero duty textile and clothing trade between India and US has been conveyed by the industry to the government in the recent stakeholder consultations.

The US imposes duties ranging from 2.5% to 7.4% on Indian apparel imports while India's duties range from 5% to 12% depending on the price, an analysis by Apparel Export Promotion Council (AEPC) said.

"India has a golden opportunity to expand its footprint in the US market, especially in light of recent US policy shifts increasing tariffs on key competitors like China, Mexico, and Cana-

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da," CITI said. With reduced tariffs, India's textile and apparel exports to the US could surge to $ 16 billion within the next three years from $ 10.8 billion in 2024.

"Currently, India has only 6% share in US apparel imports. Even if we grow another 4%, it is Rs 25,000 crore opportunity," Convenor of the Coimbatore-based Indian Texpreneurs Federation Prabhu Damodaran said.

India is the third-largest supplier of textile and apparel products to the US after China and Vietnam. Its share is 10.8% of total imports of these products by the US of $ 118.4 billion.

China remains the dominant supplier with a 25.6% share. However, US imports from China have declined at a CAGR of 9.4% over the last five years (2024 to 2020) while imports from India have grown at a CAGR of 9.1% during the same period. "There is a window of opportunity for India to strengthen its position in the US market," CITI said.

In 2024, US textile and apparel imports from India stood at approximately $ 10.8 billion, whereas US exports to India were limited to just $ 0.41 billion. India primarily imports fiber products from the US, with cotton making up 50.6% of the total.

"There isn't enough cotton available in India this year due to crop failures. Mills are already facing shortages, so this tariff move should be leveraged to India's advantage," Chief Advisor of the Tamil Nadu Spinning Mills Association K Venkatachalam said.

China has already imposed retaliatory duties on US cotton. Compared to China, India now holds an advantage. While India currently imposes an 11% duty on cotton, it charges only 5.5% on imports from some African nations due to bilateral trade agreements. "We can extend the same benefit to the US and, in return, seek preferential treatment for Indian apparel," Damodaran said.

The USA is the world's single largest apparel importing country, primarily sourcing from Asia. It is one of our major export destinations accounting for approximately 35% of Indian apparel exports. In 2024 apparel exports to the US were $ 5.2 billion with a growth of 11.2% over 2023, according to secretary general of AEPC Mithileshwar Thakur.

The industry is also of the view that while focussing on bigger contributors to the export basket, the government should not lose sight of sectors like manmade fibres where India is emerging as a supplier. The AEPC has listed products where exports to the US exceed $ 100 million and products covered by the Production Linked Incentive (PLI) scheme as strategic for India in the negotiations.

Between January and December 2024, the US imported $79.26 billion worth of apparel. Of this, China accounted for 21%, followed by Vietnam (19%), Bangladesh (9.3%), and India (5.9%).

Source: financialexpress.com

TEXPROCIL sets Gold Standards in Cotton Traceability with KC-Track & GCC Platforms

The Cotton Textiles Export Promotion Council of India (TEXPROCIL) has put in place two robust traceability platforms that trace the journey of Indian fibre from 'Farm to Fashion' so why 'Reinvent the Wheel for Traceability'?

Kasturi Cotton Bharat and General Certificate of Conformity (GCC) Traceability platforms are the gold standards in traceability, sustainability, and compliance for domestic and international brands sourcing cotton from India.

KC-Track – QR code-based blockchain platform provides end-to-end traceability of India's only standardized and certified cotton, Kasturi Cotton Bharat.

For more details see: https://www.youtube.com/watch?v=OnQ9Ayix-BM

GCC – QR code based blockchain platform that authenticates the origin of conventional Indian farm cotton till the finished product. It additionally is also open to any other fibres that want to quickly benefit from a proven traceability system.

For more details see: https://youtu.be/e3ewAM3SWYE

Features-Advantages-Benefits

- Conformity of Indian origin
- Tamper resistant process as it does not involve any manual intervention.
- Intuitive and user-friendly
- Establishes 'Chain of Custody' throughout the value chain
- Brings clarity & transparency at every stage of production through supply chain mapping
- Empowers decision making by providing conformity of Indian origin and authenticity of the product
- Arguably the only standard in the world that provides end-to-end traceability up to the finished product.
- Cost-effect ready to use solution that doesn't require advanced technology systems or support.

For live demonstration or a power point presentation please reach us at kasturi@texprocil.org or info@texprocil.org.

