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USD	EUR	GBP	JPY
87.08	94.74	112.82	0.59

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INTERNATIONAL NEWS

EU, Canada Slap US With Retaliatory Duties, Industry Urges 'Extreme Caution' in Escalating Trade Wars

The European Union and Canada have made it clear they're tired of President Donald Trump's interminable tariff slinging, responding to his Tuesday announcement that he would implement universal duties on steel and aluminum products with tariffs of their own.

The trade partners on Wednesday announced plans to hike up import duties on a range of U.S.-made goods, including textiles, agricultural products, alcohol and more.

The EU response came first, with European Commission President Ursula von der Leyen announcing that the trade bloc is "matching the economic scope" of America's 25-percent duties on steel and aluminum by rolling out tariffs worth a total of 26 billion euros ($28.33 billion).

The move will come in two phases. First, EU nations will allow the suspension of countermeasures announced during Trump's first term to expire on April 1. These duties, which covered 8 billion euros ($8.7 billion) worth of products like Harley-Davidson motorcycles, boats and bourbon, will resume at the beginning of next month.

"Second, in response to new U.S. tariffs affecting more than 18 billion euros of EU exports, the Commission is putting forward a package of new countermeasures on U.S. exports" valued at up to 18 billion euros ($19.6 billion), which will be implemented by mid-April. These new duties include textiles, leather goods, appliances and tools, food products like poultry, beef, seafood, eggs and vegetables, along with steel and aluminum.

The EU will hold consultations with stakeholders in affected industries and trade representatives until March 26, giving them the opportunity to comment on the proposal.

"In a world fraught with geopolitical and economic uncertainties, it is not in our common interest to burden our economies with tariffs," von der Leyen said upon the announcement.

"We deeply regret this measure. Tariffs are taxes. They are bad for business, and even worse for consumers. These tariffs are disrupting supply chains. They bring uncertainty for the economy," she added, noting that "Jobs are at stake. Prices will go up—in Europe and in the United States."

Meanwhile, Canada is slapping U.S. goods with $29.8 billion worth of retaliatory tariffs as a response to Trump's across-the-board steel and aluminum duties.

America's largest steel supplier said Wednesday that it would impose 25-percent duties on American steel, along with computers, servers, display monitors, sports equipment and other tools.

This new round of taxes only adds to the U.S. duty burden; Canada's soon-to-be prime minister, Mark Carney, said he'd decline to roll back 25-percent retaliatory duties on U.S.-made goods like whiskey after winning the Liberal Party's election on Sunday. This, even after Trump opted to defer his initial 25-percent duties on Canadian products until early April.

All in all, the U.S. is looking at about $60 billion in tariffs on exports to Canada, and it could face $100 billion more if Trump goes through with his "reciprocal" tariff scheme, targeting trade partners across the globe with duties equal to what the U.S. is charged. Trump has said he will make that determination on April 2 after convening with Commerce Secretary Howard Lutnick, who has been tasked with investigating and reporting on America's trade relationships and trade deficits by that time.

According to Canadian news outlet CBC, the country's Finance Minister, Dominic LeBlanc, and other officials like outspoken Ontario Premier Doug Ford, are slated to meet with Lutnick and U.S. Trade Representative Ambassador Jamieson Greer in Washington on Thursday. LeBlanc said the discussion will center on pushing the U.S. to drop all existing tariffs and sparing Canada from reciprocal duties, should they be imposed in April.

"We will continue to maintain our countermeasures and increase them on April 2 if we can't get to a position where their initial measures are all lifted from Canadian businesses," LeBlanc said, noting that the meeting may be an opportunity to "lower the temperature" of the trade tensions.

Industry worries on the rise

The Retail Industry Leaders Association (RILA) urged the USTR to take a measured approach to the proposed reciprocal duties on America's trade partners. The group's vice president, Blake Harden, said that while RILA supports efforts to address unfair practices that negatively impact U.S. business, countermeasures against other countries should be levied mindfully.

"Should USTR's investigation conclude that reciprocal tariffs are the appropriate remedy to address other countries' unfair trade practices, we urge USTR to ensure that any remedial measures do not harm U.S. companies or family budgets," Harden wrote to Ambassador Greer.

"In short, we urge extreme caution in the use of tariffs to address unfair trade barriers to ensure that household budgets are not further squeezed by cost increases," he added. "Instead, we urge USTR to focus on negotiating with our trading partners to reduce trade barriers to U.S. goods and services."

Matt Priest, president and CEO of the Footwear Distributors and Retailers of America (FDRA), came out unequivocally against the use of tariffs on Wednesday. "For years, we've warned that tariffs are a hidden tax on American families, raising the cost of essentials like footwear. Now, we're seeing the consequences firsthand," he said.

According to the Washington trade organization's most recent industry sales survey, footwear sales plunged 26.2 percent in the week ending Feb. 22, compared to the same retail week in 2024.

"This isn't just a routine market shift—it's a clear sign that rising inflation and the looming threat of new tariffs directly impact consumer behavior," Priest said.

"The administration still has an opportunity to change course before the damage worsens. If these tariffs expand, prices will rise further, businesses will struggle, and American families will continue to feel the squeeze," he added. "With midterm elections approaching, voters will remember who took action to lower costs and who didn't. We remain committed to working with policymakers on both sides to find solutions that remove these unnecessary burdens and provide real relief to consumers and businesses alike."

Echoing the exasperation, American Apparel and Footwear Association (AAFA) president and CEO Steve Lamar told Sourcing Journal, “Once again, we find ourselves locked in a destructive tit for tat cycle.”

According to the Washington trade group lead, “U.S. threatened and imposed tariffs are creating costs and uncertainty while undermining predictability of well-established trade partnerships.”

“Add to this pain retaliatory tariffs, which are targeting U.S. manufacturers who are already facing higher costs due to U.S. tariffs on imported materials and equipment,” he added. “The only things such a reckless tariff policy brings are inflation and more tariffs, and that is now playing out in real time.”

Source: sourcingjournal.com– Mar 12, 2025

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UK retail sales show modest growth in February: BRC

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

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

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

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

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

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

"Consumers remain cautious with their spending, and many are continuing to prioritise saving, travel and experiences. Online non-food sales growth is outpacing in-store and while shops will always be a key part of many retailers' strategy - rent, rates, and employment costs all must be factored in.

