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Currency Watch			
USD	EUR	GBP	JPY
87.24	95.13	112.80	0.59

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INTERNATIONAL NEWS

Tariffs Will Keep US Imports Elevated into Spring, NRF Says

The recent implementation of tariffs by the Trump administration hasn't slowed down imports into the U.S. As uncertainty remains in the short term, inbound cargo volume into the country is expected to remain elevated into the spring, according to America's largest retail trade association.

According to the Global Port Tracker report released by the National Retail Federation and trade consulting firm Hackett Associates, major U.S. container ports handled 2.22 million 20-foot equivalent units (TEUs) in January.

That total is up 13.4 percent year over year, and 4.4 percent above December import totals.

"Retailers are continuing to bring as much merchandise into the country ahead of rising tariffs as possible," said Jonathan Gold, vice president for supply chain and customs policy at NRF, in a statement.

Ports have not yet reported February's numbers, but the Global Port Tracker projected the month at 2.07 million TEUs, up 6.1 percent year over year. That would be the busiest February—traditionally the slowest month of the year because of Lunar New Year factory shutdowns in China—since 2022.

This month inbound cargo volume is forecast to bump back up to double-digit increases, with March expected to reel in 2.14 million containers, up 10.8 percent year over year.

President Donald Trump announced a 10 percent tariff on goods from China in February, before increasing that amount again to 20 percent last week. In kind, China hit back with retaliatory duties of its own.

A 25 percent tariff on goods from Canada and Mexico first announced in February was delayed until March 4, before being put on hold for a month for goods compliant with the U.S.-Mexico-Canada Agreement trade pact signed during Trump's first administration.

"The on-again, off-again tariffs against Canada and Mexico won't have a direct impact on port volumes because most of those goods move by truck or rail. But new tariffs on goods from China that have already doubled from 10 percent to 20 percent are a concern, as well as uncertainty over 'reciprocal' tariffs that could start in April," Gold noted.

While some NRF member retailers have been working on diversifying their supply chain across other countries, Gold said "that doesn't happen overnight."

"In the meantime, tariffs are taxes on imports ultimately paid by consumers, not foreign countries, and American families will pay more as long as they are in place," he said.

As clarity begins to settle around the tariffs and the opportunity to front-load goods into the U.S. fades, the growth in inbound cargo volume will start to subside.

While the Global Port Tracker projects imports in April to increase at a 5.7 percent pace to 2.13 million TEUs, the tides will begin to shift as the summer starts to kick in.

In May, cargo brought into major U.S. ports will reach 2.14 million TEUs, up just 2.8 percent from the same period in 2024.

By June, the Global Port Tracker expects its first downturn of the year, with volume decreasing 3.2 percent to 2.07 million TEUs. July is anticipated to see the largest drop in 2025, with TEUs down 13.9 percent to 1.99 million.

June and July's year-over-year declines would be the first since September 2023, and July's volume would be lowest since the 1.93 million containers entering American ports in March 2024.

While tariffs could be a factor in the year-over-year decline, imports were also elevated last summer as retailers pulled forward the typical peak season. At the time, import totals got an earlier bump due to worries about peaking freight rates spurred on by the Red Sea diversions, as well concerns of a strike at East and Gulf Coast ports on Oct. 1. That strike lasted three days.

Imports from all trading partners may be affected by the various port fees being considered by the Office of the U.S. Trade Representative, noted Hackett Associates founder Ben Hackett.

These fees could range between $1 million and $1.5 million for each time a Chinese-operated or Chinese-built ship docks at a U.S. port.

"Given that a significant portion of the global container fleet has been built in China, this means that there will be further costs that will be passed on to cargo owners and ultimately the consumer," Hackett said in a statement. "Ports accommodated the surge in import volume in the final quarter of 2024 without major issues, but this will place additional pressure on the supply chain while also harming the nation's smaller ports."

Echoing comments from Mediterranean Shipping Company (MSC) CEO Soren Toft at the TPM25 trade and logistics conference last week, Hackett said carriers will likely make more use of larger vessels and consolidate calls at major ports rather than making multiple stops at smaller ports.

Source: sourcingjournal.com– Mar 11, 2025

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US Tariffs: A global trade war with far-reaching consequences

The Trump administration's decision to impose sweeping tariffs on imports from China, Canada, and Mexico has sent ripples of uncertainty throughout the global economy. This move has sparked fears of an all-out trade war, with potentially devastating consequences for businesses and consumers worldwide. However, amidst this turmoil, some countries are expected to benefit from the shifting trade landscape.

The tariffs and their impact

The US has imposed a 25 per cent additional tariff on imports from Canada and Mexico, and tariffs on Chinese goods have been doubled from 10 to 20 per cent. These actions have triggered a wave of retaliatory measures. China has responded with tariffs on a range of US agricultural products, including soybeans, pork, and cotton. Canada has announced tariffs on US goods worth billions of dollars, and Mexico is prepared with its own retaliatory measures.

These tariffs and counter-tariffs are expected to have significant economic consequences. Businesses and consumers will face costs escalation due to higher prices on imported goods. Global supply chains will be disrupted, affecting manufacturing and distribution. There is a risk of job losses in industries reliant on international trade, and financial markets are likely to experience heightened uncertainty and volatility.

Textiles and apparel caught in the crossfire

The textile and apparel industry, with its complex global supply chains, is particularly vulnerable to the tariffs. The US Fashion Industry Association (USFIA) has voiced deep concern, emphasizing the interconnectedness of the Western Hemisphere's textile and apparel supply chain.

They warn that tariffs will harm American farmers, retailers, and consumers. For instance, US cotton is a crucial input for Mexico's textile production. The industry already faces high tariff rates, and additional tariffs will exacerbate cost pressures.

On the other hand, India's textile industry sees the US-China trade war as a potential opportunity to expand its market share in the US. With tariffs on Chinese goods rising, Indian exporters could gain a competitive edge. Industry experts suggest that India should pursue a ‘Zero-for-Zero’ trade agreement with the US to further boost exports. This potential benefit for India extends beyond finished garments. With disruptions to the supply of raw materials like cotton from the US, India could also see increased demand for its own cotton exports.

Companies like Abercrombie & Fitch have already indicated that the tariffs will negatively impact their profit margins. The company has warned of softer demand and increased costs due to tariffs and other economic factors. The rise in shipping costs is an additional burden for many businesses.

