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INTERNATIONAL NEWS

U.S. Retail Sales Projected to Increase by 4% in 2025

According to a research report from the retail team at Bain & Co., nominal U.S. retail sales are pegged to see a 4 percent increase, year-over-year, in 2025— "barring major macroeconomic or geopolitical shocks," the firm noted. The report also included "resolutions" that successful retailers are focusing on this year.

"That equates to around $5.2 trillion in estimated total sales in 2025," the authors of the report said. "It's a strong outlook, given a stagnant consumer outlook, tempering inflation, negative [year-over-year] employment trends, diminishing consumer savings, rising credit card delinquencies, elevated nondiscretionary costs and potential trade disruptions."

The Bain advisers said they expect growth will be fueled by a 10 percent increase in non-store sales, "while in-store sales will see modest 2 percent gains, led by general merchandise, apparel, and health and personal care stores."

The report was written and compiled by Bain partners Aaron Cheris, Kurt Grichel, Marc-André Kamel and Darrell Rigby as well as Stephanie Koszyk, practice director.

"Retailers face a pivotal moment in 2025," the report's authors said. "The challenges of shifting consumer behaviors and demands, economic volatility, regulatory changes and trade complexities persist, reshaping the retail game. Successful businesses will go beyond the familiar, tapping into cutting-edge technologies, reimagining loyalty programs and fortifying supply chains against an unpredictable global backdrop."

The report said that while headwinds remain, "opportunities such as potential interest rate cuts, tax incentives and momentum from a strong 2024 holiday season suggest 2025 may be a year in which innovative moves can set the stage for lasting success."

Regarding resolutions for success, the Bain report said companies should take cues from "scale players" such as Walmart and Amazon (with large assortments, along with Costco). The report's authors said these brands “have become the go-to for many shoppers, accounting for 57 percent of retail growth over the last three quarters and 17 percent of total U.S. retail sales in 2024—a 6-percentage-point increase from 2014.”

The firm said competing directly with these giants is harder than ever. “But by crafting a unique value proposition, retailers can carve out a winning position alongside them and capture significant rewards.” Bain said a clear and compelling value proposition starts “with the fundamentals, be it fast shipping, consistent quality or reliable digital experiences. Miss here, and irrelevance is almost inevitable.”

The fundamentals include having balanced assortments that cater to customer preferences, which can boost sales by 2 to 5 percent. “Private brands are becoming an especially powerful tool, adding value through exclusivity,” Bain said noting that the firm’s research shows high-performing private brands can boost grocer share of wallet by 12 percentage points.

Pricing and promotions will also be a key to success. “Strong value perception doesn’t always mean chasing the lowest price,” the report stated. “Retailers with a competitive advantage build structured pricing architectures that align with their customer and product strategies, balancing margin growth and market share. Personalized promotions tailored to individual preferences can further enhance value perception and influence buying behavior — ultimately improving ROI.”

With the supply chain, Bain recommends diversifying supplier sourcing, which involves retailers adopting “right-shoring strategies” to optimize operations balancing cost, resilience and speed. The firm said the focus is not on shifting entirely to one region, but creating a flexible system capable of addressing priorities such as response times, market proximity, or resource access during volatility.

Bain said its research showed that about 70 percent of retailers said they intend to augment onshoring or nearshoring in the next three years, with many U.S. companies lessening dependence on China in favor of regions such as India or North America. For example, Steve Madden plans to cut imports from China by 40 percent to 45 percent next year by establishing alternative production and sourcing in different countries. The footwear brand was one of the first to act in response to an announcement of possible tariffs on China from the administration of President Donald Trump.

The report's authors said optimizing networks with "digital twins" can also mitigate sourcing challenges. Digital twin platforms are virtual models that use real-time data to test the impact of different variables. Retailers are adopting these platforms to simulate disruptive scenarios such as weather or labor shortages, allowing for quick network adjustments and long-term strategic planning. Integrated with real-time tracking for comprehensive visibility, digital twins help pinpoint vulnerabilities, enhance processes and strengthen supply chains.

In addition, predictive analytics are increasingly used for smarter inventory management, enabling retailers to anticipate demand shifts and optimize stock levels effectively.

"Amid fast-changing consumer preferences and frequent disruptions, precise forecasting is crucial," the report's authors said. "AI-powered tools can help analyze demand in real-time, allowing retailers to dynamically adjust inventory placement to reduce transit times, lower costs and prevent costly stockouts or excess inventory. Bain's experience shows custom AI forecasting models can cut excess inventory by 40 percent and boost accuracy by nearly 50 percent compared to manual planning."

Source: sourcingjournal.com– Jan 27, 2025

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Amid East Coast Port Drama and Tariff Tensions, Port of LA Announces Second Busiest Year on Record

Southern California gateways had a banner 2024, with the Port of Los Angeles announcing that the 12-month period was the second busiest on record in its 117-year history.

The port moved a total of 10.3 million containers last year—a jump of about 20 percent from 2023. Loaded imports grew by 26.4 percent to 460,915 twenty-foot equivalent units (TEU), while loaded exports fell 9 percent to 110,483 TEU.

Port of L.A. executive director Gene Seroka spoke to these metrics at the 10th annual State of the Port Address on Thursday. "Today we celebrate a remarkable milestone: 25 years—a quarter century—as the busiest container port in the Western Hemisphere," he said.

The percolating labor tensions that plagued East Coast ports along with an array of tariff threats levied by then-President-elect Donald Trump drove a rush of business to the West Coast as shippers and importers sought to avoid the impacts of potential port strikes and looming duties.