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

Source: fibre2fashion.com– Mar 13, 2025

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China Urges USTR to 'Stop its Wrongdoings' Over Proposed Port Fees

China's top foreign affairs department chastised the U.S. for its proposal to impose port fees on Chinese-operated and -built vessels, calling for the U.S. Trade Representative's (USTR) office to "immediately stop its wrongdoings."

At a Monday press conference, China's foreign affairs ministry spokesperson Mao Ning said the proposed fees, alongside the recently added 20 percent tariff on Chinese imports, hurt both the U.S. and others.

"The move not only hikes global maritime shipping costs and disrupts the stability of global industrial and supply chains, but also increases inflationary pressures in the U.S. and hurts the interests of American consumers and businesses," said Mao.

Under the USTR's proposal, vessels operated by Chinese companies would either pay up to a $1 million service fee per ship calling at a U.S. port, or pay up to $1,000 per net ton of the vessel's capacity. Chinese-built ships could see fines as high as $1.5 billion per port, and carriers could also be charged up to $1 million per port call if more than 50 percent of new orders comes from Chinese shipyards.

Shipping executives and analysts have argued that such measures would increase shipping costs across the board, and would affect every ocean carrier. Currently, China is responsible for building 70 percent of upcoming orders for ships, according to data from Linerlytica.

"The practice will ultimately fail to revitalize the U.S. shipbuilding industry," Mao said. "We urge the U.S. to respect facts and multilateral rules, and immediately stop its wrongdoings. China will take necessary measures to defend its lawful rights and interests."

The recommendations do not represent official policy until the Trump administration determines whether the new fees will be imposed. The USTR expects to host a public hearing about the proposal on March 24.

The USTR made the move in response to a nine-month investigation into China's maritime, logistics and shipbuilding practices. That probe determined that the country had an "unreasonable" dominance of those industries due to policies that “unfairly depress costs” or provide other advantages.

At the time, China commerce ministry said the conclusions of the report were “full of false accusations.”

Another report released Tuesday by the Center for Strategic and International Studies suggested that foreign companies are inadvertently helping facilitate the expansion and modernization of China’s naval fleet.

Over 75 percent of the production at China’s shipyards was destined for firms based outside of China or Hong Kong, the report said.

China’s far distance ahead of the U.S. in shipbuilding capabilities along with the countries’ rocky trade relationship have provided the driving subtext throughout the probe, which was spurred on by a petition from five labor unions. While Chinese shipyards now produce over 1,000 ocean-going vessels a year, the United States produces fewer than 10, according to Clarksons Research.

In a speech to Congress on March 4, President Donald Trump announced he would create an office of shipbuilding in the White House that would cover both commercial and military vessels.

Trump did not provide further details beyond saying the office would offer special tax incentives to help reshore the industry. The office’s function has historically been housed in the Department of Transportation’s Maritime Administration and in Naval Sea Systems Command.

U.S. lawmakers have been throwing their support behind the U.S. shipbuilding push, as well as extending their hawkishness against China, with the bipartisan SHIPS for America Act having been introduced in Congress in December 2024.

That bill would require that within 15 years of its passage, 10 percent of all cargo imported into the U.S. from China must be imported on American-flagged vessels that are also and built in the U.S. and staffed by American crews.

Additionally, it would raise the percentage of U.S. government cargo that must sail on U.S.-flagged vessels from 50 percent to 100 percent.

Another piece of bipartisan legislation, the American Cargo for American Ships Act, was introduced by Congressmen Mike Ezell (R-Miss.) and Salud Carbajal (D-Calif.) on Tuesday. The bill aims to reduce the ongoing decline of U.S.-flagged ships, and strengthen the country's cargo preference laws.

The act, if passed, would ensure that all cargo procured, furnished or financed by the Department of Transportation would be transported on private, U.S.-owned commercial vessels.

"Ensuring that American cargo is transported on American ships with American crew is a matter of economic strength and domestic investment," Ezell said in a statement. "This bill prioritizes U.S. vessels and American jobs, reinforcing our maritime industry and reducing dependence on foreign shipping. I'm proud to introduce this legislation to support our domestic fleet, protect our supply chains, and keep America strong on the seas."

Source: sourcingjournal.com– Mar 12, 2025

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Economic and Political Uncertainty Prove Retailers' Most Serious Concern for 2025

Tariffs and increased costs may have fashion and apparel purveyors feeling blue, according to data from BlueCherry's annual supply chain and technology report.

BlueCherry is Computer Generated Solutions (CGS)'s fashion and apparel supply chain software. This iteration of the report marks the 10th anniversary of collecting such data. But for Paul Magel, president, business applications and technology outsourcing at CGS, the more trends and concerns change, the more they stay the same.

While Magel has seen companies' interests, priorities and fears change over the past ten years, it remains clear that most businesses still have work to do on supply chain visibility, as well as on keeping costs reasonable.

In 2025, the latter theme feels especially important.

Eight in 10 respondents said price and cost control will be at least moderately important for 2025, and 76 percent of respondents said the same of economic and political stability. Magel said price control relies heavily on the geopolitical environment globally.

"They're intermingled. Because of the tariffs and the instability, they're concerned about their pricing controls. I think there's a little bit of tariff derangement syndrome going on in the industry. People are getting way ahead of their skis," he said. "They want to pick up and leave a sourcing destination. I'm like, where are you guys going to go? You don't know what's next...Where are you going to go that's not going to get tariffs?"

But political and economic wobbling is what really keeps executives up at night; it was the No. 1 serious concern among respondents, with 40 percent saying they felt some unrest over it, up nine percentage points from 2024's figure of 31 percent. Meanwhile, 34 percent of respondents said price and cost control were a serious concern, down 7 percentage points from last year.

That's likely, in large part, because of the U.S. political environment—President Donald Trump's flurry of tariffs has given brands and retailers some strife, as have price-sensitive consumers reacting to the president's policies.

But Magel said this kind of uncertainty is a lesson that brands and retailers should've learned years ago, when the Covid-19 pandemic proved that disruptions aren't far underneath the surface of many organizations' global supply chains.

"Shame on you for being worried about the tariffs, because you should have learned the lessons of Covid, in that you should have diversified [your] supply chain already. You should have strengthened your partnerships with your vendors. You should have already had an agreement to do sharing of data…and you should have a much more symbiotic relationship, because when things like tariffs are coming in, then you've got a reason to talk to your partner and say, 'Okay, we're in this together,'" he said.