The impact is being felt beyond the immediate players in the trade war. Bangladesh, for example, is seeing a rise in garment export orders, attributed in part to the US tariff policies that are making Chinese and Mexican exports more expensive. This is giving a boost to Bangladesh's economy, which is facing internal challenges. Vietnam, another major textile and apparel exporter, is also likely to benefit as businesses seek alternative sourcing destinations to avoid higher tariffs on Chinese goods.

A call for dialogue and solutions

Industry associations are calling for dialogue and solutions to mitigate the negative impacts of the tariffs.

The National Council of Textile Organizations (NCTO) has expressed concern over the tariffs on Mexico and Canada, highlighting the importance of the North American textile and apparel co-production chain. They are also calling for the closure of the de minimis loophole, which allows small shipments to enter the US duty-free.

The American Apparel & Footwear Association (AAFA) has warned of the ‘crushing burden’ of the tariffs on American businesses and consumers. They emphasize the uncertainty and instability created by the tariffs, which could undermine the economy. They are seeking discussions with government officials to establish guardrails and promote smart trade policies.

Global economic implications and supply chain disruptions

The US tariff actions have triggered concerns about a potential global trade war, with far-reaching consequences for the world economy. The tariffs are disrupting intricate global supply chains, affecting businesses across various sectors. They could lead to a decline in global trade, hindering economic growth and development. Furthermore, the trade disputes could escalate geopolitical tensions between the US and its trading partners.

The disruption to supply chains starts with raw materials. The tariffs on Chinese goods, including cotton, will impact the availability and cost of fibers for textile production. This will have a ripple effect throughout the supply chain, affecting yarn manufacturers, fabric producers, and ultimately garment manufacturers. Companies may need to seek alternative sources for raw materials, potentially leading to increased costs and logistical challenges.

The long-term impact of the US tariffs is uncertain. Much will depend on how the situation evolves and whether the US and its trading partners can reach a resolution. There is hope that negotiations will lead to a resolution of the trade disputes. In the meantime, businesses and consumers should prepare for continued uncertainty and volatility in the global economy.

While the tariffs present challenges for many, they also create opportunities for countries like India and Vietnam to increase their share in the global textile and apparel market. The ability of these countries to capitalize on these opportunities will depend on their ability to adapt to the changing landscape and meet the demands of the global market.

Source: fashionatingworld.com– Mar 11, 2025

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US' textiles & apparel imports jump 16.6% to $9.5 bn in Jan 2025

The United States' textile and apparel imports increased by 16.68 per cent, totalling $9.551 billion in January 2025, compared to $8.186 billion in the same month of 2024. China remained the largest supplier to the US, holding a 24.14 per cent market share, followed by Vietnam at 15.20 per cent.

In 2024, the country’s textile and apparel imports experienced minimal growth of 2.66 per cent, reaching $107.723 billion.

In January 2025, apparel imports, which constitute the majority of US textile imports, increased by 19.46 per cent to $7.204 billion, up from $6.030 billion in January 2024. Non-apparel imports also rose by 8.89 per cent to $2.347 billion, according to the US Department of Commerce’s Major Shippers Report.

US apparel imports from Jordan jumped by 60.58 per cent, while those from Bangladesh rose by 45.93 per cent. Apparel imports from China also saw gains of 13.72 per cent, Vietnam 19.90 per cent, India 33.64 per cent, Indonesia 41.70 per cent, Cambodia 29.95 per cent, Mexico 1.26 per cent, Pakistan 17.50 per cent, and Sri Lanka 24.35 per cent. None of the top ten suppliers recorded a decline in imports.

In the non-apparel sector, imports increased by 8.59 per cent from China, 23.55 per cent from India, 11.94 per cent from Pakistan, 22.32 per cent from Vietnam, 34.29 per cent from Cambodia, 7.86 per cent from Canada, and 37.78 per cent from Indonesia. Meanwhile, shipments from Turkiye dropped by 8.52 per cent, from Mexico by 5.28 per cent, and from South Korea by 11.57 per cent.

During the review period, total US textile and apparel imports stood at $9.551 billion. Man-made fibre products accounted for the largest share, totalling $4.957 billion, followed by cotton products at $3.972 billion, wool products at $285.353 million, and silk and vegetable fibre products at $336.485 million.

In 2024, apparel imports increased by 1.71 per cent to $79.257 billion, while non-apparel imports rose by 5.42 per cent to $28.465 billion. In 2023, the US imported textiles and apparel worth $104.959 billion, marking a 20.51 per cent decrease. In 2022, imports rose to $132.201 billion, up from $113.938 billion in 2021, following a sharp decline in 2020, when imports fell to $89.596 billion, compared to $111.033 billion in 2019.

Source: fibre2fashion.com– Mar 12, 2025

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Italian retail trade falls 0.4% MoM in January, volume down 0.6%

The seasonally-adjusted index for Italian retail trade decreased by 0.4 per cent month on month (MoM) in value terms in January, according to Istat, the official statistics agency. The retail volume fell by 0.6 per cent MoM.

On a year-on-year (YoY) basis, the value of retail trade rose by 0.9 per cent, while volume decreased by 0.2 per cent in the month, an Istat release said.

In the three months to January 2025, the value of retail sales dropped by 0.1 per cent quarter on quarter (QoQ), while sales volume contracted by 0.5 per cent QoQ.

Large-scale distribution saw a YoY growth of 2.1 per cent in the month, small-scale distribution remained unchanged and non-store retail sales declined by 1 per cent YoY. Online sales were down 3.3 per cent YoY.

Within the non-food product category, among the categories that recorded the largest YoY growth in the month was clothing, which increased by 1.9 per cent.

Among the categories in which the largest falls were recorded was shoes, leather goods and travel items, which contracted by 3.3 per cent YoY.

Source: fibre2fashion.com– Mar 12, 2025

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China's 2025 stimulus to boost growth but debt risks rise: Fitch

China's fiscal stimulus for 2025 is expected to bolster economic growth but will further strain government finances, according to Fitch Ratings. The credit rating agency highlighted concerns over China's expanding budget deficit and rising debt levels, which prompted its decision to revise the country's 'A+' sovereign rating outlook to negative in April 2024.

The Chinese government has raised its official fiscal deficit target to 4 per cent of GDP in 2025, up from 3 per cent last year, while Fitch's adjusted estimates place the actual deficit at 8.8 per cent of GDP, significantly higher than the median for 'A'-rated sovereigns at 2.7 per cent. The widening shortfall is attributed to a decline in revenue—partly due to a structural slump in property-related income and tax cuts.