Source: economictimes.com

China's tariffs on US cotton may help boost India's garment & yarn exports

Falling prices of the US cotton due to China's retaliatory tariffs could boost export demand for Indian garments, textile and yarn. Increased availability of the superior quality US cotton at cheaper rates and reduced competitiveness of Chinese textile exports due to the retaliatory tariff would help India increase its share in the US and European markets.

US cotton prices fell to their four-year lows after China imposed retaliatory tariffs of 10-15%. India ranks number one in the export of cotton yarn and has a global market share of 31% for its cheaper cotton.

According to trade estimates, India's cotton imports have increased by more than 62% in 2024-25 over the previous year due to fall in local production.

"Most of India's imports of cotton from the US is in the ELS (extra-long staple) category and if US cotton prices decline due to reduced demand from China, Indian textile manufacturers might find it economically viable to increase imports of US cotton," said Siddhartha Rajagopal, executive director, the Cotton Textile Export Promotion Council (Texprocil), an autonomous body set up by the government of India.

While India is predominantly self-sufficient in cotton production, it does import certain quantities of ELS cotton and clean & contamination cree Cotton to meet specific quality or buyer requirements. From April 2023 to March 2024, India imported raw cotton worth $ 570 million from the world, of which $ 221 million worth of imports were imported from the US; 38.7% of the imports.

"With restricted access in the Chinese market, the US with its superior Extra Long Staple Cotton (ELS) will also seek to diversify its cotton exports and look towards India as a strong trade partner," said Rajagopal.

The tariffs are likely to impact the competitiveness of Chinese textile products in international markets, offering Indian exporters an opportunity to capture a larger market share, especially in regions like the US and EU.

"This shift could lead to a rise in demand for Indian cotton yarn, fabrics, and garments, increasing export volumes. As demand for Indian cotton products grows, exporters will experience better pricing options, leading to better profit margins," said Rajagopal.

Additionally, if global prices of US cotton decline due to reduced Chinese demand, Indian textile producers could source US cotton at more competitive rates.

As per available data from January to December 2023, India with exports of US$ 34.2 billion, accounted for approximately 3.9% of the global trade in textiles and apparel, making it the sixth-largest exporter worldwide.

India has a 5.5% share of the global textile exports at $ 19.73 billion. India is a major exporter of garments with exports of US$ 15.5 billion worldwide, accounting for around 3% of the world's apparel exports.

Currently, raw cotton with staple length of over 32 mm (ELS) is allowed to be imported duty free in India while cotton of staple lengths below 32 mm are taxed at 11%.

However, there is also a possibility that US cotton exporters might redirect their focus to other markets, possibly intensifying competition for Indian exporters in those regions, said the industry experts.

Source: economictimes.com

CCI begins sale of 2024-25 cotton; mills turn selective in buying quality cotton

The State-run Cotton Corporation of India (CCI) has started the sale of cotton procured in the current marketing season 2024-25 from Wednesday. However, the response to the first day sale was muted as millers and trade were selective in buying quality cotton as CCI base price is higher than the prevailing market price.

The CCI base price was ₹54,000-₹55,500 per candy (of 356 kg), while the market prices are hovering in the range of ₹52,500-₹54,000. CCI, which offered around 6,02,300 bales (of 170 kg) of both new and old cotton on Wednesday, could sell only 6,800 bales to mills, while traders bought only 300 bales, sources said.

CCI has purchased over 94 lakh bales of raw cotton at minimum support price of ₹7,521 per quintal, while the market prices still continue to rule below the MSP levels on muted demand. CCI has procured over 40 lakh bales in Telangana, over 28 lakh bales in Maharashtra and over 11 lakh bales in Gujarat.

CCI is presently the largest stockholder of the fibre with cumulative market arrivals till date having crossed 219 lakh bales for the 2024-25 marketing season, per the Cotton Association of India data. CAI has estimated the 2024-25 crop size at 301.75 lakh bales.

At current market rates, CCI may find it difficult to offload the stocks as the buyers are selective. "There will be possibility for selling small quantity only for the quality cotton only on longer credit terms," said Ramanuj Das Boob, a sourcing agent in Raichur. Further, the global prices are under pressure with US imposing tariff on exports to China, which will weigh on the prices, Das Boob

The New York ICE Cotton Futures, which ruled at around 66 cents per pound for May delivery before the imposition of tariff, have come to the level of 63 cents per pound.