In the face of potential disruptions, some retailers and brands have indicated a strong interest in nearshoring or reshoring. In 2024, 18 percent of respondents said those strategies would be very important or important to their growth; that figure surged by 27 percentage points to 45 percent of respondents saying the same this year.

Magel said the nearshoring trend began after the onset of Covid-19, when brands and retailers fully acknowledged their deep reliance on China for manufacturing and transport. That cycle has again returned, as Trump's China tariffs—and the variability that has, thus far, come with his strategy—threaten to drive up costs for companies doing the majority of their sourcing from China.

While Magel projects that Mexico and some Latin American countries building vertically integrated factories might start to get some play from companies looking to further diversify their supply chains, he has a strong hesitation about reshoring.

"The cautionary tale there is, we don't have the labor force in the United States. So you can bring manufacturing here, but who's actually going to do it? We don't have the engineers anymore, and we don't have the labor—we're deporting all of the labor force right now," he said.

Beyond nearshoring and reshoring, brands and retailers also grew their interest in demand planning, likely in part to help up lead times in an effort to keep costs as low as possible. In 2024, 55 percent of respondents said they would prioritize merchandise demand planning, and in 2025, that rose by 22 percentage points to 77 percent.

Magel said upping the game on technology strategy can help brands and retailers get there; he expects to see artificial intelligence solutions within demand planning surge. Accordingly, AI and analytics supersedes merchandise demand planning when it comes to organizations' technology spends. Last year, 54 percent of respondents had AI projects completed, started or planned. This year, that figure has surged, with eight in 10 organizations saying the same.

But in order to implement any technology effectively, he advised, clean, reliable data is a deeply important consideration. "It's all about the data," he said. "Make sure you have the appropriate data, digitize, validate that data coming in, contextualize it and then make sure you've got the sophistication to understand how to utilize that data to be as efficient and effective as possible."

Fifty-six percent of respondents are currently in the process of improving their demand planning, and 27 percent of organizations have future plans to do so. That demand planning will have to extend to a variety of channels as consumers' preferences continue to change.

This year, respondents indicated that their top growth opportunity is acquiring new customers and working on new channels. That breaks a six-year long streak of e-commerce being brands and retailers' top priority. Magel said that's likely because e-commerce growth has plateaued for many, and in the face of an uncertain economic environment, companies want to future proof themselves by serving new and existing consumers to the best extent possible.

"Instead of just looking at e-commerce as that channel of growth, they're looking across everything—whether it's new geographies, new platforms, social media, whatever it may be that they need to sell through, versus just saying, 'I want to increase my e-commerce business,'" he said.

Source: sourcingjournal.com– Mar 12, 2025

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Cambodia's apparel exports rise 26% to $1.7 bn in Jan-Feb 2025

Cambodia's apparel exports increased by 26.29 per cent to $1,729.428 million during the first two months of 2025. Apparel exports accounted for 38.8 per cent of the country's total foreign income, which reached $4.460 billion, according to the General Department of Customs and Excise (GDCE) under the Ministry of Economy and Finance.

During this period, Cambodia’s exports of knitted apparel and clothing accessories (Chapter 61) totalled $1,038.619 million, marking a 23.3 per cent increase from $842.411 million in January-February 2024. Similarly, exports of non-knitted apparel and clothing accessories (Chapter 62) rose by 31.0 per cent to $690.809 million, up from $527.301 million in 2024.

In February 2025, Cambodia's exports of knitted apparel and clothing accessories (Chapter 61) amounted to $467.224 million, a 14.8 per cent increase from $406.847 million in February 2024. Likewise, exports of non-knitted apparel and clothing accessories (Chapter 62) rose by 20.8 per cent to $312.205 million, up from $258.431 million in February 2024.

As for the imports, Cambodia's imports of knitted or crocheted fabrics (Chapter 60) reached $455.928 million in January-February 2025, an increase of 12.9 per cent from $403.788 million in the same period of 2024. Imports of man-made fibres (Chapter 55) rose by 2.4 per cent to $226.668 million, compared to $221.301 million in the previous year. Imports of cotton and cotton yarn (Chapter 52) also grew by 12.6 per cent to $122.374 million, up from $108.651 million in January-February 2024.

Cambodia's strong performance in the textile and garment trade is noteworthy, signalling an improvement in global demand for textiles and apparel. However, export performance was stronger in January compared to February this year.

In 2024, the country's apparel exports surged by 24.44 per cent to $9.791 billion, comprising $6.638 billion from knitted apparel and $3.153 billion from non-knitted apparel. That same year, Cambodia imported knitted or crocheted fabrics worth $3.081 billion, man-made fibres worth $1.349 billion, and cotton and cotton yarn worth $766.003 million.

In 2023, Cambodia's apparel exports declined by 12.91 per cent to $7.87 billion, contrasting with a 12.69 per cent increase in 2022, when total exports reached $9.04 billion.

Source: fibre2fashion.com– Mar 13, 2025

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Dutch manufacturing sees first growth in over 18 Months

The Netherlands' manufacturing sector recorded a slight recovery in January 2025, marking the first increase in output in more than a year and a half, according to new data from Statistics Netherlands (CBS).

The calendar-adjusted output of the sector was 0.5 per cent higher than in January 2024, suggesting a potential shift in industrial performance. More than half of the country's major industrial sectors produced more than they did a year earlier.

A clearer short-term trend emerges when adjusting for seasonal effects and working-day variations. On this basis, manufacturing output increased by 1.0 per cent in January 2025 compared to December 2024, indicating a modest but positive rebound, as per CBS.

Manufacturers in the Netherlands were less pessimistic in February compared to January, particularly regarding their stock of finished products. This slight improvement in sentiment aligns with trends in Germany, a key market for Dutch exports. According to Eurostat, German business confidence in the manufacturing sector also improved in February, suggesting a potentially broader industrial recovery in Europe.

Manufacturing output, when adjusted for seasonal and working day effects, often shows volatility. The sector faced a sharp downturn in early 2020, hitting its lowest point in May of that year due to pandemic-related disruptions. However, a strong recovery followed until mid-2022, after which output entered a downward trend that continued until recently.