Fitch estimates that China's general government debt surpassed 60 per cent of GDP in 2024, rising from 55 per cent in 2023. The figure is expected to approach the high-60s per cent level in 2025 as China absorbs CNY2 trillion of off-balance-sheet local government debt into formal accounts through an ongoing 'debt swap.' This will further widen the gap with other 'A'-category sovereigns, which have a median debt ratio of 57 per cent.

China has increased the local government Special Purpose Bond quota to CNY4.4 trillion in 2025, up from CNY3.9 trillion in 2024. Additionally, the central government will issue CNY1.3 trillion in ultra-long sovereign bonds, up from CNY1 trillion last year, and has earmarked CNY500 billion to recapitalise banks, Fitch said in a release.

Despite the large-scale stimulus, Fitch remains uncertain about the extent of its impact on economic recovery. Public expenditure is set to rise by 1.4 percentage points to 30 per cent of GDP, but direct consumption-boosting measures remain modest.

A CNY300 billion consumer goods trade-in programme—double the allocation from last year—has been introduced, but most policies continue to focus on supply-side measures such as industrial investments.

Moreover, local governments will be allowed to use bond proceeds to buy idle land and vacant housing units, though the scale of these transactions remains unclear. Property market weakness, coupled with subdued domestic demand and global trade pressures, presents ongoing challenges to China's recovery.

To support growth, the People's Bank of China is expected to ease monetary policy further, implementing interest rate and reserve requirement ratio cuts. Meanwhile, China has lowered its inflation target to 2 per cent for 2025, down from 3 per cent last year, reflecting weak price pressures.

The renminbi is also likely to face further depreciation as China seeks to counter the impact of US tariff hikes. US has raised import tariffs on Chinese goods by 20 percentage points since January, bringing the effective rate close to 30 per cent. Additional trade restrictions remain a possibility, adding to external risks.

The Chinese government has set an ambitious GDP growth target of around 5 per cent for 2025, but Fitch currently projects real GDP growth of 4.3 per cent. While fiscal stimulus will help stabilise the economy, challenges from weak domestic demand, persistent property-sector stress, and external trade frictions may hinder sustainable growth.

Source: fibre2fashion.com– Mar 12, 2025

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UK's cotton yarn consumption to rise to 7.7000 tons from 2024-35

Consumption of cotton yarns by the UK is projected to increase at a 1.1 per cent CAGR to 7.7,000 tons from 2024-2035. This growth will mostly be driven by consistent demand, despite recent declines. The total value of the UK cotton yarn market is projected to grow to $43 million by 2035.

In 2024, UK's total cotton yarn consumption declined by 6.7 per cent to 6.8000 tons while revenues in the market declined by 12.2 per cent to $38 million.

Domestic production of cotton yarn in the UK remains minimal, with approximately 32 tons produced in 2024, mirroring the previous year. Production has steadily decreased over the past decade.

To meet its cotton yarn demand, the UK relies heavily on imports. In 2024, its imports declined by 8.6 per cent to 7.8000 tons, valued at $45 million. Key suppliers include Pakistan, Spain, and Turkey, with Egypt, Turkey, and India leading in value. The majority of imports are non-retail cotton yarn, both containing less than and more than 85 per cent cotton. Import prices averaged $5,719 per ton, varying significantly by product type and country of origin, with Egypt commanding the highest prices.

Exports of cotton yarn by the UK declined by 19.9 per cent to 1,000 tons to $38 million in 2024. Major export destinations included the United States, Lithuania, and Turkey. Notably, France witnessed the most significant growth in exports. Despite recent downturns, the UK cotton yarn market is expected to experience gradual growth, driven by consistent demand and strategic import relationships. However, domestic production remains low, and the market is heavily reliant on international trade.

Source: fashionatingworld.com– Mar 11, 2025

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15,000 Retail Stores Could Close in 2025

There could be 15,000 fewer retail doors by the end of 2025.

Coresight Research has predicted that store closures in the U.S. will escalate to 15,000, up from 7,325 in 2024. Last year represented the highest number of store closures seen since 2020, when the research firm tracked nearly 10,000 doors that were shuttered. Store openings totaled 5,970 in 2024, leaving a net loss of 1,355 store locations for the year.

To date, there have been 2,188 announced store openings and 3,727 store closures among U.S. retailers for the first ten weeks of the year, according to Coresight.

The store closings disclosed in just this week along include Big Lots at 101 locations; Abercrombie & Fitch Co., with 17 doors, and Ross Stores, at 10.

Bankrupt Big Lots was sold to discount chain Variety Wholesalers Inc. in January, which said it would keep between 200 to 400 stores open under the Big Lots name. The final store count that would continue operating wasn't immediately clear until last week, although there were early estimates that 300 would stay open. Instead, Big Lots will move forward with 199 doors in operation in 2025, resulting in the loss of 101 more locations.

The other store closures are part of a routine review of store locations. Retailers regularly review their store network. In the case of Abercrombie, it has said for several years that it will prune its store base as leases come due, while it continues to open new store locations at the same time.

Among those disclosing store openings in the past week, Ross Stores will open 92 doors; The TJX Cos., at 85, Abercrombie & Fitch Co., with 55 planned new stores, and Target, with 16 new doors.

Coresight's retail store counts includes retailers that operate in categories other than fashion, such as supermarket chains.

Among the store closures this year, the big-box sector has been particularly hard hit. That's due in part to Big Lots, 695 Party City stores that went dark and 533 Joann's locations.

Other retailers that said earlier this year they were shutting down some locations include Macy's Inc., which is closing 150 "underproductive" locations by next year, and Kohl's Corp, which is closing 27 locations.

The 15,000 Coresight is predicting could close this year just might be the tip of the iceberg. Nearly a year ago, UBS retail analyts Michael Lasser said there will be more store closings than openings ahead. He projected a net loss of 45,000 stores in the retail sector over the next few years. Many of those doors will be from retailers who operate stores in shopping malls. In apparel, he said store closures would hit 16,500 doors over the next five years, with most locations happening in the department store and specialty retail channels.

In contrast, off-price retailers are expected to continue to expand their footprint, according to Lasser.

TJX CEO Ernie Herrrman said in the firm's fourth quarter conference call that its long-term store potential is an addition 1,900 more doors, or a total of 7,000. Ross Stores is planning to 90 new stores in 2025, or 80 Ross Dress For Less locations and 10 DD's discounts. While Burlington Stores CEO Michael O'Sullivan said on Thursday that the company will add 100 net new stores in both 2025 and 2026.