Source: thehindubusinessline.com

PM Shri Narendra Modi addresses Post Budget Webinar on Manufacturing, Exports and Nuclear Energy

As part of the Post-Budget Webinar on the Union Budget 2025-26, organized by NITI Aayog, various outreach sessions on Theme 3 comprising of discussions on the topics - Manufacturing, Exports and Nuclear Energy Missions, were successfully held on March 4, 2025. The Exports session, led by the Ministry of Commerce & Industry in consultation with the Ministry of Electronics & Information Technology (MeitY), brought together key stakeholders, including industry leaders,

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exporters, entrepreneurs, and policymakers, to deliberate on strategies to enhance India's export capabilities and fortify the country's global trade position.

At the outset, Prime Minister of India addressed the participants of the Webinar. He highlighted the reforms undertaken by the Government to create an enabling and nurturing ecosystem for promoting Manufacturing and Exports in the country. He highlighted the transformative approach of the Union Budget 2025-26 which is in line with the reform-oriented agenda undertaken of the Government.

He encouraged the participants to come forward with fresh and innovative ideas and contribute to policy formulation and implementation on the themes of Manufacturing, Exports, and Nuclear Energy with a view to promote India's Exports to the world. His ideas were appreciated by all the stakeholders and shaped the subsequent discussion on various themes.

Subsequently, the Breakout session on Exports was moderated by Shri Sanjay Nayyar, President ASSOCHAM, with an esteemed panel comprising of Shri Rajesh Nambiar, President, NASSCOM, Shri Ajay Sahai, Director General, Federation of Indian Export Organization (FIEO), Shri Pankaj Mohindroo, President, Indian Cellular and Electronics Association (ICEA), Shri Kalyan Basu, Managing Director, MonetaGo, Ms. Jyoti Vij, Director General, FICCI, and Ms. Nivruti Rai, CEO, Invest India. Their insights and expertise contributed to meaningful discussions on fostering a conducive ecosystem for exports and driving economic growth through policy interventions and digital innovation.

During the deliberations, several key initiatives were discussed as potential pathways to strengthening India's exports. Among them was the Export Promotion Mission (EPM), a proposed ₹2,250 crore initiative aimed at boosting India's exports, particularly for MSMEs, by providing financial incentives, market access support, and compliance facilitation. Participants emphasized that a partnership-driven, whole-of-government approach is needed to address market access issues and facilitate the growth of new and e-commerce exporters.

Additional strategic policy recommendations included expanding Export Credit Guarantee Corporation (ECGC) coverage to high-risk markets, enhancing collateral-free export credit through EXIM Bank, and providing incentives for MSMEs to adopt sustainability standards and global certifications. Industry experts also stressed the need to strengthen the Driving International Holistic Market Access Initiative (DISHA) to offer sector-specific MSME support.

Participants also highlighted the importance of Export Readiness Programs to train MSMEs in e-commerce, digital marketing, and international trade regulations. The expansion of the E-Commerce Niryat Credit Card Scheme was another key area of discussion to bolster cross-border digital trade.

Another major point of discussion was BharatTradeNet (BTN), envisioned as a pioneering Digital Public Infrastructure (DPI) initiative designed to create a seamless, electronic and paperless trade ecosystem for international trade and trade finance. Institutionalizing BharatTradeNet as India's Digital Public Infrastructure for Trade, integrating it with Aadhaar, DigiLocker, UPI, and other digital platforms, and aligning it with financial institutions for seamless trade finance approvals were also considered integral to simplifying export operations. Strengthening State/District Export Cells, expanding Buyer-Seller Meet (BSM) Programs, and developing a Central Trade Registry and Interoperability Framework for BharatTradeNet were seen as critical steps toward increasing efficiency in trade facilitation. Stakeholders suggested that by aligning with global trade facilitation standards, BTN could help streamline trade documentation, enhance trade financing, and deepen export credit accessibility. It was also suggested that one of the ways to prioritise implementation of BTN would be, by establishing a Special Purpose Vehicle (SPV).

A structured plan under the National Framework for GCCs was also discussed to expand Global Capability Centres (GCCs) beyond Tier-1 cities by re-orienting regulations, taxation policies, and infrastructure. Based on the discussion, the following recommendations were made by the panellists for the dispersal of GCCs into emerging GCC cities: reducing compliance burden and ease of doing business, building a quality talent pool and talent pipeline, GCCs partnerships in R&D with academia, a national framework on GCC and dedicated policy interventions, the GIFT city model for emerging Tier 2 cities, tax incentives for GCCs in SEZ in Tier 2 cities, a national policy to streamline incentives for GCCs such as incentivizing employment generation, R&D activities, and skilling, transfer pricing rationalization, improving physical and digital infrastructure in emerging Tier-2 hubs for GCC, partnership with National Mission e.g. AI and Quantum, and marketing and branding of GCCs in India and emerging Tier 2 cities.