More recently, devastating wildfires have decimated hundreds of thousands of acres and thousands of homes and structures across L.A. Mayor Karen Bass acknowledged the Port's role in recovery and relief initiatives currently underway across the county.

"The City is moving forward on a massive recovery effort to rebuild homes, businesses and communities, and we must also ensure the Port of Los Angeles remains well positioned to move essential goods for this effort," Bass said in a statement. "I am confident this will be the case—the busiest port in America is a leader that continues to break cargo records while simultaneously driving air emissions down to 20-year lows."

Bass also specifically thanked members of the International Longshore and Warehouse Union (ILWU) "for getting the job done every day." After a protracted negotiation period, the union and the Pacific Maritime Association (PMA) agreed to a six-year contract agreement in late 2023.

Meanwhile, the threat of strikes at U.S. East and Gulf Coast ports throughout 2024 drove more business to West Coast gateways. The standoff ended earlier this month with the establishment of a tentative six-year contract between the International Longshoremen's Association and United States Maritime Alliance.

Seroka also praised longshore laborers for taking on the high volumes of business, along with the other stakeholders in attendance including terminal operators and shipping lines and members of the San Pedro Bay community. He outlined a plan for 2025 and beyond that will prioritize workforce development, including a recently launched $16 million ILWU-PMA Maintenance and Repair Training Center and a new Goods Movement Training Facility on Terminal Island, the man-made industrial space off the SoCal coast shared by the Port of Long Beach.

Such initiatives, alongside efficiency-boosting Port projects and investments, have accelerated the flow of goods through the gateway, Seroka said. For example, the Port of L.A. recently put the finishing touches on a $73-million Pier 400 On-Dock Rail Expansion project that was designed to improve the flow of cargo while driving down emissions and making the terminal a safter place to operate.

The project will create additional cargo capacity for all the terminal operators at the Port, while also driving down demand for truck transport. As rail capacity and demand continues to ramp up, the Port of L.A. estimates the Pier 400 project will lead to the elimination of 1,200 truck trips per day by 2040. Another similar rail project is now breaking ground at Fenix Marine Pier 300.

Like its neighbor in the complex, the Port of Long Beach (POLB), the Port of L.A. has leaned into data optimization to drive performance improvements in recent years, investing in a Port Optimizer—a digital platform for cargo planning based on up-to-the-minute data. Launched in 2017, Seroka said the platform recently debuted a Universal Trucking Appointment System that allows the 20,000 truckers doing business at the port to manage their terminal appointments virtually.

"Everything we do to speed containers through the Port pays off, because for every four containers we move, it equals one job," Seroka said.

When it comes to driving down emissions—a shared goal between the San Pedro Bay ports—the Port of L.A. has doubled down on its zero-emission commitments. Diesel particulate matter has been slashed by 91 percent and sulfur oxides reduced by 98 percent since 2005, even as cargo processing increased by 15 percent during that period.

“Our goal isn’t fewer emissions, it’s zero emissions,” the Port director said. “It’s about setting a new standard for ports worldwide, proving that economic growth and environmental stewardship can go hand in hand.”

In addition to prioritizing rail projects, the Port plans to ramp up the volume of zero-emissions electric trucks in service and invest $640 million in new zero-emissions cargo handling equipment and charging stations to support the switch. The Port of L.A.’s Hydrogen Hub is focused on producing that equipment and creating green shipping corridors with other ports around the world.

Millions more—$500 million, to be exact—has been committed to a project with the Los Angeles Department of Water and Power (LADWP) that will allow the Port to run more electricity-powered equipment and transition to clean power within the terminals.

“It’s up to all of us to create a Port that is better for people, better for the planet, and better for performance,” Seroka said.

Source: sourcingjournal.com– Jan 27, 2025

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Global luxury market shifting away from China as US takes centrestage: Barclays Report

A new report by Barclays sheds light on several significant changes occurring within the global luxury market. The report, which analyzes data from various sources, including consumer surveys and market trends, indicates the luxury market is expected to experience moderate growth in coming years compared to previous periods.

Growth slowdown in China

The report notes luxury goods sales in China, a major market for luxury brands, have slowed in recent months. This is due to weak economic outlook and a shift in consumer preferences. Barclays predicts a 1% decline in luxury spending by Chinese consumers in 2025.

In contrast, India's luxury market is expected to experience significant growth in the coming years. Barclays forecasts an annual expansion of 15 to 25 per cent in India's luxury market over the next seven years, driven by a growing middle class and increasing disposable incomes. However, the report cautions that India will remain a relatively small player in the global luxury market for the foreseeable future.

With China slowing, the US is expected to be the primary driver of luxury market growth in 2025. Barclays predicts a 6 per cent increase in luxury spending by US consumers, due to higher consumer confidence and a potential economic boost from President-elect Trump's policies. Since the US elections, consumer confidence seems to have improved on the back of a better wealth effect," said Carole Madjo, co-author of the Barclays report. The report notes that Americans already account for approximately 25 per cent of global luxury goods revenue.

The report highlights the success of British luxury brands like Me+Em and Kurt Geiger in the US market. Me+Em recently opened its fourth US store in Dallas and plans further expansion, while Kurt Geiger has seen North America become its largest and fastest-growing market. Barclays notes that LVMH Moët Hennessy Louis Vuitton is experiencing a rebound in the US market, with its Fashion & Leather Goods division showing quarter-over-quarter improvement. This could signal a broader return to growth for the luxury sector in the US

Table: Luxury market projected growth

Region	Projected annual growth rate
China	-1%
India	15-25%
US	6%
Global	7%

The report also states consumers are increasingly concerned about the sustainability of luxury products. The report highlights that brands that can demonstrate their commitment to sustainability are likely to be rewarded by consumers.