Source: sourcingjournal.com– Mar 10, 2025

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Global luxury retailers close stores in China

Luxury retailers across the world are rapidly withdrawing from China, closing stores in high-end malls across major cities. This comes as consumers reduce spending, and analysts predict sluggish sales will continue throughout the year.

French luxury group Kering closed two Gucci stores in Shanghai last month – one in Réel Department Store near the landmark Jing'an Temple, and another in New World Daimaru on the city's busiest shopping street, Nanjing Road – after more than a decade at those locations. Prada ended its two-year presence at Shanghai's Hongqiao International Airport.

These closures follow eight others in the fourth quarter of last year and two in the preceding quarter by various luxury retailers, including brands like Louis Vuitton, Chanel, Tiffany & Co., and Bulgari, according to data compiled by industry tracker Linkshop.com.

Most brands have seen steep declines in sales in mainland China, affected not only by depressed consumer sentiment domestically but also by Chinese nationals shopping more abroad, says Jelena Sokolova, Senior Equity Analyst, Morningstar.

To emphasize the urgency, Beijing prioritized 'boosting consumption' as the top policy task at the National People's Congress meeting this week. The government doubled state subsidies for consumer-goods purchases to 300 billion yuan ($41.4 billion) for this year.

Source: fashionatingworld.com– Mar 10, 2025

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Mango aims for $4.3 billion sales by 2026

Fueled by a global growth strategy mirroring Zara's approach, Spanish fashion retailer Mango aims to increase sales to $4.3 billion by 2026. The brand registered a 8 per cent growth in sales to $3.62 billion during FY24.

In 2024, Mango also achieved a gross profit margin of 60.7 per cent while its profit expanded by 27 per cent. The company added 260 new stores with an approximate investment of $234 million during the year, taking its total store count to 2,800, with international locations accounting for 78 per cent of total sales.

Having re-entered the US market in 2022 with its flagship store in New York City, Mango plans to open over 60 additional stores in the United States by 2025-end, notes Tony Ruiz, CEO AND Chairman.

Source: fashionatingworld.com– Mar 11, 2025

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Bangladesh garment makers urge for a separate ministry for the T&A sector

At an event organized by BGMEA's election-centric alliance, Forum in Dhaka, Bangladesh garment makers urged for a separate ministry for the garment and textile sector. Industry leaders at the event emphasised on the need for long-term policies to tackle the multifaceted challenges currently being faced by the sector both locally and globally.

Highlighting the urgency of establishing clear directives to ensure the sustainability of the garment industry, industry representatives warned, any failure to implement such measures could jeopardise the sector's survival.

Emphasizing on the importance of policy support for a sustained period, Mahmud Hasan Khan Babu, Panel Leader, Forum, said, ongoing domestic and foreign conspiracies against the sector such as the recurrent labor unrest need to be investigated. The government needs to help alleviate the harassment faced by entrepreneurs from customs inspections, he adds.

Voicing concerns over the government's lack of understanding of the business dynamics, Anisur Rahman Sinha, Former President, BGMEA, asserted, it is the association's responsibility to engage with the Government to address these issues. The lack of attention to international trade challenges is leading to a growing frustration among business owners, he noted.

Anwar-ul Alam Chowdhury, Former President, BGMEA emphasised on the need for skilled leadership to navigate crisis situations in the industry. Urging for a comprehensive policy framework, Rubana Huq, Former President, highlighted the need for owners to enhance their bargaining power with foreign buyers to secure fair prices.

The event concluded with Rashid Ahmed Hosaini, Secretary General, Forum, emphasizing on the need for immediate action to support the industry. The health of the garment sector is closely linked to Bangladesh's economic sustainability, he said.

Source: fashionatingworld.com– Mar 11, 2025

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DCCI urges Bangladesh govt to defer LDC graduation for 2-3 years

Dhaka Chamber of Commerce and Industry (DCCI) president Taskeen Ahmed recently urged the government to defer Bangladesh's graduation from the least developed country (LDC) status for at least two to three years considering the prevailing global and local economic challenges.

Bangladesh is set to graduate from LDC status in 2026.

An acute shortage of energy in the industrial sector, rising inflation and steep duties on import, high interest rates, procedural complexities in obtaining bank credit and limited access to credit for the private sector still pose a serious challenge to the country's economy, he said at a discussion on the implementation of the Smooth Transition Strategy (STS).

The discussion was jointly organised by Support to Sustainable Graduation Project (SSGP), the government's economic relations division and DCCI in Dhaka. The gross domestic product (GDP) growth in the first quarter (Q1) of the current fiscal was only 1.8 per cent, while the manufacturing sector grew by just 1.43 per cent, the DCCI president noted.

For an effective and competitive STS, he recommended developing a roadmap to stabilise the economy, creating a real-time monitoring and evaluation platform, signing economic partnership agreement with key partners and aligning trade, industrial and investment policies, according to domestic media reports. He stressed the need for skill development in the small and medium enterprises sector and ensuring long-term access to low-cost credit, signing free trade agreements to expand exports to the Middle East and South Asian countries, infrastructure development to attract foreign direct investment, and revision of revenue and related policies.

He also called for formulating and implementing specific policies to boost exports in other sectors with export potential beyond readymade garments. For a comprehensive and implementable STS, the role of private sector is crucial, he noted.

Source: fibre2fashion.com– Mar 12, 2025

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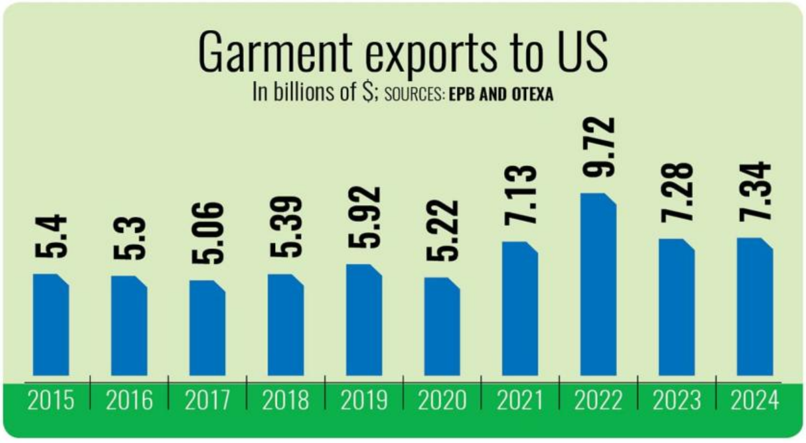
Bangladesh beats competitors in RMG export growth to US

Bangladesh has outperformed competitor countries to attain the highest year-on-year growth in apparel shipments to the US market in January, as American retailers and brands are placing large volumes of work orders here to capitalise on the favourable tariff regime.