The session concluded with a final address by Union Minister of State for Commerce and Industry, Shri Jitin Prasada, who highlighted the government's unwavering commitment to creating a globally competitive export ecosystem and ensuring the seamless integration of Indian enterprises into global value chains.

The Breakout Session on Exports successfully provided a forward-looking actionable roadmap, capturing key insights and recommendations from industry experts, policymakers, and entrepreneurs. These discussions will play a crucial role in shaping future policies for strengthening India's exports through policy reforms, infrastructure development, and digital transformation. The key takeaways from the session shall be implemented by the respective departments.

Source: pib.gov.in

National News

Trade Update

Commerce minister Piyush Goyal to meet USTR ahead of tariff rollout

Commerce and Industry Minister Piyush Goyal is headed to Washington on Sunday night to meet key officials of the US administration, weeks after Prime Minister Narendra Modi and US President Donald Trump decided on a bilateral trade agreement (BTA).

During his visit, Goyal is set to meet United States Trade Representative (USTR) Jamieson Greer, who was appointed a week ago, and US Secretary of Commerce Howard Lutnick, among other officials, during March 4-6.

Goyal will be accompanied by top officials from the commerce department, including chief negotiator Rajesh Agrawal.

Washington had threatened to slap reciprocal tariffs on countries, including India, within a month.

India may seek exemption from reciprocal tariffs and both the countries plan to give bigger market access through the trade deal.

The visit also signals India's urgency to seek clarity regarding shift in the new US government's trade policy.

This will be Goyal's first interaction with key officials of the Trump administration amid threat of a reciprocal tariff that is set to hurt Indian businesses. Bilateral merchandise trade between the two nations stood at nearly $120 billion in FY24.

USTR had already invited comments from the public on the reciprocal tariffs and had sought submission by March 11.

Trump had made it clear that Washington will not spare India from reciprocal tariffs, and repeatedly called India a high tariff nation. He labelled India as a "big abuser of tariff" and even a "tariff king" — citing examples such as motorcycles as well as the agriculture sector.

India and the US have also announced their intention to sign the mutually beneficial BTA over the next seven-eight months.

The meetings could also see discussions on the broad contours of the BTA. India may also flag the discrepancies in interpretation of tariff rates between New Delhi and Washington.

Government departments in India have started preparing the groundwork for the upcoming talks to finalise the contours of the proposed trade deal.

The commerce department has held discussions with various government departments and ministries. It has asked them to explore what could be the demand from both sides, including the extent to which India can give tariff concessions and what it can reasonably ask from the other side.

Delhi-based think tank Global Trade Research Initiative (GTRI) said in a report on Sunday that in order to deal with reciprocal tariffs, India can offer zero tariffs on most industrial goods to the US or absorb new US tariffs without retaliation.

"If countries retaliate with counter tariffs, Trump is likely to escalate further, triggering a downward spiral that could harm partners like India. To avoid this, India may absorb new Trump tariffs without direct retaliation… instead of engaging in a trade conflict, India should quietly reduce its dependence on the US by avoiding preferential treatment in oil purchases, defence deals, or other areas," the report said.

"The focus should be on strengthening domestic industries to prepare for the next phase of global trade," it added.

It said that no action would be the next best option for India after the 'Zero-for-Zero' strategy — where India can keep zero tariffs on most industrial goods to the US.

Source: business-standard.com

India, EU to push for long-pending free trade agreement by 2025-end

Prime Minister Narendra Modi and European Commission President Ursula von der Leyen on Friday set a deadline to seal the long-pending free-trade agreement (FTA) by the end of this calendar year, amid fears of an escalating trade war and a changing geopolitical landscape.

The trade deal will be accompanied with pacts on investment protection and geographical indicators (GI).

Finalising a trade deal is expected to give a fresh impetus to relations between India and the European Union (EU), amid fast-changing geopolitical scenarios — diversifying supply chains from China and, more recently, the escalating trade war due to reciprocal tariff threats from American President Donald Trump.

The timing of these FTA talks will be crucial since India and the US plan to negotiate the first phase of a trade agreement over the next seven-eight months.

Finalising a trade deal with the US and EU will result in India having FTAs with two of its largest trade partners — indicating the growing importance of bilateralism in trade.