The report highlights several case studies of luxury brands that have successfully adapted to changing market conditions. For example, one brand has partnered with local artisans in India to create unique products that appeal to the country's growing middle class. Another brand has launched a line of sustainable products made from recycled materials.

Overall, the findings suggest a significant shift in the global luxury landscape, with the US taking centre stage as China's growth slows. Luxury brands need to be more agile and responsive to changing consumer preferences in order to succeed, particularly in light of the economic and geopolitical uncertainties highlighted in the report. The report also highlights the growing importance of sustainability in the luxury market and the potential impact of political developments, such as President-elect Trump's policies, on the sector.

Source: fashionatingworld.com– Jan 27, 2025

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Sentiment among firms in Germany improves a bit in Jan: ifo Institute

Sentiment among companies in Germany has slightly improved in January this year, according to Leibniz Institute for Economic Research at the University of Munich (ifo Institute).

The ifo business climate index rose to 85.1 points this month—up from 84.7 points in December, primarily due to a more positive assessment of the current situation. However, expectations deteriorated again. Companies continue to be pessimistic, a release from the institute said.

In manufacturing, the business climate saw a further decline. Companies were even more skeptical about the coming months. By contrast, the current business situation was assessed as better. Incoming orders continue to decline. Capacity utilisation remained almost unchanged at 76.5 per cent. This is still well below the long-term average of 83.4 per cent.

In trade, the business climate remained unchanged. Traders assessed their current situation as more positive. This was particularly the case in wholesale. However, expectations were slightly more pessimistic. This development was driven by retailers.

Source: fibre2fashion.com– Jan 27, 2025

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How Turkish Mills Are Innovating for Sustainability, Performance, and the Future

Denim has come a long way since its humble beginnings as an indigo-dyed cotton twill. With the rise of performance fabrics and a growing demand for versatile, comfortable designs and sustainable manufacturing practices, mills are now pushing the boundaries of what denim can be. Through ongoing research and innovation, they're writing a bold new chapter in the fabric's rich history.

However, choosing which innovations to invest in is a delicate balance of forward-thinking vision and financial responsibility.

At Bluezone in Munich, Germany last week, representatives from four Turkish mills came together to discuss the benefits and challenges of investing in new innovations.

Isko anticipates the needs of the market rather than responding to demand, said Mirela Slowik, Isko category leader. One example of this mindset is Sanko Group's Re&Up, the circular textile venture launched in 2023.

In addition to tackling the fashion industry's waste crisis, Re&Up is helping Isko significantly increase its use of recycled fibers while also preparing clients for upcoming EU regulations, which will mandate that fabrics contain at least 30 percent recycled content by 2026. The mill has overhauled its entire product line to incorporate recycled cotton and polyester, ensuring sustainability across all constructions and performance features.

"Our solution is using recycled materials without compromising the behavior of denim," Slowik said. "Nowadays, everybody is talking about alternatives fibers, but for us, the most important is the fashion and the behavior of denim."

As a "product-driven company," Isko focuses each season on creating new opportunities and elevating the value of its fabrics. One of the latest innovations from the Sanko Group-owned mill is MultiTouch, a blend of yarn finishing and engineering that allows designers to create multiple effects—such as 3D textures, embossing, crinkling, and soft hand feels—from a single fabric.

"It's a new way to look at innovation—having one fabric for a collection makes it easier to manage," she said.

"Our aim is always to be a kind of solution partner for our customers and stakeholders. And we are not only focusing on the visual innovation of the product," said Mehmet Serdar Ozcan, Calik Denim's sales manager. "We are also focusing on the hidden properties of the product."

Similarly, Calik's R&D team has spent years perfecting technologies like E-Last, which stabilizes the shrinkage of high-stretch denim across different wash levels. This not only saves garment manufacturers time and costs during production but also eliminates pattern inconsistencies. The result is a premium product that makes the production process smoother.

At Orta, efficiency is a key consideration for every innovation. Sebla Önder, Orta's. marketing and sustainability manager, emphasized that a new concept should never compromise sustainability or introduce additional challenges.

"Customers like to have a lot of new ideas and new technology, but they don't want to pay for it. There should be a balance between what we want to put in the market and what the customer can afford or how they will perceive it. We are trying to make a balance between all these needs," she said.

One example of the impact a brand's support can have is the new Citizens of Humanity collection dyed with Pili's Eco-Indigo, a bacteria-based alternative to petroleum-derived indigo dye.

Though new to the market, Önder emphasized that Pili's Eco-Indigo has been in development for nearly a decade. The French biochemicals company's fortunes began to shift in recent years, especially after securing $15.8 million in funding in 2023 and attracting the attention of Citizens of Humanity—one of Orta's more engaged and proactive clients. "They're great partners because when they believe in a technology, they support it and help it to grow and [bring it] to market. This is how they work," she said.

Timing, of course, is critical. Sometimes great ideas are too ahead of their time. Ozcan recalled how Calik began producing cotton 15 years ago, but demand wasn't strong enough. Now the market has shifted toward cotton grown with regenerative practices. "Trying to understand if there will be a demand climate at the time of launch is the most important and most difficult part for us," he said.

To bring an innovation on the market, it must be proven, Slowik said. "This is the reason we sometimes work on a concept for years before bringing it to the market," she said. "We believe that bringing newness and novelties makes a difference."

Dr. Dilek Erik, Sharabati Denim's global marketing manager, also emphasized that denim companies are investing just as heavily in innovation as industries like automotive and pharmaceuticals. However, resources—both manpower and finances—are shared across multiple aspects of the business.