Source: fibre2fashion.com– Mar 13, 2025

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Spain's Inditex plans $1.96 bn investment for growth in 2025

Spanish clothing company Inditex, which owns Zara, has maintained a strong commitment to profitable growth, with an expected annual gross space increase of around 5 per cent in 2025-2026. Ordinary capital expenditure for 2025 is projected at €1.8 billion (~$1.96 billion), primarily for commercial space optimisation, technological integration, and online platform improvements.

The company aims to build on recent business growth through various initiatives, including ongoing store optimisation to enhance productivity. Annual gross space is expected to grow by around 5 per cent in 2025-2026, with a positive contribution from physical stores and strong online sales.

The company's logistics expansion plan, allocating €900 million per year in 2024 and 2025, remains on track to enhance logistics capacities and support global growth opportunities, Inditex said in a press release.

The Zaragoza II distribution centre for Zara is set to begin operations in summer 2025. Investments will adhere to high sustainability standards and incorporate advanced technology. Inditex anticipates a -1 per cent currency impact on sales in 2025 and expects a stable gross margin within a +/-50 basis points range.

Financial performance in 2024

Inditex experienced strong sales growth in 2024 as total sales increased by 7.5 per cent year-over-year (YoY) to €38.6 billion (~$42.07 billion), demonstrating robust performance across both physical stores and online platforms. Sales in constant currency rose by 10.5 per cent, with all concepts reporting positive results. Store sales grew by 5.9 per cent, driven by increased footfall and higher productivity.

Inditex's gross profit increased by 7.6 per cent to €22.3 billion, with the gross margin reaching 57.8 per cent (+8 bps). Including all lease charges, operating expenses grew 126 basis points below sales growth. EBITDA rose by 8.9 per cent to €10.7 billion, while EBIT increased by 11.0 per cent to €7.6 billion. Net income for 2024 reached €5.9 billion, marking a 9.0 per cent YoY rise.

The company's online sales saw strong growth of 12.0 per cent YoY, reaching €10.2 billion. Customer engagement remained high, with active app users reaching 218 million. Online visits in the 2024 financial year increased by 10.0 per cent, totalling 8.1 billion.

Brand-wise, Zara, including Zara Home, led with €27.8 billion (~$30.30 billion) in sales, up 6.6 per cent. Stradivarius recorded the highest growth at 14.1 per cent, reaching €2.7 billion. Bershka and Oysho both saw an 11.8 per cent rise, with sales of €2.9 billion and €831 million, respectively. Pull&Bear grew by 4.6 per cent to €2.5 billion, while Massimo Dutti matched Zara's growth rate at 6.6 per cent, reaching €2.0 billion.

The company's ongoing store optimisation and digitalisation programme remained a key factor in this growth. The increase in store sales was achieved despite a 2.3 per cent reduction in the number of stores compared to 2023, with commercial space expanding by 2.0 per cent. Gross new space in 2024 increased by 5.8 per cent.

"The excellent sales and profit figures show the solidity of the Inditex group's profitable growth, based on the quality of the commercial offer of all our formats, the efficiency in all operations and the constant innovation with which our teams drive a business model that continues to show its ambition and strength 50 years after the opening of our first store," said Oscar Garcia Maceiras, chief executive officer (CEO) at Inditex.

Inditex opened stores in 47 markets in 2024. During the year, the group opened its first stores in Uzbekistan and remained very active in store optimisation activities (257 openings, 254 refurbishments which include 121 enlargements and 386 absorptions). At the end of FY2024, Inditex operated 5,563 stores.

During the period between February 1 and March 10, 2025, the company's Spring/Summer collections have been well received, with store and online sales (adjusted for the leap year effect) rising 4 per cent, compared to the same period in 2024. Sales in the last commercial week increased by 7 per cent in constant currency.

Source: fibre2fashion.com– Mar 13, 2025

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

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

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

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

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

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

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

Source: fibre2fashion.com– Mar 12, 2025

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Unravelling Threads: Are apparel stores facing a 'retail apocalypse'?

The familiar sight of bustling clothing stores, once cornerstones of shopping malls and high streets, is fading. A chilling wind is sweeping through the apparel retail sector, leaving behind a trail of shuttered storefronts and bankruptcies. The so-called 'retail apocalypse', a term that has haunted the industry for years, is intensifying, particularly in the realm of clothing.

A statistical snapshot of decline

Data paints a stark picture. As per Coresight Research, in 2023, US retailers announced over 5,000 store closures, with a significant portion belonging to apparel and footwear.

While this number is down from the pandemic highs, the trend of closures continues. In the first half of 2024, numerous brands have already announced significant downsizing.

"The landscape is undeniably shifting," says Deborah Weinswig, CEO, Coresight Research. "While the pandemic accelerated existing trends, the underlying issues – overexpansion, changing consumer behavior, and the rise of e-commerce – remain."

Globally, the impact is being felt most acutely in the US and parts of Europe, where traditional retail infrastructure was most entrenched. However, even emerging markets are witnessing a recalibration as consumers increasingly embrace online shopping.

And here are some examples of the meltdown. For example, JCPenney, once a department store giant, JCPenney filed for bankruptcy in 2020, closing hundreds of stores.

While it emerged from bankruptcy, its footprint is significantly reduced, reflecting the struggles of mid-market department stores. The brand's inability to adapt quickly enough to the digital landscape and its struggles with brand identity were major contributing factors.

Similarly, recently, Express filed for bankruptcy and announced the closure of over 90 stores. This highlights the ongoing challenges faced by apparel retailers targeting younger demographics, who are particularly susceptible to online trends and fast-fashion alternatives. Bed Bath & Beyond is another example.

While not strictly apparel, the collapse of Bed Bath & Beyond serves as a cautionary tale. Once a retail giant, its failure to adapt to online competition and its reliance on outdated business models led to its demise. This demonstrates the fragility of even established retail brands in the current climate.

Other notable closures/restructuring included the likes of Gap, Banana Republic and even fast fashion brands like Forever 21 that have gone through periods of significant store closures and restructuring in recent years, demonstrating that no sector of the apparel industry is immune.

Why the crisis?

There are several factors behind this perfect storm. E-commerce dominance is a major one. The rise of online shopping has fundamentally altered consumer behavior. Convenience, price comparison, and a vast selection have lured customers away from brick-and-mortar stores.

Meanwhile, consumers too are increasingly prioritizing experiences over material possessions. Sustainability and ethical sourcing are also gaining importance, putting pressure on traditional retailers to adapt. Many retailers expanded aggressively during periods of economic growth, accumulating significant debt. The pandemic and subsequent economic uncertainties exposed these vulnerabilities.