In January, garment exports to the US from Bangladesh increased by 45.93 percent year-on-year to $799.65 million, according to data from the Office of Textiles and Apparel (OTEXA) of the US.

Exporters said this happened as the Trump administration raised tariffs on imports from China and Mexico, creating an advantage for Bangladesh in the US market.

In the run-up to the presidential election, Trump had declared that he would impose high tariffs on goods imported from China, Mexico, and other countries if elected.

Right after taking office, he increased the tariff on Chinese goods from 25 percent, which he had set during his last tenure as US president, to 35 percent.

On the other hand, Bangladeshi exporters have long faced a 15.62 percent duty on exports to the US. Under the current circumstances, Bangladesh has the opportunity to increase exports to the US.

In January, the US imported garment items worth $7.20 billion from all over the world, marking a year-on-year growth of 19.46 percent.

Meanwhile, China's apparel exports to the US rose by 13.72 percent to $1.60 billion.

Correspondingly, Vietnam secured 19.90 percent growth to reach $1.44 billion, India 33.64 percent to $473.27 million, Indonesia 41.70 percent to $419.95 million, Cambodia 29.95 percent to $324.99 million, and Mexico 1.20 percent to $193.70 million.

For Pakistan, it was 17.50 percent to $179.73 million, whereas for Korea, it was 5.54 percent to $16.43 million. Honduras witnessed a decline of 26.10 percent to $112.02 million, according to the OTEXA.

In the July–February period of the current fiscal year 2024–25, Bangladesh's garment exports worldwide totalled $26.80 billion.

This represents substantial growth of 10.64 percent from the $24.22 billion attained during the same period last fiscal year.

This increase signifies the resilience and dedicated efforts of the industry towards promoting sustainability and continuous economic advancement, said Faruque Hassan, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

It is significant, considering that the global market experienced a 5 percent year-over-year decline in 2024, he said.

Breaking it down further, Bangladesh's woven exports rose by 10.22 percent, increasing from $11.30 billion in FY 2023–24 to $12.46 billion in FY 2024–25.

The knitwear sector experienced even more significant growth of 11.01 percent, with exports climbing from $12.92 billion to $14.34 billion.

"While we celebrate these achievements, our month-by-month analysis indicates some challenges ahead," Hassan said over WhatsApp.

"Following a period of strong growth in the second quarter of FY 2024–25, we observed a deceleration starting in January 2025, which continued into February," he said.

In February this year, garment exports reached $3.24 billion, marking modest growth of 1.66 percent, with woven exports slightly declining by 0.44 percent while knitwear exports grew by 3.77 percent.

"As we look ahead, we recognise the dual nature of our path—both opportunities and challenges. There are significant internal factors that the government is earnestly working to address, and the industry itself is making proactive adjustments," he said.

Declining price levels remain a major concern that necessitates strategic actions to remodel the business, said Hassan.

Conversely, the potential for growth in various items, fibres, and markets, alongside trade diversification due to geopolitical tensions and trade wars, presents immense opportunities for Bangladesh, he added.

Source: thedailystar.net– Mar 12, 2025

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Pakistan Weekly Cotton Review: Spot rate decreases amid slow trade

Cotton production has seen a concerning decline of 34 percent, accompanied by a continued downward trend in cotton prices. A decrease in the spot rate has been observed, and business activities have become limited. International cotton prices have also experienced a decline.

The government is reviewing the issue of the textile sector's EFS to find a resolution. To restore cotton production, the Prime Minister has formed a 15-member committee.

However, All Pakistan Textile Mills Association (APTMA) has submitted recommendations to the government for the improvement of the textile sector. Finance Minister Muhammad Aurangzeb has expressed the government's firm commitment to providing all possible support to the textile industry.

In the local cotton market, the overall trend of declining cotton prices dominated last week. The negative effects of a significant drop in New York cotton futures prices are being felt in the local cotton market. Spinners are already inclined towards imported cotton, and only a few mills purchasing local cotton, mostly on credit. Ginners are facing difficulties as they have unsold stocks of cotton. APTMA has been continuously urging the government to resolve the EFS issue. Due to the EFS facility, cotton yarn and fabric are being imported in large quantities, severely impacting the local industry. There are speculations in certain quarters that the government allegedly is deliberately aiming to harm local textile industry.

However, according to some reports, the government is reviewing the issue of the textile sector's EFS to find a resolution.

On the other hand, textile spinners are increasingly relying on imported cotton, severely impacting the ginning industry. The government has formed a dedicated committee for the revival of cotton, which includes experts from the textile and ginning industries. If the committee formulates a strategy effectively, develops a sound policy, and ensures its implementation, it can certainly bring significant benefits.

In the province of Sindh, the price of cotton is ranging from 16,000 to 17,500 rupees per maund based on quality and payment conditions, while in the province of Punjab it is ranging from 16,500 to 17,500 rupees. The Spot Rate Committee of the Karachi Cotton Association reduced the spot rate by 200 rupees and closed it at 17,300 rupees per maund.

Naseem Usman, Chairman of the Karachi Cotton Brokers Forum, said that the international cotton market continues to experience a decline. New York cotton futures closed at a low of 63.50 cents per pound, the lowest level in the past four years. This downward trend in New York cotton is attributed to China, the largest buyer of American cotton, imposing a 15% tariff on American products. According to the USDA's weekly export and sales report, sales for the 2024-25 season reached 241,500 bales. Vietnam remained at the top by purchasing 73,100 bales, China secured the second position with 46,800 bales, and Pakistan ranked third with 32,600 bales.

For the 2025-26 season, sales amounted to 105,600 bales, with Pakistan leading by purchasing 75,500 bales, Nicaragua securing the second position with 15,900 bales, and Turkey ranking third with 11,100 bales.

The cotton production in Pakistan has been under continuous pressure for several years, affecting not only the national economy but also exports, textile industry, and millions associated with agriculture.

According to a report by the Pakistan Cotton Ginners Association (PCGA) till February 28 they witnessed a significant decline, signalling a serious threat to the sector.

However, Sajid Mahmood, Head Transfer of Technology at Central Cotton Research Institute Multan while commenting on the report released on Monday said that this year, the total quantity of cotton arriving at factories was recorded at 5.524 million bales, a 34.17% decrease compared to last year's 8.393 million bales.