"We're investing in technologies. We are investing in machines. We are increasing our capacity every year…and we are investing in sustainability a lot. We just finished our 100 percent recycled water treatment [facility]. All these things are investments," she said.

Sharabati is also introducing new sales tools. The mill unveiled a new app at Bluezone that digitizes its entire collection as well as a library of exclusive prints. While ROI on the app may not happen overnight, Erik says it enhances clients' experiences and provides a remote alternative to discovering new fabrics and concepts when in-person meetings are not possible. "It's not only about new chemical or new fiber—we are making a lot of investments through all these processes," she added.

In a volatile market like fashion, companies must continually invest in fresh ideas to stay competitive. "In the automotive industry, an innovation might last several years. In fashion, it's only a couple of seasons before brands and consumers demand something new," Ozcan pointed out. "This business is not easy, but we're investing. We must also be cautious in how we invest, because we are not fully stabilized."

Source: sourcingjournal.com– Jan 27, 2025

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Online fashion e-commerce booms in Europe, Middle East and Africa: Report

The fashion industry in Europe, the Middle East, and Africa (EMEA) is experiencing a digital boom, reveals BigCommerce's '2024 Global E-commerce Report: Fashion and Apparel'. The report, based on customer data, paints a picture of a thriving online market with significant growth potential.

The report highlights a thriving global fashion e-commerce landscape. Gross Merchandise Value (GMV) has increased 10.7 per cent year-over-year, driven by a 7.2 per cent rise in order volume. The average order value (AOV) has also seen a healthy increase of 3.23 per cent. However, in the EMEA region, the figures are even more impressive

EMEA leads the charge

EMEA is experiencing a staggering 25.3 per cent growth in GMV compared to the same period last year. This surge is fueled by a remarkable 41.3 per cent increase in total orders. Interestingly, the average order value in EMEA has dipped slightly by 11.1 per cent. This could be attributed to factors like increased promotional activity or a shift towards more frequent, smaller purchases.

Experts believe several factors are contributing to EMEA's e-commerce fashion boom. Increased mobile penetration, improved internet infrastructure, and a growing appetite for online shopping are all playing a role. Additionally, the region boasts a diverse population with a wide range of fashion preferences, which online retailers are well-positioned to cater to.

Why the EMEA boom?

While the report doesn't delve into specific reasons for the EMEA growth, experts suggest a combination of factors could be at play:

Increased smartphone penetration: EMEA consumers are increasingly comfortable shopping online using their mobile devices.

Growing internet access: Improved internet infrastructure in many developing countries within the region is facilitating online shopping.

Shifting consumer preferences: A growing number of EMEA consumers are embracing the convenience and variety offered by online retailers.

The EMEA region is a hotbed for fashion e-commerce growth,say analysts. The report highlights the tremendous potential for brands to reach new customers and expand their reach through online channels.

BigCommerce's report underscores the immense potential of the EMEA fashion e-commerce market. With a strong foundation of growth already established, the future looks bright for brands that can capitalize on this digital wave. By offering a seamless online shopping experience, catering to local preferences, and embracing innovative technologies, fashion businesses in the EMEA region can solidify their place in this burgeoning market.

Source: fashionatingworld.com– Jan 27, 2025

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Philippines textile imports from Vietnam face challenges despite gains

The Philippines' apparel imports from Vietnam have noticed a steep fall of 66.44 per cent during January-October 2024. However, its imports of home textiles from the partner country improved during the same period. The inbound shipment of fabric saw a mild easing in the first three quarters of the previous year. It is important to note that Vietnam's trade with the Philippines has reached an impressive milestone, with turnover exceeding $8.6 billion in 2024. The bilateral trade was up by 11 per cent year-on-year, according to the country's Ministry of Industry and Trade's Agency of Foreign Trade.

According to Fibre2Fashion's market insight tool TexPro, the Philippines imported apparel worth $24.535 million in the first ten months of 2024. This was 66.44 per cent lower than the imports of $73.108 million during the corresponding period of 2023. The imports totalled $96.991 million in 2023. Vietnam was the second-largest supplier of apparel imports to the Philippines, with a share of 12.49 per cent of the Philippines' total imports of $196.435 million during January-October 2024.

The country's imports of home textiles from Vietnam were valued at $22.496 million in the first ten months of 2024. This was 16.96 per cent higher than the imports of $19.233 million during the same period of 2023. The Philippines' imports of home textiles from Vietnam totalled $23.100 million in 2023. Vietnam was ranked as the second-largest supplier of home textile imports to the country. Vietnam's share was 11.81 per cent of the total imports of home textiles, amounting to $190.626 million in January-October 2024.

Fabric imports by the Philippines totalled $335.581 million in the first three quarters of 2024. Of this, imports from Vietnam were noted at $13.512 million, which accounted for 3.80 per cent of the total fabric imports during the period. Vietnam was the fourth-largest supplier for the trade, according to TexPro. The Philippines' fabric imports from Vietnam eased by 3.29 per cent in January-September 2024 compared to imports of $13.973 million during the same period in 2023. The country's imports from Vietnam were noted at $18.870 million in 2023.

Source: fibre2fashion.com– Jan 28, 2025

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Benetton to close 420 stores globally by 2025-end

Iconic Italian clothing brand founded in 1965, Benetton has announced plans to close 420 stores by 2025-end. By 2024, the brand closed 180 stores, marking a significant reduction in its physical presence and reflecting the challenges faced by the brand Benetton in adapting to new consumer habits.