Also, rising inflation and economic uncertainty are forcing consumers to tighten their belts, leading to decreased spending on discretionary items like apparel. The rise of fast fashion and now ultra fast fashion like Shein, has put immense pressure on traditional retailers to keep up with trends and offer competitive prices.

As Neil Saunders, Managing Director, GlobalData Retail opines, “The consumer has evolved, and retailers must evolve with them. Those who fail to embrace digital innovation, curate compelling in-store experiences, and offer value-driven propositions will continue to struggle."

The future of apparel retail

The ‘retail apocalypse’ is not necessarily the end of brick-and-mortar stores. Rather, it signifies a period of profound transformation. The future of apparel retail lies in first the seamlessly integrating online and offline experiences.

Adopting experiential retail that offer unique and engaging in-store environments. Leveraging data to understand customer preferences and tailor offerings. Embracing environmentally and socially responsible business models and reducing store footprints and focusing on curated assortments.

Source: fashionatingworld.com– Mar 12, 2025

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Threadbare Standards: The cracks in global garment industry's quality façade

A recent survey by product auditing firm QIMA reveals the persistent quality and failure issues plaguing the global garment industry, a disconcerting trend of declining standards amidst escalating pressures. This isn't just a matter of frayed seams; it's a systemic issue impacting consumer trust, brand reputation, and the fabric of the global supply chain.

The QIMA report: A stark reality check

QIMA's latest quality control report, analyzing data from thousands of inspections and audits conducted globally, indicates a worrying uptick in defect rates across various garment categories. While specific numerical data points fluctuate depending on the region and product type, the overall trend points to a consistent challenge in maintaining quality.

"We've observed a recurring pattern of issues related to fabric defects, stitching inconsistencies, and sizing discrepancies," says Sebastien Breteau, CEO of QIMA. “The pressure to deliver at lower costs is undeniably impacting the overall quality control processes.”

The report highlights common defects:

Fabric flaws: Holes, stains, and uneven weaves, often indicating subpar raw material sourcing or inadequate quality checks.

Stitching irregularities: Skipped stitches, loose threads, and uneven seams, point to potential issues with machinery maintenance or operator training.

Sizing inconsistencies: Variations from specified measurements, leading to consumer dissatisfaction and increased return rates.

These findings are corroborated by anecdotal evidence from consumer forums and online reviews, where complaints about poor garment quality are rife.

The price-quality paradox

One of the most significant factors contributing to this decline is the relentless pressure to drive down prices. In a hyper-competitive market, brands are constantly seeking ways to reduce costs, often at the expense of quality. This is particularly evident in the sourcing of fabrics, where cheaper alternatives may be used to meet aggressive price targets. There's a constant tension between cost and quality, say sourcing managers. They say, to meet the price points demanded by retailers and consumers, sometimes they have to compromise on fabric quality. This can lead to issues with durability and appearance.

This pressure is increased due to fast fashion, where rapid production cycles and low prices are paramount. The focus on speed and affordability often leaves little room for rigorous quality control, creating a breeding ground for defects. For example, the Rana Plaza incident in Bangladesh in 2013; while the accident was a structural failure, it highlighted the risks of cutting corners to meet low price demands, and the pressures placed on manufacturing facilities. Even though much has changed since, price pressures still remain.

Navigating conflicting demands

Consumers are increasingly demanding both affordability and quality. However, they are often unaware of the trade-offs involved in achieving these seemingly contradictory goals. This creates a dilemma for brands, who must balance the need to offer competitive prices with the imperative to maintain quality standards.

The rise of e-commerce has further complicated the situation. Online shoppers often rely on visual cues and product descriptions, which may not accurately reflect the actual quality of the garment. This can lead to disappointment and returns, impacting brand reputation and profitability.

"Consumers want value for money, but they also want products that are durable and well-made," says a retail analyst. "Brands need to be transparent about their sourcing and manufacturing practices to build trust and avoid consumer backlash."

The marketplace is also seeing a rise in sustainable fashion, where consumers are willing to pay a premium for ethically sourced and environmentally friendly products. This trend could potentially shift the focus from price to quality and sustainability, but it remains to be seen whether it will have a significant impact on the broader industry.

Towards a more sustainable quality model

Addressing the quality challenges facing the garment industry requires a multi-faceted approach. Brands need to invest in robust quality control systems, from raw material sourcing to final product inspection. Supply chain transparency is also crucial, allowing consumers to make informed choices about the products they purchase.

Also, a shift in consumer mindset is needed, moving away from a focus on low prices towards a greater appreciation for quality and durability. This requires education and awareness campaigns to highlight the true cost of cheap clothing, both in terms of environmental impact and ethical considerations. Ultimately, the future of the garment industry depends on its ability to balance the demands of affordability and quality, creating a more sustainable and responsible model that benefits both consumers and producers.

Source: fashionatingworld.com– Mar 12, 2025

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ICE cotton futures show mixed trend, market awaits WASDE report

ICE cotton futures ended with a mixed trend on Monday. The immediate-month May 2025 contract traded at a loss due to a stronger US dollar and falling crude oil prices. A higher US dollar index makes cotton purchases less attractive, discouraging overseas buyers. Weaker crude oil prices make polyester fibre cheaper, adding additional pressure on natural fibre. However, other contracts settled with gains of 6 to 49 points yesterday. Traders are awaiting the WASDE report, which is due on Tuesday.

Yesterday, the ICE cotton May 2025 contract settled at 66.00 cents per pound (0.453 kg), down by 0.07 cents. However, other contracts recorded gains ranging from 6 to 49 points. The dollar index gained on Monday, reducing the competitiveness of cotton. A stronger dollar made cotton purchases more expensive for overseas buyers. Meanwhile, crude oil prices slipped, which was also a negative factor for ICE cotton, as cheaper crude oil reduces the cost of polyester fibre production.

The trading volume stood at 30,193 contracts, with an open interest of 138,280 contracts. Cleared contracts totalled 45,169 last Friday. The market is awaiting the World Agricultural Supply and Demand Estimate (WASDE) report for clearer insights regarding global demand and supply. The report will be released on Tuesday, and the market may take direction from this crucial release. Traders were concerned about potential disruptions due to tariff measures taken by US President Donald Trump. He dismissed market concerns about a recession, insisting that this is a transitional period. Ultimately, he claimed that the US economy would benefit from the new economic policies of the Trump administration.