"The sectors our talks covered included trade, technology, innovation, skill development, mobility and more. We also seek to deepen investment linkages.

At the same time, our commitment to sustainability remains paramount, reflecting in discussions around green hydrogen, renewable energy and more," Modi said on X, after meeting von der Leyen, who is on a two-day visit to New Delhi. She was accompanied by European Union (EU) commissioners from 21 countries — the first such visit to India.

An India-EU broadbased bilateral trade and investment agreement (BTIA) was mooted 18 years ago. However, after 15 rounds of discussion, negotiations were stalled in 2013 because the two sides were not able to compose their differences.

Trade Update

National News

Thereafter, talks were relaunched in June 2022, but despite nine rounds of negotiations, a gulf stayed between the two sides. Then an assessment remained pending at a "political" level after the previous round of negotiation in September.

A senior EU official said the trade bloc was ready to respond to India's request but its key offensive interests include cars, wines and spirits, agriculture, and government procurement. The official also laid stress on the fact that lower duties for wines and spirit were a non-negotiable demand.

"For us, cars, and wines and spirits are examples of two very important sectors for European industry … I would even go so far as to say without substantive commitments on cars, there will not be a trade agreement between the EU and India. And of course, our Indian colleagues and counterparts are duly aware of that, but it is up to them to respond to that," the official said.

The trade bloc is keen on greater market access in the agriculture sector, especially in processed agricultural products from countries like France and Italy. "We remain fully focused on getting a good deal for Europe and will also include strong commitments on agriculture. The trick is always to navigate the sensitivities in a way that can isolate … but maintain a high level of commitment," the official told reporters.

One of the major hurdles in the way of the talks has been New Delhi's concern over the EU's stance on sustainable development, since the trade bloc is set to implement regulations such as the carbon border adjustment mechanism (CBAM), deforestation regulations, and supply-chain law. India officials say gains could be limited because these regulations will become a non-trade barrier and hurt Indian exports at a time when both sides are trying to finalise an FTA. However, they also welcomed relatively easy compliance norms for the CBAM, announced by the EU on Wednesday.

"The CBAM is a concern for a large number of countries in the global south and India. We have noted that the EU has made modifications to the CBAM to make it easier to comply with," a senior official of the Ministry of External Affairs told reporters in a briefing.

The EU is India's largest trading partner, accounting for 12.2 per cent of Indian trade, surpassing the US, which has a 10.8 per cent share, followed by China at 10.5 per cent.

India is the EU's ninth-largest trading partner, accounting for 2.2 per cent of the bloc's trade in goods in 2023. At $75.9 billion, the EU accounted for 17.4 per cent of India's goods export during 2023-24, while imports stood at $61.5 billion, with a 9 per cent share. The trade bloc is India's second-largest trading partner in goods.

Source: business-standard.com

It's time to renew your RCMC...

TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(Sponsored by Government of India)

RCMC RENEWALS have started!

YEARLY RENEWAL CHART

CATEGORY	RATE	GST@18%	TOTAL
Associate	8,000	1,440	9,440
Associate with < Rs. 15 lacs exports in the last year	2,000	360	2,360
Ordinary	14,000	2,520	16,520

SPECIAL Benefits

RENEWAL CHART FOR 3 / 5 YEARS

	Membership Fees*		Discount Slab	Benefit to Exporters	
	Associate	Ordinary		Associate	Ordinary
For 3 Years	24,000	42,000	10%	2,400	4,200
For 5 Years	40,000	70,000	15%	6,000	10,500

(*18% GST is applicable on the membership fees)

Renew for 3 or 5 years
Enjoy uninterrupted benefits
and avoid the risk of missing
your renewal deadline.

For further details, please contact:
Mrs. Smita Dalvi
smita@texprocil.org
+91-22-4944 4000

To renew RCMC, please visit : www.dgft.gov.in

Asian Textile Conference (ATEXCON 2025)

Special Feature

ATEXCON 2025 commenced with a warm welcome address by Mr. Rakesh Mehra, Chairman, CITI, who underscored the immense potential of Asian countries in the global textile landscape.

He emphasized that while increasing export volumes is important, the focus should also be on enhancing value addition to drive higher unit value realization (UVR).

"Exporting high-value products with greater UVR should be a priority for all Asian countries," stated Mehra, highlighting the need for strategic growth in the sector.