Key reasons for this sharp decline include climate change, reduced cultivation area, water scarcity, rising prices of agricultural inputs, and the absence of appropriate policies. This shortfall has not only created a raw material shortage for the domestic textile industry but is also expected to lead to historic increase in cotton imports. Sources indicate that cotton worth $5 billion will be imported this year, adding an extra burden on Pakistan's economy.

Punjab, Pakistan's largest cotton-producing province experienced a drastic decline this year. Last year, Punjab's cotton production was 4.778 million bales, which dropped to 2.477 million bales this year, marking a 48.16% decrease. These statistics highlight the worsening challenges in cotton cultivation in the province.

Sindh also saw a reduced production, though the situation remains comparatively better than Punjab. Sindh's output fell from 3.614 million bales last year to 3.046 million bales this year, a 15.71% decline. Balochistan's production remained stable, with no major fluctuations observed.

Analysing cotton trade trends, the textile sector remained the largest buyer this year, purchasing 92.55% of the total cotton, while exporters and traders acquired only 46,700 bales. This reflects a decline in Pakistan's exports and diminishing international demand for Pakistani cotton. Unsold stockpiles surged by 75.37%, indicating reduced domestic demand or market uncertainty.

Monthly arrivals also dropped significantly, from 43,537 bales last year to 13,852 bales this year—a trend signalling further future declines and raising concerns. The number of operational factories has decreased to 39, reflecting adverse impacts on the cotton ginning business.

A major factor behind Pakistan's declining cotton production is the lack of investment in research and development (R&D) and policy gaps. Over the years, insufficient investment in cotton research and seed improvement has left farmers without access to modern technology and high-yield varieties.

Similarly, the absence of guaranteed support prices has driven farmers toward alternative crops, shrinking the area under cotton cultivation.

Reviving Pakistan's cotton sector demands immediate action. Policymakers must incentivise cotton growers, formulate integrated policies to address water scarcity, and strengthen R&D by merging institutions like the Pakistan Central Cotton Committee with the Pakistan Agricultural Research Council to establish a unified cotton wing.

Additionally, announcing a support price for cotton is critical to ensuring farmers' profitability and encouraging them to return to cotton cultivation. Export promotion measures are also needed to enhance Pakistani cotton's global market position.

The current situation underscores that without urgent, effective interventions, cotton production may decline further in coming years, severely impacting not only the textile industry but the entire economy. A comprehensive, long-term policy is essential for reviving cotton production, and practical steps must be taken immediately to rescue this sector from crisis.

Meanwhile, Prime Minister Shehbaz Sharif, taking notice of the declining cotton production, has formed a 15-member committee that will recommend measures for the crop's restoration within 30 days. Federal Minister for National Food Security and Research Rana Tanveer Hussain has been appointed as the convener of the committee, which will review the situation of the cotton crop and propose policy and administrative interventions for its revival.

The committee will also make recommendations for the proper grading of cotton bales according to international standards, particularly pollution parameters, and for ensuring they meet quality standards. Additionally, the committee will provide technical suggestions to increase cotton production across the country.

However, Finance Minister Muhammad Aurangzeb has expressed the government's firm commitment to providing all possible support to the textile sector. He reiterated this commitment during a meeting with the leadership of APTMA in Islamabad on Thursday.

The Finance Minister reaffirmed the government's resolve to address key issues related to taxation, energy, and finance to ensure long-term stability and future growth in Pakistan's industrial sector.

Welcoming the APTMA officials, he assured the delegation that the government recognises the critical role of the textile industry in the national economy and is determined to address its concerns. Earlier, the APTMA delegation, led by Chairman Kamran Arshad, presented a detailed briefing on several important issues related to energy, taxation, and finance affecting the textile sector.

Additionally, the first meeting of the committee formed to review the Export Facilitation Scheme (EFS) on the directives of the Prime Minister was held under the chairmanship of Federal Minister for Planning and Special Initiatives Ahsan Iqbal, along with Federal Minister for Trade Jam Kamal Khan.

It was attended by the Secretary of Commerce, the Chief Economist of the Planning Commission, representatives of the Federal Board of Revenue (FBR), and senior officials from relevant ministries.

More than 60 representatives from the business community participated in the detailed consultative session with government officials via video link. The FBR briefed the committee on the EFS, its recent amendments, and areas where misuse has been identified.

Source: brecorder.com– Mar 10, 2025

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NATIONAL NEWS

India working on improved tariff cut offers for second round of trade talks with the US

The Commerce & Industry Ministry is working on improved offers for import tariff cuts for the US to be tabled in the next round of consultations with Washington DC as the initial proposals discussed by Commerce & Industry Minister Piyush Goyal last week with his counterparts were considered inadequate by the Americans, sources have said.

“There is a possibility that Goyal may visit the US again soon with improved offers based on the feedback he received from his counterparts in Washington DC last week. A clear message was given that the US wanted much more than what India had in mind initially. India needs to make stronger offers before April 2, when US President Donald Trump has threatened countries with reciprocal tariffs,” a source tracking the matter told businessline.

Goyal and his team of officials are in intense consultations with other ministries and departments, including agriculture, on the extent of market openings that the industry and farm sector can handle. They are also scheduled to hold discussions with industry bodies on Thursday, the source said.

“While the first tranche of negotiations on the proposed India-US bilateral trade agreement (BTA) is unlikely to be completed before September this year, the idea is to try and appease the US by making good initial offers so that reciprocal tariffs are not applied on India on April 2,” the source said. A list of demands from the Indian industry is also being prepared.

The US wants steep concessions in almost all areas and wants agricultural products, too, `on the table’.

“While India is ready to offer market access in labour intensive sectors such as textiles, leather, footwear, chemicals and also some other products like electronics and automobiles, the US wants wider and deeper concessions,” the source said.

The industry meetings will largely focus on how India could improve on its initial proposal by offering more cuts and covering more products.

India’s tariffs on US goods stood at a much higher 15.30 per cent (2022) compared to US tariffs on Indian products at around 3.83 per cent, according to a recent report by the SBI Economic Research Department.

Since India’s exports to the US, estimated at $77.51 billion in FY24, are about $35 billion higher than its imports from the country at $42.19 billion, Trump has raised concerns over the US trade deficit.

He has been saying that India’s “very high tariffs” were unfair for the US industry and must be brought down.

US Commerce Secretary Howard Lutnick told the Indian media late last week that the US expected a “macro, large scale, broad-based trade agreement”, that would also include agriculture.