Currently, ICE cotton for May 2025 is trading at 65.73 cents per pound (down 0.27 cents), cash cotton at 64.00 cents (down 1.54 cents), the July 2025 contract at 66.98 cents (down 0.23 cents), the October 2025 contract at 69.11 cents (unchanged), the December 2025 contract at 68.50 cents (down 0.16 cents), and the March 2025 contract at 69.59 cents per pound (down 0.17 cents). A few contracts remained at the same level as the last closing, with no trading noted today.

Source: fibre2fashion.com– Mar 11, 2025

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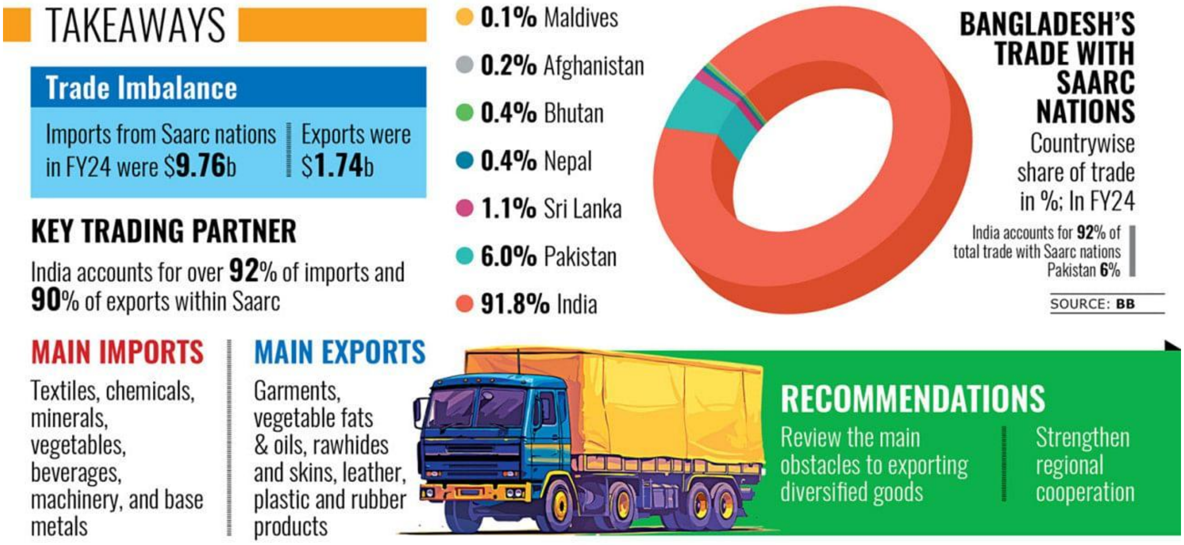
Bangladesh imports over five times its exports to Saarc nations

Bangladesh continues to grapple with a significant trade imbalance with Saarc countries as import payments far exceed exports, according to the latest Bangladesh Bank (BB) report.

The report, covering fiscal year (FY) 2023-24, shows Bangladesh's total import payments to Saarc nations stood at $9.76 billion while export earnings from the region reached only $1.74 billion.



Imports were more than five times the value of Bangladesh's exports to the eight-member bloc, underscoring the country's heavy reliance on goods from its South Asian neighbours -- particularly India, its largest trading partner in the region and second-largest import source after China.

Imports from Saarc accounted for 15.44 percent of Bangladesh's total imports of $63.22 billion in FY24, up slightly from a year earlier.

In the same year, exports to the region made up 4.47 percent of total shipments of around $39 billion, according to the BB report on Bangladesh's trade, remittances and foreign investment within Saarc, released Tuesday.

"The respective authority should take appropriate policy measures to reduce the amount of imported goods from Saarc countries by raising indigenous production of such goods to meet the demand of the people of Bangladesh," the BB said.

The report also said Bangladesh's overall imports declined in FY24 from the previous year, in line with a broader drop in total imports. Exports also fell, reflecting a downward trend in trade with regional partners.

Of the total imports from Saarc, Bangladesh sourced over 92 percent from India in FY24. Similarly, India accounted for 90 percent of Bangladesh's exports to the region, the report said.

After India, the top three destinations for Bangladeshi goods within Saarc were Pakistan, Nepal and Sri Lanka.

Pakistan was the second-largest source of imports within Saarc, with Bangladesh paying $627 million in FY24, or 6.34 percent of the total import payments to the region.

However, exports to Pakistan declined sharply, falling 25 percent year-on-year to $62 million in FY24 from $82.85 million a year earlier.

Exports to Pakistan made up 3.56 percent of the total shipments to Saarc.

Bangladesh mainly imported textiles and textile articles, chemical products, mineral products, vegetable products, beverages, spirits and vinegar, tobacco, machinery and mechanical appliances, base metals, and articles of base metals from Saarc nations.

Its key exports included garments, vegetable fats and oils such as rice bran oil, rawhides, leather, and plastic and rubber products.

"India stands out as the primary destination for Bangladesh's export receipts within the Saarc region, showing substantial growth over the years."

The report said exports to Saarc nations displayed mixed trends -- some countries showed consistent growth while others fluctuated, "possibly influenced by economic factors, trade agreements, or specific industries".

Export receipts from Pakistan varied over the years, peaking at $105.80 million in FY22.

Sri Lanka was the third-largest destination for Bangladeshi exports within Saarc, accounting for 3.11 percent of total shipments.

"Export receipts of Bangladesh from Sri Lanka have been steadily increasing," the report said.

Exports to Nepal also showed growth, especially from FY11 to FY22, reaching a peak of $105.50 million in FY22 before plunging to $43.38 million in FY24.

Nepal accounted for 2.49 percent of Bangladesh's exports in FY24.

The Maldives, Bhutan and Afghanistan collectively imported about $25 million worth of Bangladeshi goods, with earnings from these three countries remaining stagnant over time.

The BB said Bangladesh exports a limited range of products within Saarc.

"Thus, authorities like the Export Promotion Bureau and Bangladesh Bank should take effective initiatives to boost export earnings from the Saarc region by selling diversified Bangladeshi goods."

"The authorities should review the main obstacles to selling diversified Bangladeshi goods to Saarc countries and mitigate them to reduce the trade deficit," it added.