ATEXCON 2025 witnessed the release of two significant documents aimed at shaping the future of India's textile and apparel (T&A) sector:

1. 5-Point Agenda for the Indian T&A Industry (2025-26): A joint initiative by leading textile associations and export promotion councils, this agenda outlines immediate policy interventions needed to achieve India's export target for 2025-26 and drive the industry toward a collective goal of US$ 100 billion in exports by 2030."
2. "Code of Conduct for Prevention of Child Labour and Forced Labour in the Indian Textile Industry: Demonstrating the industry's strong commitment to ethical practices, this voluntary code aims to address and eliminate any instances of child labor and forced labor across the textile value chain. The code has been endorsed by AEPC, CITI, Indian Technical Textile Association (ITTA), SIMA, TEA, CMAI, MATEXIL, PDEXCIL, and TEXPROCIL.

Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL at 12th ATEXCON in Mumbai

Key sessions at 12th ATEXCON included:

Session 1: Strategies for Changing Landscape – Trade Dynamics & Policy Shifts

Moderated by Mr. David Uricoli, Partner, Gherzi USA, this session explored how evolving trade policies and geopolitical shifts are reshaping supply chains and competitiveness in the region.

Session 2: Trade Dynamics & Policy Shifts

Moderated by Dr. Siddhartha Rajagopal, Executive Director, Texprocil, the session brought together industry leaders to discuss emerging trade trends, policy challenges, and strategies for enhancing Asia's competitiveness in the global textile market.

Session 3: Technological Disruptions & Digitization

Led by Mr. Suryadeb Mukherjee, Principal Consultant, Gherzi Consulting, the discussion focused on the transformative impact of AI, automation, and digital tools on textile manufacturing and sustainability.

Session 4: Technical Textiles Expansion

Moderated by Dr. SK Sundararaman, SIMA Chairman, explored growth opportunities in medical, automotive and geotextiles.

Session 5: Future of Fashion & Consumer Trends

Moderated by Mr. Rahul Mehta, Chief Mentor, Clothing Manufacturers Association of India (CMAI), this session examined shifting consumer preferences, the rise of circular fashion, and how brands can adapt to meet new demands.

The topics covered at ATEXCON 2025 were critical to the textile industry's future, particularly as Asia cements its role as the global hub for textile production and innovation. From trade policy adjustments to technological advancements and sustainability imperatives, the conference provided actionable insights for businesses navigating a rapidly evolving landscape.

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) JNCH proposes to introduce Exporter Grievance Redressal through NIRYAT SAMVAAD

JNCH's e-SAMADHAAN Grievance Portal has received positive feedback for its swift and effective resolution of exporter grievances. Continuing its commitment to enhance trade facilitation and ease of doing business, JNCH is now proposing to introduce NIRYAT SAMVAAD—a dedicated monthly Forum (Grievance Redressal Cell) for directly addressing the grievances of exporters. Through this platform exporters can raise their issues, receive prompt resolutions and get a clarity on customs procedures and policies. Public Notice No.28/2025 dated March 18, 2025 has been issued in this regard.

Link of the Circular: https://texprocil.org/circular/1742638041-Eserve-52_of_2025.pdf

B) Extension of RoDTEP for AA/SEZ/EOU upto 5.2.2025

DGFT has issued Notification No.66/2024-25 dated 20.03.2025 informing that the RoDTEP support for exports of products manufactured by Advance Authorisation holders, Special Economic Zones and Export Oriented Units stands extended only upto 05.02.2025. Exports from these categories will no longer be eligible for RoDTEP support from 06.02.2025 onwards.

Link of the Circular: https://texprocil.org/circular/1742539261-Notification_No.66_Eng.pdf

C) DGFT extends the Due Date for Filing Annual RoDTEP Return (ARR)

DGFT Public Notice No.51/2024-25 dated 19.03.2025 has extended the last date for filing the ARR for the F.Y. 2023-24 from 31st March 2025 to 30th June 2025. Similarly, the applicable grace period is also extended from 30th June 2025 to 30th September 2025.

Link of the Circular: https://texprocil.org/circular/1742452715-Eserve-49_of_2025.pdf

D) DGFT issues FAQs on Filing of Annual RoDTEP Return (ARR)

Kind refer to E-Serve No.21 dated 29.01.2025 regarding FAQs by DGFT on Filing of Annual RoDTEP Return (ARR) for FY 2023-24. In this connection, DGFT has further clarified on filing of ARR vide FAQs dated 6.3.2025.

Link of the Circular: https://texprocil.org/circular/1741613752-Eserve-41_of_2025.pdf

E) Request for the data for review of Rebate of State and Central Taxes and Levies on Export of Garments and Made-Ups (RoSCTL) rates by the RoSCTL Committee

Members are requested to kindly send your RoSCTL data to the Council for enabling us submit the same to the RoSCTL Committee within the given timeframe.