The brand's difficulties began in the early 2000s as it struggled to keep up with the fast fashion industry's rise, which changed how people shop. Despite attempts to reinvent, Benetton's efforts have not been successful, and its market position has weakened over time.

One of the key factors contributing to the crisis is the brand's franchise model. While this model helped Benetton expand globally, it eventually became a burden. The company faced significant debt, including a reported €30 million in southern Italy. This has highlighted deeper issues with the company's management and strategy.

The situation worsened with a public dispute between Luciano Benetton, Co-founder and Massimo Rendon, CEO The conflict focused on the company's financial mismanagement, with a reported deficit of €100 million. This leadership turmoil has added to the company's difficulties in navigating the crisis.

In an attempt to address these challenges, Benetton has launched a restructuring plan. The plan is aimed at saving the brand, but its success depends on the company's ability to adapt to the rapidly changing fashion market.

Founded in 1965 and based in Ponzano Veneto, Italy, Benetton Group Srl. operates a network of about 5,000 stores worldwide. It is a wholly owned subsidiary of the Benetton family's holding company Edizione. The company's future will depend on how well it can address its internal issues and adapt to the evolving market.

Source: fashionatingworld.com– Jan 25, 2025

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Pakistan targets $100 billion textile exports in next five years

The Pakistan Government has set an ambitious target of increasing its textile exports from the current $30 billion to $100 billion over the next five years.

To help achieve this, Imran Mehmood, Central Chairman of the All Pakistan Bed-sheets & Upholstery Manufacturers Association (APBUMA), urged the government to implement immediate measures to support the sector’s growth.

Textile exporters in Pakistan also achieved a significant milestone at the world’s largest textile trade fair in Frankfurt, Germany, Heimtextil as they secured export orders worth $3 billion.

Mehmood hailed this achievement as a major boost for Pakistan's textile sector. He emphasized on the critical role of Heimtextil for Faisalabad's year-round textile operations, highlighting its importance in securing vital orders.

Source: fashionatingworld.com– Jan 27, 2025

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NATIONAL NEWS

DGFT Launches Enhanced eCoO 2.0 System with Provisions for Back-to-Back Certificates of Origin

The Directorate General of Foreign Trade (DGFT) has launched the enhanced Certificate of Origin (eCoO) 2.0 System, a significant upgrade designed to simplify the certification process for exporters and enhance trade efficiency.

This upgraded platform offers several user-friendly features, such as multi-user access, which enables exporters to authorize multiple users under a single Importer Exporter Code (IEC). Additionally, the system now supports Aadhaar-based e-signing alongside digital signature tokens, providing greater flexibility.

An integrated dashboard offers exporters seamless access to eCoO services, Free Trade Agreement (FTA) information, trade events, and other resources. The platform also introduces an in-lieu Certificate of Origin feature, allowing exporters to request corrections to previously issued certificates through an easy online application process.

As of 1st January 2025, the electronic filing of Non-Preferential Certificates of Origin has become mandatory via the eCoO 2.0 platform, and is available to exporters at https:// trade.gov.in under the "Get Certificate of Origin" section.

This trade facilitation initiative has been streamlining the certification process, and improving turnaround times for exporters, marking a significant advancement in enhancing the Ease of Doing Business. The platform processes over 7,000 eCoOs daily, including both preferential and non-preferential certificates, connecting 125 issuing agencies which includes 110 national and regional chambers of commerce & industry, over 650 issuing officers and all Indian exporters under one unified system.

Reference Public Notice 43/2024-25 dated 27.01.2025, DGFT has introduced the procedure for availing online Back-to-Back Certificates of Origin (Non-Preferential). These certificates cater to goods not of Indian origin, intended for re-export, trans-shipment, or merchanting trade.

Issued based on documentary evidence from the foreign country of origin, the Back-to-Back CoO ensures transparency and accuracy by explicitly mentioning details of the origin and supporting documents.

This initiative not only simplifies the certification process but also accelerates processing times, making it particularly beneficial for global supply chains involving intermediary trade through India. The enhanced eCoO 2.0 system underscores DGFT's commitment to facilitating trade and improving the Ease of Doing Business for Indian exporters.

Source: pib.gov.in– Jan 27, 2025

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Goyal, Omani Minister discuss proposed FTA, trade & investment ties

Commerce & Industry Minister Piyush Goyal held an "engaging and excellent" meeting with his Omani counterpart Qais bin Mohammed Al Yousef in Muscat on Monday which may provide momentum to the India-Oman free trade agreement negotiations.

India, however, may remain measured in its responses to demands from Oman for greater market access in sensitive areas to avoid problems of import surges it encountered following its free trade agreement with the UAE, a source tracking the matter told businessline.

Advancing CEPA talks

"Began my Oman visit with an engaging and excellent meeting with HE Qais bin Mohammed Al Yousef, Oman's Minister of Commerce, Industry and Investment Promotion. Our talks focused on advancing negotiations on the Comprehensive Economic Partnership Agreement (CEPA), strengthening trade and investment ties, and exploring avenues to further deepen our bilateral partnership," Goyal tweeted on Monday.

More deliberations on trade and investment, including the CEPA (formal name for the FTA), will follow with the Joint Commission meeting, led by Goyal and Al Yousef, scheduled on Tuesday. The Minister is also expected to meet Sultan bin Salim Al Habsi, Minister of Finance & Chairperson of the Ministerial Committee for CEPA, which may provide further direction to the talks.

"This visit underscores the importance that India attaches to its trade and investment ties with Oman, one of India's important trading partners in the Gulf Cooperation Council (GCC) with bilateral trade estimated at over $8.94 billion in 2023-2024," according to the Commerce Department.