The central bank further said that while Bangladesh continues to exhibit economic growth and trade expansion, further exploration of opportunities and mitigation of challenges, particularly within Saarc, remain necessary.

"Strengthening regional cooperation and addressing trade imbalances will be essential for sustainable economic development."

Source: thedailystar.net– Mar 13, 2025

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Pakistan: Meeting discusses steps to maximise cotton output

The Committee on Cotton Crop Production Enhancement, constituted on the directives of Prime Minister Shehbaz Sharif, held its maiden meeting that primarily focused on the immediate steps needed to increase cotton production as Pakistan's harvest decreased significantly.

Participants of the meeting, chaired by Federal Minister for National Food Security and Research Rana Tanveer Hussain, engaged in extensive discussions, where they provided valuable insights and recommendations.

Pakistan Central Cotton Committee Vice President Dr Yusuff Zafar briefed the meeting on the current cotton production scenario. He, along with other participants, highlighted several pressing issues including the lack of high-quality seeds, absence of proper area zoning, insufficient research on genetically modified organism (GMO) seeds, discriminatory tax policies, undocumented cotton production and need for better awareness campaigns.

Stakeholders emphasised the importance of promoting those crops that could spare land for early cotton sowing. In that regard, they cited the examples of onion and mustard crops.

Rana Tanveer Hussain assured all participants that their feedback would be incorporated into the final report and reiterated that the committee's primary goal was the effective implementation of strategies that could maximise cotton production.

Source: tribune.com.pk– Mar 12, 2025

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NATIONAL NEWS

India's Index of industrial production records growth of 5.0% in January 2025

The Quick Estimates of Index of Industrial Production (IIP) are released on 12th of every month (or previous working day if 12th is a holiday) with a six weeks lag and compiled with data received from source agencies, which in turn receive the data from the producing factories/ establishments. These Quick Estimates will undergo revision in subsequent releases as per the revision policy of IIP.

2. Key Highlights:

- The IIP growth rate for the month of January 2025 is 5.0 percent which was 3.2 percent (Quick Estimate) in the month of December 2024.
- The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of January 2025 are 4.4 percent, 5.5 percent and 2.4 percent respectively.
- The Quick Estimates of IIP stands at 161.3 against 153.6 in January 2024. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2025 stand at 150.7, 159.1 and 201.9 respectively.
- Within the manufacturing sector, 19 out of 23 industry groups at NIC 2 digit-level have recorded a positive growth in January 2025 over January 2024. The top three positive contributors for the month of January 2025 are – “Manufacture of basic metals” (6.3%), “Manufacture of coke and refined petroleum products” (8.5%) and “Manufacture of electrical equipment” (21.7%).
- In the industry group “Manufacture of basic metals”, item groups “Flat products of Alloy Steel “, “Pipes and tubes of Steel”,” MS blooms/ billets/ ingots/ pencil ingots” have shown significant contribution in growth.
- In the industry group “Manufacture of coke and refined petroleum products”, item groups “Diesel”, “Petrol/ motor spirit”, “Liquefied

Petroleum Gas (LPG)" have shown significant contribution in growth.

- In the industry group "Manufacture of electrical equipment" item groups "Transformers (Small) ", "End facing connector for optical fibres and cables", "Electric heaters" have shown significant contribution in growth.

- As per the use base classification, the indices stand at 162.8 for Primary Goods, 116.8 for Capital Goods, 172.3 for Intermediate Goods and 199.6 for Infrastructure/ Construction Goods for the month of January 2025. Further, the indices for Consumer durables and Consumer non-durables stand at 130.2 and 164.5 respectively.

- The corresponding growth rates of IIP as per Use-based classification in January 2025 over January 2024 are 5.5 percent in Primary goods, 7.8 percent in Capital goods, 5.2 percent in Intermediate goods, 7.0 percent in Infrastructure/ Construction Goods, 7.2 percent in Consumer durables and (-)0.2 percent in Consumer non-durables (Statement III). Based on use-based classification, top three positive contributors to the growth of IIP for the month of January 2025 are – Primary goods, Infrastructure/ construction goods and Intermediate goods.

- Monthly Indices and Growth Rate (in %) of IIP for the last 13 months

Click here for more details

Source: pib.gov.in– Mar 12, 2025

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Prospect of new tariffs could hit global trade in the medium term: WTO Goods Trade Barometer

Prospect of new tariffs and a rise in trade policy uncertainty could adversely affect global trade in the medium term even as trade looked set to continue growing in the first months of 2025, per WTO Goods Trade Barometer readings released on Wednesday.

The WTO, in a statement, cautioned that the rising trade policy uncertainty could have temporarily boosted trade as businesses and consumers frontload imports ahead of potential measures, but it may lead to a possible reduction of demand later in the year.

Without directly mentioning the tariff war triggered by US President Donald Trump's tariff offensive and the uncertainty caused due to it, the statement noted that the barometer index should be interpreted with caution and export orders should be watched closely for any sign of an emerging trade slowdown.

"Global goods trade appeared to remain steady in the fourth quarter of 2024 and looked set to continue growing in the first months of 2025 as the WTO Goods Trade Barometer ticked up to 102.8, nearly unchanged from the previous reading of 102.7 from last December," the statement said.

The latest reading of 102.8 for the barometer index would normally signify that merchandise trade was above trend, with accelerating growth. "However, rising trade policy uncertainty could have temporarily boosted trade as businesses and consumers frontload imports ahead of potential measures, possibly reducing demand later in the year. As a result, the barometer index should be interpreted with caution," it said.

The Goods Trade Barometer is a composite indicator for world trade and provides real-time information on the trajectory of merchandise trade relative to recent trends.

Barometer values greater than 100 are associated with above-trend trade volumes while barometer values less than 100 suggest that goods trade has either fallen below trend or will do so in the near future.

Numbers show

In the third quarter of 2024 – the latest period for which WTO data is available – the volume of world merchandise trade continued to recover from the trade slump of 2023, growing 3.3 per cent year-on-year.

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

Export orders, which are usually the most predictive barometer component, remained close to the baseline value of 100. This means that even with the slightest deterioration, the numbers would be below trend.

"This indicator should be watched closely for any sign of an emerging trade slowdown," the statement pointed out.