Link of the Circular: https://texprocil.org/circular/1741613726-Eserve-40_of_2025.pdf

F) Difficulty in closure of Advance Authorisation (AA) due to space constraints in the description column of the shipping bills

It has come to the notice of the DGFT that exporters face issues while closing AA online due to the system's inability to capture export item descriptions as per the export invoice. Item description exceeding 120 characters may not completely reflect in S/Bills. This causes discrepancies in S/Bills, leading RAs to raise deficiencies for non-compliance with Para 4.42 (iii) of FTP 2023.

Therefore, as per DGFT's direction, RAs should verify the complete description of export items and decide such cases based on self-attested copies of GST system-generated e-invoices. In such cases, the aforesaid documents may be uploaded along with

Important Notifications on Policies & Procedures

Policy Updates

all the other prescribed documents for Redemption/ EODC of AA. In this regard, DGFT has issued Trade Notice No.32/2024-25 dated 28.02.2025.

Link of the Circular: https://texprocil.org/circular/1742539630-Trade_Notice_32.pdf

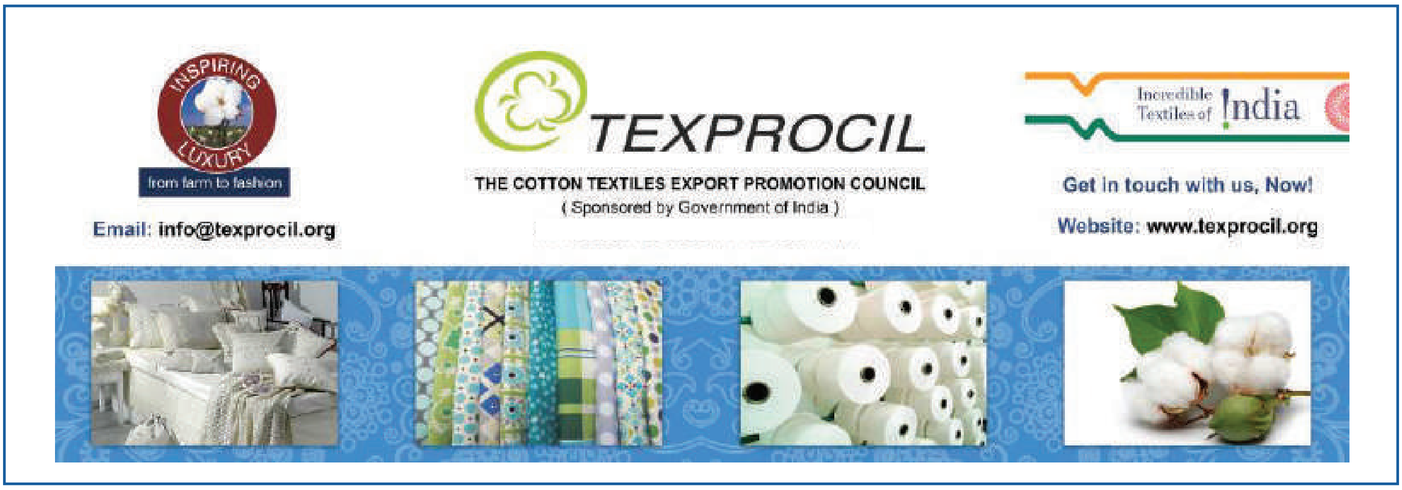
G) CBIC notifies Customs (Administration of Rules of Origin under Trade Agreements) Amendment Rules, 2025

CBIC amends Notification No.81/2020-Customs (N.T.) dated 21.08.2020 to notify Customs (Administration of Rules of Origin under Trade Agreements) Amendment Rules, 2025. The rules shall come into force on the date of their publication in the Official Gazette. The amendment replaces the term "certificate" with "proof". The changes aim to streamline compliance and clarify the documentation required for customs administration related to trade agreements.

Link of the Circular: https://texprocil.org/circular/1742539575-csnt14-2025-2.pdf

Trade Notification

Promote Your Merchandise / Services
Advertise with Us!



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

TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

Get your eCertificate of Origin (eCoO)

ATTENTION EXPORTERS!