Learning its lesson

The India-Oman CEPA negotiations, which began in November 2023, took off well and both sides were optimistic of wrapping up the talks by the first half of 2024. The negotiations, however, stalled in its final leg reportedly over differences between the two sides on certain market access demands from Oman that India was not able to accept. This included demands for lower tariffs for some petrochemical products. "Since India recently faced the problem of a surge in imports of precious metals and some food items from the UAE following its FTA with the country, negotiators are very careful about what they agree to with Oman," the source said.

India's key imports from Oman comprise petroleum products and urea. Other imports include propylene and ethylene polymers, pet coke, gypsum, chemicals, and iron and steel.

India's main exports to Oman include petroleum products, iron and steel, rice (particularly basmati), processed minerals, ships, boats, and floating structures, electrical machinery, machinery parts, tea, coffee, spices, fruits and meat products.

Source: thehindubusinessline.com– Jan 27, 2025

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UK trade secy Jonathan Reynolds to visit India in Feb for FTA talks

Britain's Secretary of State for Business and Trade, Jonathan Reynolds, on Monday revealed plans to visit India next month with a focus on finalising the Free Trade Agreement (FTA) negotiations as part of the UK government's ambition to elevate the bilateral partnership across all sectors.

Addressing India Global Forum's (IGF) annual UK-India Parliamentary Lunch at the House of Lords complex in London, Reynolds highlighted the strength of the bilateral trading relationship which stood at GBP 41 billion in the year until September 2024.

However, the Cabinet minister went on to reaffirm the British government's commitment to improve trade between India as the fifth and the UK as the sixth largest economies of the world.

I want to reaffirm the UK's commitment to deliver growth for both countries through the trade deal that we're talking about, through the Comprehensive Strategic Partnership and the Technology Security Initiative; and I can let you know exclusively, I hear what you say about urgency, [that] I've just been finalising my own visit to India next month to make sure we proceed on that basis, said Jonathan Reynolds.

The visit comes against the backdrop of British Prime Minister Keir Starmer announcing an early 2025 relaunch of UK-India FTA talks, stalled by general elections in both countries last year. The announcement followed his meeting with Prime Minister Narendra Modi on the sidelines of the G20 Summit in Brazil last November.

I believe a comprehensive FTA and Bilateral Investment Treaty would be important to the UK, but I also believe it would show the world India is serious about its relationships to global trade, strengthening supply chains with trusted partners and delivering substantial mutual benefits for business and consumers across both countries. And, the rest of the world would stand up and take notice of an agreement of that kind, said Reynolds.

India is a top priority partner for the UK, and we want to elevate that ambition across all aspects of our relationship, but also to take it to new heights, he added.

The Secretary of State in the UK's Department for Business and Trade (DBT) also welcomed the launch of a new report by IGF's UK-India Future Forum (UKIFF), entitled Sentiment to Success Future-proofing the UK India Partnership', as a review of the areas of progress along with immediate and actionable strategies to energise the bilateral partnership.

The world is at a tipping point, and sentiment alone won't sustain relationships in this era of uncertainty. The UK-India partnership must pivot from nostalgia to action, leveraging India's rising global influence and the UK's unmatched expertise, said IGF Chairman Manoj Ladwa.

Co-hosted with the High Commission of India in the UK, the annual event brought together leading figures from the world of politics, business, finance and technology within the India-UK corridor.

It was followed by roundtable discussions on UK-India defence collaboration, reforming governance with technology, quantum as an emerging technology for growth, pharmaceuticals and pandemic preparedness, and decarbonisation in England's Northwest led by Essar Energy Transition (EET).

I think we do sit at an interesting geopolitical hinge moment. It's as much a geo-economic hinge moment, as it is geopolitical. It is important, therefore, for us to move quickly with partners of choice; and our leadership in both countries has made it abundantly clear that this is a partnership of choice, Vikram Doraiswami, Indian High Commissioner to the UK, said in his address.

British Indian peer Lord Jitesh Gadhia, co-host of the parliamentary event, added: If this lunch has one key objective, then it is to re-energise and renew our commitment to unlocking the full potential from the UK and India working ever more closely together.

Source: business-standard.com– Jan 27, 2025

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India cracks down on misdeclared Chinese fabric imports

India has intensified efforts to curb the unchecked import of Chinese fabrics, particularly synthetic knitted fabric, following persistent demands from the domestic textile industry. Despite the government's imposition of a Minimum Import Price (MIP) on 13 HSN codes to control the surge in imports, the measure has proven ineffective as imports have continued to rise under non-MIP codes.

In a significant crackdown, the Directorate of Revenue Intelligence (DRI) recently seized 100 containers of Chinese fabric at Mundra Port, estimating their total value at ₹200 crore. The containers, which were falsely declared as carrying low-cost fabric, were found to contain high-quality textiles—an apparent attempt to evade import duties. The operation was launched after authorities received intelligence regarding the large-scale misdeclaration of imported goods.

Investigation uncovers large-scale tax evasion

Preliminary investigations suggest that the actual value of the seized fabric far exceeds the declared ₹25 crore. Similar shipments have also been intercepted at other major ports, including Mumbai's Nhava Sheva Port (Jawaharlal Nehru Port), raising concerns over the scale of the fraudulent operation.

Following the seizure, the DRI has initiated a nationwide investigation to identify those responsible for the illegal imports and to trace the goods to their final destinations across India. Authorities are also working to expose the network of importers involved and to determine whether similar fraudulent practices are taking place at other ports.