“It is time to do something big, something grand. Something that connects India and US together. Something broad scale, not product by product. Let us bring India’s tariff policy towards America down. And America will invite India in to have an extraordinary opportunity and relationship with us,” he said.

Agriculture is a highly sensitive sector for India as it involves the livelihoods of millions of vulnerable farmers. The Commerce Ministry has indicated that while there is scope to reduce tariffs on items such as nuts, the dairy sector would largely remain untouched.

Source: thehindubusinessline.com– Mar 12, 2025

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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 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– Mar 11, 2025

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Piyush Goyal likely to visit US later this month with revised tariff offer

Union Commerce and Industry Minister Piyush Goyal may visit Washington later this month with a revised list of tariff reductions that India is willing to offer, according to people aware of the matter. The visit would aim to shield India from the impact of reciprocal tariffs — designed to match other countries' tariffs, taxes, and non-tariff barriers — which the Donald Trump administration plans to implement from April 2.

The US visit, Goyal's second in less than a month, signals New Delhi's urgency to defer the imposition of reciprocal tariffs. The minister had last week met key Trump administration officials in the US. India's initial pitch for tariff reductions, according to sources, was deemed inadequate.

Before leaving again for Washington, Goyal would meet exporters and industry representatives on Thursday to discuss the potential impact of the proposed tariff cuts and gauge their concerns, according to another source.

India and the US also aim to finalise the first tranche of a mutually beneficial bilateral trade agreement (BTA) within seven to eight months, said one of the sources quoted above.

The US seeks zero duty on most of its exports to India. So far, labour-intensive export sectors like textiles and leather have not pushed back against tariff cuts. "These sectors aren't worried about any tariff; they don't feel threatened by additional imports (if any) from the US. The larger concern is coming from sectors like agriculture, automobile, and telecom," said one of the sources.

Government departments have been holding discussions to prepare for the upcoming negotiations and explore ways to lower the average applied tariff for US imports.

Trump has repeatedly flagged that India is a high-tariff nation. There's immense pressure on India to reduce duties, especially on cars, and politically sensitive sectors like agriculture. According to a Nomura report, India's weighted average effective tariff on US exports is 9.5 per cent, compared to 3 per cent on Indian exports to the US.

Meanwhile, the Centre informed Parliament that the US had not yet imposed reciprocal tariffs on India. In a written reply to the Lok Sabha, Minister of State for Commerce and Industry Jitin Prasada said both countries were planning to negotiate a multi-sector BTA.

"The US issued a memorandum on Reciprocal Trade and Tariffs on February 13, 2025, wherein the Secretary of Commerce and United States Trade Representative are to take necessary actions to investigate harm to US from any non-reciprocal trade agreements adopted by trading partners and provide a report with detailed proposed remedies for each trading partner," Prasada said. Based on this report, the US might take action under relevant legislation, the minister explained.

Tariffs on table

- The visit aims to shield India from the blow of reciprocal tariffs that the Donald Trump administration plans to implement from April 2
- Revised offer is being made since the initial pitch for tariff reduction made by the India was considered inadequate
- Goyal will also meet exporters and the industry on Thursday to discuss the potential impact of the proposed tariff cuts and gauge their comfort level
- The US side wants zero duty on most of their exports to India

Source: business-standard.com– Mar 11, 2025

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PM Modi says Mauritius visit will strengthen ties, boost partnership

PM Modi says Mauritius visit will strengthen ties, boost partnership

As he embarks on a two-day trip to Mauritius, Prime Minister Narendra Modi on Monday said the visit will open a "new and bright" chapter in the ties between the two nations. Modi is visiting Mauritius on March 11 and 12 at the invitation of Prime Minister Navinchandra Ramgoolam primarily to grace the island nation's national day celebrations.

In his departure statement, the prime minister said he was looking forward to engaging with the leadership of Mauritius to elevate "our partnership in all its facets and strengthen our enduring friendship for the progress and prosperity of our peoples".

A contingent of Indian armed forces will participate in the celebrations along with a warship of the Indian Navy and the Akash Ganga skydiving team of the Indian Air Force.

"Mauritius is a close maritime neighbour, a key partner in the Indian Ocean, and a gateway to the African Continent. We are connected by history, geography and culture," Modi said. "Deep mutual trust, a shared belief in the values of democracy, and celebration of our diversity are our strengths," he said.

The prime minister said the close and historical people-to-people connection between the two sides is a source of shared pride.
"I am confident that this visit will build on the foundations of the past and open a new and bright chapter in the India and Mauritius relationship," he said.

The prime minister noted that "significant strides" have been made in the past 10 years between the two sides with people centric initiatives.

"I look forward to the opportunity to engage with the Mauritius leadership to elevate our partnership in all its facets and strengthen our enduring friendship for the progress and prosperity of our peoples, as well as for security and development in the Indian Ocean Region, as part of our vision SAGAR," he added.

SAGAR stands for Security And Growth for All in the Region.

The national day celebrations of Mauritius will be on March 12.

India and Mauritius have uniquely close cooperation in maritime security, development, capacity-building, besides close people-to-people ties. The close bonds are especially evident in the numerous India-assisted development projects that dot the Mauritian landscape.

India is amongst the largest trading partners of Mauritius.

Mauritius was the second largest source of FDI into India for 2023-24, after Singapore.

Mauritius and India signed a comprehensive economic cooperation and partnership agreement (CECPA) in February 2021 after nearly 15 years of negotiations. It was the first trade agreement signed by India with an African country.

Source: business-standard.com– Mar 10, 2025

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PARLIAMENT QUESTION: MINISTRY OF TEXTILES

PARLIAMENT QUESTION: MODERNISATION OF TEXTILE SECTOR

https://pib.gov.in/PressReleasePage.aspx?PRID=2110109

PARLIAMENT QUESTION: EMPLOYMENT GENERATION UNDER TEXTILE SECTOR

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PARLIAMENT QUESTION: PROMOTION OF PRODUCTION AND EXPORT IN TEXTILE SECTOR

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PARLIAMENT QUESTION: NEW SCHEME FOR TEXTILE INDUSTRY

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PARLIAMENT QUESTION: 5F VISION IN TEXTILE PARKS

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PARLIAMENT QUESTION: IMPACT OF MODERNISATION

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PARLIAMENT QUESTION: NEW INITIATIVES FOR SKILL DEVELOPMENT

https://pib.gov.in/PressReleasePage.aspx?PRID=2110117

Source: pib.gov.in– Mar 11, 2025

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Centre finalising export schemes to shield exporters from US tariffs

The government is finalising the contours of new export promotion schemes that will weave in "adequate flexibilities" to cushion the impact of proposed US tariffs, including the reciprocal, a senior government official said on Tuesday.