- *Exporters can apply for Non-Preferential eCoO through the Trade Connect Portal www.trade.gov.in*
- *Use your DGFT credentials to login or sign up if unregistered*
- *Select The Cotton Textiles Export Promotion Council (CTEPC) as the Issuing Agency*
- *Required documents: Invoice & Packing List*
- *Fees:* ***Rs. 236/-*** *(ie Rs.200/- + 18% GST Rs.36/-)*

Contact details :

The Cotton Textiles Export Promotion Council

5th Floor, Engineering Centre, 9, Shrimad Rajchandraji Marg, Charni Road East, Opera House, Mumbai, Maharashtra 400004

(022) 49444000 info@texprocil.org, rukshana@texprocil.org

www.texprocil.org

Trade Notification

Membership Renewal Subscription Fee for FY 2025-2026

Dear Member,

The Annual Renewal Subscription for the financial year 2025-2026 shall become due for payment on **1st April 2025**.

The Annual Renewal membership fees is as follows:

1) Associate Members : Rs. 8000/- + 18% GST = **Rs. 9440/-**
2) Ordinary Member : Rs. 14000/- + 18% GST = **Rs. 16520/-**

Exporters who wish to renew their membership for 3 years and 5 years are eligible for Special Discount of 10% and 15% respectively. This will be applicable w.e.f. 01.04.2025 only.

	Membership Fees		Discount	Discounted Fees		**Benefit to Exporters**	
	Associate	Ordinary	Slab	Associate	Ordinary	**Associate**	**Ordinary**
For 3 years	24,000	42,000	10%	21,600	37,800	**2,400**	**4,200**
For 5 years	40,000	70,000	15%	34,000	59,500	**6,000**	**10,500**

(Please note that 18% GST will be applicable on membership fees.)

Membership Renewal for 3 years including GST will be as follows:

Associate Member – Rs. 21600/- + 18% GST = Rs. 25488/-

Ordinary Member – Rs. 37800/- + 18% GST = Rs. 44604/-

Membership Renewal for 5 years including GST will be as follows:

Associate Member – Rs. 34000/- + 18% GST = Rs. 40120/-

Ordinary Member – Rs. 59500/- + 18% GST = Rs. 70210/-

Introducing a new category for small exporters:

Besides, in order to encourage small exporters and enable them to avail of the Council's services, the Committee of Administration of TEXPROCIL has decided to introduce a new category for Associate Members who are MSMEs with exports of less than Rs. 15 lakhs (or Nil Exports) in the previous financial year i.e. 2024-2025. Below is the Membership Renewal fee for such category:

Renewal – Associate Member – Rs. 2000/- + 18% GST = **Rs. 2360/-**

Note:

1. A Self-attested UDYAM REGISTRATION CERTIFICATE for F.Y. 2024-2025 is required
2. Self-Declaration for the export figures of the previous financial year i.e. 2024-2025 on the company letterhead duly stamped and signed by the partner or directors of the firm/company would also be required. (Format is enclosed and no other format will be accepted).
3. The new entrants who are falling under the above category will be charged Rs. 2950/- (Entrance Fee as Rs. 500/- + Annual Membership Fee as Rs. 2000/- + 18% GST).

Kindly ignore this email, if you have already renewed your membership for the year 2025-2026.

AMENDMENT OF e-RCMC

A nominal charge of Rs. 1000/- per amendment, excluding GST will be levied w.e.f. 01.04.2025.

SELF-DECLARATION

(To be submitted on the **Firm/Company Letterhead)**

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s. ____ (Name and full address of the Firm/Company) having IE code No. ___________________, GST No. ________________________ have exported Cotton / Cotton Yarn / Cotton Fabrics / Cotton Madeups (Excluding Handloom Items / Readymade Garments and Silks, etc.) during the financial year 2024-2025 as under:

Sr. No.	**Description**	**2024-2025 [Rs. FOB value]**
1	Cotton	
2	Cotton Yarn	
3	Cotton Fabrics	
4	Cotton Madeups	
	TOTAL	

I hereby declare that the information related to this disclosure is complete and best to my knowledge and none of the above information is false or misrepresented and it is supported by financial statements & documents.

(Firm / Company Stamp)
(Signature of Proprietor / Partner / Director)

Date:
Place:

General Certificate of Conformity (GCC)

Authenticates Origin of Indian Farm Cotton
with **Blockchain-based Certification**

Additional Benefits of the GCC Program:

- Verifiable and Traceable at every stage of the textile value chain from Ginning onwards
- Certification process as per globally accepted standards
- Screening and recording of actual movement of goods

For more information, please write to: **gcc.cu@texprocil.org**

TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(Sponsored by Government of India)

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From:
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