Industry associations raise alarm over systemic misdeclaration

The Federation of Surat Textile Traders Association (FOSTTA) had previously lodged a complaint with the DRI, warning of systematic misdeclaration in textile imports. The association alleged that thousands of containers were being imported each month under incorrect classifications to evade the MIP. It further estimated that this widespread malpractice has resulted in a staggering revenue loss of ₹85,000 crore.

According to the trade body, importers have been exploiting loopholes by shifting imports from Chapter 60—where the MIP is imposed—to Chapter 59, which currently lacks such safeguards. The association specifically identified Mundra Port, Mundra SEZ, and Nandiambakkam SEZ (Chennai) as key entry points for these abusive imports, also naming importers allegedly engaged in these practices.

Calls for stronger government intervention

In response to the crisis, the Indian textile industry is now demanding that the government impose MIP across the entire Chapter 60 to curb imports effectively. The Northern India Textile Mills' Association (NITMA) had previously appealed to Prime Minister Narendra Modi for urgent intervention, citing the severe impact of unchecked fabric imports on the domestic industry and the resulting financial losses to the government.

Ahead of the Union Budget 2025-26, NITMA has urged the government to introduce policy adjustments to restrict uncontrolled fabric imports. The association has specifically called for action against the under-invoicing of synthetic knitted fabrics under Chapter 60 and the misdeclaration of HS codes at Indian ports.

NITMA President Sidharth Khanna highlighted that several importers are circumventing regulations by declaring fabric at approximately $1 per kg, whereas the actual global price ranges between $4–6 per kg. He emphasised the urgent need for stricter regulatory measures to protect the Indian textile industry from further damage.

Outlook

With the DRI's crackdown uncovering large-scale tax evasion and the textile industry pushing for policy reforms, the Indian government faces mounting pressure to address loopholes in import regulations. The coming months will be crucial in determining the effectiveness of these measures in protecting domestic manufacturers from unfair trade practices.

Source: fibre2fashion.com– Jan 27, 2025

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Retailers posted 5% growth in December: Retailers Association of India

Retailers reported 5 per cent growth impacted by inflationary pressures in December over same period last year , as per the latest survey by Retailers Association of India (RAI). The industry is now hoping for measures in the upcoming budget to boost consumption.

The 57th Retail Business Survey, is for the period from 2 December 2024 to 29 December 2024 compared to the same festive time period last year (4 December 2023 to 31 December 2023). This comes at a time when consumer discretionary spending is witnessing sluggish growth in urban regions.

Kumar Rajagopalan, CEO, Retailers Association of India (RAI), said, "Inflation and other payment obligations for EMI etc. are continuing to weigh on discretionary spending. The wedding season provided some boost to categories like apparel and jewellery, but overall consumption remains subdued."

"Notably, QSR is showing early signs of recovery, offering a glimmer of optimism for the sector. With the Union Budget around the corner, the retail industry hopes for measures that address inflation and boost consumer confidence," he added.

The survey revealed that South India experienced the highest sales growth at 6 per cent while West and North India each recorded a 5 per cent increase. East India showed a growth of only 4 per cent, it added

In terms of categories QSR registered the highest growth of 10 per cent followed by apparel, food & grocery and sports goods each showing growth of 7 per cent compared to December 2023 period last year.

Apparel and clothing segment also garnered 7 per cent growth , while beauty, personal care and wellness segment garnered 6 per cent growth . Furniture and furnishings, jewellery and footwear segments each garnered 3 per cent growth. Meanwhile, consumer durables and electronics segment recorded 2 per cent.

Source: thehindubusinessline.com– Jan 27, 2025

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Govt to prioritise skill development, jobs in 2025 Budget: Deloitte

The government will continue to prioritise and enhance efforts towards skill development and employment generation, picking up the momentum from the last year's efforts, global consultancy firm Deloitte said about its expectations from General Budget 2025. This would help harness the demographic dividend, drive economic growth from both supply and demand sides and boost consumption through higher incomes, said Deloitte.

In the report, the multinational professional services network stated that the previous Budget emphasised employment generation and skill development, with initiatives such as Employment Linked Incentives and internship programmes. According to the Periodic Labour Survey, the quarterly results for June 2024 show an increase in the Labour Force Participation Rate (LFPR) for both men and women, rising to 74.7 per cent and 25.2 per cent, respectively, from 73.5 per cent and 23.2 per cent in June 2023. Additionally, the unemployment rate has been steadily declining.

On another important issue, Deloitte believes that the four labour codes will be made effective, considering aspects such as the changing workforce, the need for consistency in interpretation and enhancements in ease of business and technology use. The four labour codes in the country simplify existing laws, protect workers' rights, and make compliance easier. They are: Code on Wages, 2019, Industrial Relations Code, 2020, Code on Social Security, 2020, Occupational Safety, Health, and Working Conditions Code, 2020:

The regulatory environment must be upgraded to support social security and labour code, it suggests to align with tax and related regulations available for general employee class. The labour codes also bring in additional and newer types of workforce within the social security umbrella thereby increasing coverage of the country's working population. This calls for an urgent need to enforce the pending Labour Codes at the earliest, the Deloitte said.

Source: thehindubusinessline.com– Jan 27, 2025

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Indian apparel industry growth in FY '26 to be driven by fast-fashion, premium segments, says report

The Indian fashion and apparel industry is expected to rebound in FY '26 after a slow start in FY '25 that was characterised by muted demand and negative same-store sales growth (SSSG), according to India Ratings and Research (Ind-Ra).

Increasing discretionary incomes, more wedding days, and favourable monsoons are the main drivers of this optimism. These factors are anticipated to boost demand, especially in Tier-2 and Tier-3 markets.