"The new schemes will be finalised within a month's time," the official cited above said.

An inter-ministerial panel comprising officials from the ministry of commerce, finance and micro, small and medium enterprises (MSMEs) are working on new support schemes for exporters under the ₹2,250 crore Export Promotion Mission announced in the Budget.

The new schemes are being designed especially for small exporters, to help them avail collateral-free loans, partially fund the compliance needs for non-tariff measures being implemented by developed nations, promote alternate financing instruments through cross border factoring support and provide assistance for risky markets, among other things.

Exporters are seeing the worrying trend of holding back orders due to anticipation of the fear of reciprocal tariffs by the US. They said that they are closely following the developments and are on a "wait and watch" mode.

"The impact that we are seeing right now is that buying has been a little more cautious, the volume (of orders) has gone down as buyers are holding back," Federation of Indian Export Organisations (FIEO) vice president Israr Ahmed said.

Since taking over as the President of the US, Donald Trump has been clear about his intentions to use the country's widening trade deficit as a tool to boost manufacturing and create jobs in America.

Apart from the decision to impose reciprocal tariffs from April 2, the US plans to impose tariffs on items such as steel, aluminium, among other items from March 12. That apart, he plans to impose country-specific additional tariffs on Mexico and Canada. Additional tariffs on China have already been imposed.

"Due to the additional tariffs on China, certain Indian exporters and even exporters from Indonesia and Vietnam have benefited in case of labour intensive sectors. However, at this point of time to quantify the benefits," Ahmed said.

Source: business-standard.com– Mar 11, 2025

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Govt working on sops to help exporters deal with US tariff woes

The government is working on additional sops to help exporters deal with any tariff hikes that the US may impose by building in flexibilities in the ₹2,250-crore export promotion mission announced in this year's Union Budget, sources have said.

US President Donald Trump's reciprocal tariff threats may have already started taking a toll on exports in February with some exporters holding back orders to wait for what is in store next month, a source tracking the development told businessline.

"Our exports are still doing well. But the kind of momentum we see in the last two months of the fiscal, we are not seeing now," the source said.

In case Trump goes ahead with imposition of reciprocal tariffs on Indian exports on April 2, the government will try and provide support to exporters through the export promotion mission which is likely to be notified next month.

"We are working out details of the export promotion mission and will notify it soon," Director General of Foreign Trade Santosh Sarangi said at the launch of SheTrades India Hub by exporters' body FIEO on Tuesday.

Budget announcement

Finance Minister Nirmala Sitharaman announced the export promotion mission in her Budget speech on February 1 with an outlay of ₹2,250 crore. The scheme would facilitate easy access to export credit, cross-border factoring support, and assistance for MSMEs in tackling non-tariff measures in overseas markets, she said.

"Since the export promotion mission has not yet been notified there is room to build flexibilities in it in terms of coverage of products, entities and the scale of incentives," the source explained.

Exporters are looking forward to the export promotion mission as it replaces other popular schemes, notably the market access initiative and the interest subvention scheme (for now).

During April-January 2024-25, India's goods exports posted a nominal growth of 1.39 per cent (year-on-year) to $358.91 billion while imports rose 7.43 per cent to $601.9 billion. Exports registered a fall in the last three consecutive months.

Source: thehindubusinessline.com– Mar 11, 2025

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At sea on US tariffs, incentives in works to check decline in exports

India is considering incentives for exporters to arrest a decline in outbound shipments and mitigate potential impact of reciprocal tariff plans by the Trump administration from April amid some exporters holding back orders to the US due to the prevailing uncertainty, said an official on Tuesday.

These incentives could be part of the Export Promotion Mission announced in the budget and are likely to be notified in a month. India's goods exports fell every month since November.

US President Donald Trump has said his administration would impose reciprocal tariffs on trading partners, including India, from April 2. This would raise US import taxes to match tariffs trading partners impose on American goods.

Though the government is yet to firm up the incentive structure for exporters, the proposed ₹2,250 crore Export Promotion Mission has room for flexibility in giving more incentives as the schemes are yet to be notified, the official said.

"In the last two months, the export momentum is not that much," the official said, adding that exporters are also looking to diversify their markets.

India's goods exports shrank for the third straight month, declining 2.38% on-year to $36.43 billion in January. Merchandise trade deficit widened to a two-month high of $22.99 billion from $16.56 billion a year ago and $21.94 billion in December 2024.

"But exports are not bad if you leave aside petroleum and gems and jewellery. Our exports are still holding up despite all the uncertainty. Had these uncertainties not been there, they would have done better than last year," said the official.

India aims to clock $800 billion in goods and services exports this fiscal year.

The ministries of micro, small and medium enterprises, commerce and industry, and finance are currently discussing incentives to be offered under the mission.

"We will have to keep flexibilities under the scheme to accommodate the evolving situations. We are ready with some draft," the official said.

The Federation of Indian Export Organisations (FIEO) termed the current scenario as fluid but said there is no change in order flow and that overall sales of Indian exporters will not stop even if there is a temporary slowdown. "The only impact that you're seeing is that the buying has been a little more cautious. So, if a customer was to place 100,000 units, they might place 30,000 or 50,000," said Israr Ahmed, vice president, FIEO.

The apex exporters association ruled out any major headwinds for Indian exporters, saying they would pass on the extra cost to buyers in case the US government imposes tariffs.

Source: economictimes.com– Mar 11, 2025

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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– Mar 10, 2025

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CITI-CDRA boosts women farmers role in cotton innovation

Women cotton farmers are revolutionizing cultivation with advanced techniques, backed by CITI-CDRA's expertise. Embracing innovations like High-Density Planting Systems (HDPS), regenerative agriculture, and improved pest management, they are driving productivity while ensuring sustainability.

With hands-on training and continuous support, these farmers enhance fiber quality and adopt eco-friendly practices that safeguard soil health. Their adaptability is reshaping cotton farming, making it more efficient and resilient to climate challenges.

CITI-CDRA's initiatives empower women with knowledge, modern tools, and market access, fostering self-reliance and economic growth. As they integrate sustainable practices, they not only improve yields but also contribute to a greener cotton ecosystem. Their success showcases the potential of innovation-driven farming led by women, setting new benchmarks for the industry.

Source: fashionatingworld.com– Mar 10, 2025

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