In a recent report by Ind-Ra, segments like fast fashion, ethnic wear, and luxury are set to outperform. Fast fashion, in particular, is witnessing explosive growth, fueled by social media influence and Gen-Z's appetite for trendy, quick-turnaround clothing. Moreover, major retailers are doubling their store counts in this category, with similar growth projected for FY '26.

Additionally, ethnic clothing and luxury are becoming more popular due to the growing wealth and ambition of middle- and upper-class consumers. Even though physical retail is still important for its experiential value, especially for high-end purchases, the e-commerce sector is predicted to develop faster than brick-and-mortar businesses due to internet adoption.

With an emphasis on cost reduction and shop productivity, retailers are expanding cautiously but strategically. EBITDA margins, according to Ind-Ra, stayed steady at 16.5 per cent in FY '25 and increased in FY '26 as businesses increased productivity.

With areas like fast fashion and luxury categories generating momentum and predicted revenue growth of 10.5 per cent in FY '26, the Indian fashion industry is poised for a transformative period that balances innovation, scalability, and customer desires.

Source: apparelresources.com– Jan 27, 2025

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North India sees steady cotton yarn prices amid weak demand

North India cotton yarn prices remained stable as demand from the weaving/spinning industry was weak. The cotton yarn market did not react immediately to the recent crackdown on Chinese fabric imports. However, traders expect that if the government succeeds in sending a strong message against abusive imports, inbound shipments may slow down.

This could support the entire textile value chain, including cotton yarn. Cotton yarn was traded at previous levels in the Delhi and Ludhiana markets. Home textiles demand further slowed down in the Panipat market due to a decrease in extreme cold weather. Although the slow demand for recycled yarn was offset by increasing consumption in the apparel segment, there was no significant price movement in recycled yarn and raw materials like cotton comber and recycled polyester fibre.

The Ludhiana market witnessed average demand for cotton yarn. Its prices were hovering close to the previous close. The market is closely watching sentiments following the crackdown on Chinese fabric imports. A trader from the Ludhiana market told Fibre2Fashion, “If authorities continue to inspect imports of Chinese fabric, it will send a strong message against misdeclaration. Fabric imports may reduce to some extent, but they cannot be restricted completely. The cotton yarn market may receive indirect support as officials are primarily cracking down on synthetic fabric.”

In Ludhiana, 30-count cotton combed yarn was sold at ₹260-270 (approximately $3.01-3.13) per kg (inclusive of GST); 20 and 25-count combed yarn were traded at ₹250-260 (approximately $2.89-3.01) per kg and ₹255-265 (approximately $2.95-3.07) per kg, respectively; and carded yarn of 30 count was noted at ₹240-245 (approximately $2.78-2.84) per kg today, according to trade sources.

The Delhi market also witnessed a steady trend in cotton yarn prices. The weaving industry is selectively buying fabric for its immediate needs. According to market sources, there was no immediate reaction in the market after the seizure of Chinese fabric. However, if authorities continue to carry out such actions, it will send a strong message against illicit imports. This will boost the demand for domestic fabric over imports.

In this market, 30-count combed knitting yarn was traded at ₹260-262 (approximately $3.01-3.03) per kg (GST extra), 40-count combed at ₹282-290 (approximately $3.27-3.36) per kg, 30-count carded at ₹237-239 (approximately $2.74-2.77) per kg, and 40-count carded at ₹262-265 (approximately $3.03-3.07) per kg today.

India’s home textile hub, Panipat, noticed slower demand for winter garments and blankets as temperatures increased in the north Indian states. This further led to weak demand for recycled yarn by the consumer industry. However, recycled yarn demand remained steady from the garment industry. A trader from Panipat said that slow demand from the home textile segment was offset by better buying from the garment industry. A greater focus on sustainability boosted the demand for recycled yarn. Cotton comber and recycled polyester fibre were also sold steadily.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹78-82 (approximately $0.90-0.95) per kg (GST paid). Other varieties and counts were noted as follows: 10s recycled PC yarn (Black) at ₹53-56 (approximately $0.61-0.65) per kg, 20s recycled PC yarn (Grey) at ₹96-102 (approximately $1.11-1.18) per kg, and 30s recycled PC yarn (Grey) at ₹130-135 (approximately $1.51-1.56) per kg. Cotton comber prices were noted at ₹102-108 (approximately $1.18-1.25) per kg. Recycled polyester fibre (PET bottle fibre) was noted at ₹81-84 (approximately $0.94-0.97) per kg today.

In North India, cotton prices remained steady amid average demand and supply. ICE cotton opened this week with a slight gain. Cotton arrivals were slightly up from last week.

Traders said that spinning mills remained cautious about new purchases as they do not expect strong demand from the downstream industry. Cotton prices had seen a gradual decrease due to the fall in ICE cotton.

North India's cotton arrivals were 11,700 bales of 170 kg, comprising 700 bales in Punjab, 3,000 bales in Haryana, 5,000 bales in Upper Rajasthan, and 3,000 bales in Lower Rajasthan. Cotton prices in Punjab ranged from ₹5,560 to ₹5,570 (approximately $64.38-64.49) per maund of 37.2 kg, while in Haryana, prices ranged from ₹5,540 to ₹5,560 (approximately $64.14-64.26).

In Upper Rajasthan, cotton was priced between ₹5,565 and ₹5,585 (approximately $64.43-64.67) per maund.

In Lower Rajasthan, it was priced at ₹52,800 to ₹54,200 (approximately $611.34-627.55) per candy of 356 kg. Seed cotton was priced at ₹7,200-7,600 (approximately $83.36-88.00) per quintal of 100 kg.

Source: fibre2fashion.com– Jan 27, 2025

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