All other components of the barometer were above trend to varying degrees including electronic components (102.3), raw materials (101.6), automotive products (105.5), container shipping (103.7), and air freight (102.7).

Source: thehindubusinessline.com– Mar 12, 2025

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India's trade needs more precise HSN codes

As we enter an unpredictable, disruptive, transactional, and bargaining global trade regime, it is time to revisit all policies — trade, tariff, and non-tariff — to engage, track, give and take, and even retaliate to protect our economic interests.

Given this context, India must realign its existing 8-digit Harmonized System of Nomenclature (HSN) to a 10-digit structure, aligning with developed countries and enhancing policymakers' ability to respond strategically in the evolving "zero for zero" tariff negotiations.

As WCO has already drafted the 2027 HSN, updating the 2022 version to evolving geo-economic realities, it is high time for India to revisit it. Moreover, with an ambitious $2 trillion export target by 2030, this transition is not just necessary but mandatory. Given this context, let us comprehend the need of 10-digit HSN for India in the unfolding global trade order.

Ten-Digit HSN

A 10-digit HSN system is crucial for enhancing trade transparency, governance, and sustainability. It ensures precise classification, avoiding misclassification and enabling accurate tariff application, facilitating smoother trade negotiations and preferential market access. Aligning with WTO standards, this system strengthens Brand India and streamlines customs clearance.

More specifically, India's existing 8-digit nomenclature lacks precision in capturing product details, for instance, classifying organic and geographically indicated (GI) products trade, limiting effective policy interventions for sustainable growth and development.

A 10-digit HSN will allow classification by crop type and producing area, improving trade tracking, enabling targeted incentives, and ensuring compliance with global standards. As organic exports grow, refined classification will drive sustainability and simultaneously strengthen India's global market position in agricultural trade.

Similarly, India's classification system for Geographical Indication (GI)-tagged and Genetically Modified (GM) products lacks a standardized numerical structure, leading to inconsistencies in trade, taxation, and regulatory compliance.

A 10-digit HSN can classify GI products by sector (agriculture, handicrafts, textiles, and food), region, and uniqueness, ensuring better traceability, preventing counterfeiting, and strengthening India's global branding. Improved traceability will enhance e-commerce authentication and integrate with block-chain for supply chain integrity, reinforcing consumer confidence and regulatory compliance in GM products.

An extended HSN will also facilitate precise classification of India's heritage products like Desi Ghee, Kanjeevaram Silk Sarees, Channapatna Toys, Gur, Desi Khand, and ethnic crafts. This will prevent misclassification, strengthen India's cultural and artisanal legacy, and boost exports under the One-District-One-Product (ODOP) scheme.

Moreover, as India prepares to comply with EU Deforestation Regulations, a globally aligned HSN system will reduce misunderstanding in issuance of 'transaction certificate' of produce, ensuring better compliance to EU regulations.

Similarly, it will enable Indian exporters to exactly classify their products thus pricing and promoting them effectively in global markets. It will also reduce the invoice mismatching which occasionally obstructs the orderly commercial engagements of Indian exporting firms.

Additionally, a 10-digit HSN will enhance tax collection and reduce evasion by precisely classifying luxury goods, high-end watches, premium cosmetics, designer apparel, automobiles, and electronics. This granular classification will prevent mis-declaration in GST and Customs duty collections, improving trade tracking, policy planning, and tariff application, thereby bolstering India's economic competitiveness.

Aligning HSN with global standards will enable India to negotiate better preferential tariffs and boost exports, preserving traditional industries like handlooms, handicrafts, and organic produce. This will reinforce India's position in the transactional, resolute, and unpredictable trade policy regime.

Out-of-Syllabus Policy

As India prepares for an “out-of-syllabus” (OOS) trade policy regime, a 10-digit HSN will help anchor trade, tariff, and non-tariff policy instruments effectively. Consider how India’s rice export policy became cluttered post-Russia-Ukraine conflict, responding to speculative tendencies arising from global food trade disruptions.

Policymakers struggled to balance trade instruments such as minimum export prices (basmati), export duties (parboiled rice), export licensing (de-husked rice), and export quotas (non-basmati rice), while failing to prevent rice exports in the garb of broken rice.

Similarly, Indian Customs and GST officials face challenges in correctly classifying luxury goods and diverse automobile segments — gasoline, diesel, PNG, LNG, hybrid, EV, hydrogen, and ultra-hybrid variants.

A 10-digit HSN will help tax authorities optimise revenue sources, rationalise tax rates, and maintain consumer welfare as a central taxation principle. Regulatory agencies will also benefit from improved policy execution and control over luxury imports, expensive accessories and premium consumables and electronics by classifying them based on value, brand, and end use, ensuring progressive taxation principles.

A 10-digit HSN will also enable India to negotiate “zero-for-zero” tariff trade deals or sectoral FTAs with key trading partners, including the US, EU, UK, and Israel. Given India’s constraints in lengthy trade negotiations under proposed FTA talks spanning decades, an extended nomenclature will help policymakers manage sectoral vulnerabilities more effectively.

Moreover, non-tariff measures can be leveraged more effectively in response to escalating imports of steel, electronics, semiconductors, chemicals, lead, and other metallurgical products. Standards and compliance agencies under the Single Window Interface for Facilitation of Trade (SWIFT), such as FSSAI, BIS, PQ, and ARAI, will be better equipped to restrict imports, promote domestic manufacturing, and accelerate the Make-in-India mission.

India can strategically deploy trade policy instruments — minimum reference prices, duties, quotas, trade licensing, and export compliance rules — alongside tariff measures like MFN duties and preferences to navigate the evolving trade-tariff-tech war(s).

More critically, leveraging non-tariff instruments, including SPS, TBT, and trade-related measures, will be essential in countering the dumping tendencies which are affecting our key classical and other upstream and downstream industries. In the unpredictable trade regime shaped by Trump's policies, Indian policymakers must revisit trade nomenclature, aligning it to 10 digits for sustainable trade engagement in disruptive times.

By balancing regulatory controls in the garb of non-tariff instruments along with strategic market access, India can strengthen its global trade position amid shifting geopolitical and economic realities in the unfolding global order.

Source: thehindubusinessline.com– Mar 12, 2025

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Global trade tensions escalate as EU and Canada impose retaliatory tariffs on US goods: Here's what it means

The European Union and Canada have announced billions in retaliatory tariffs on US exports in response to President Donald Trump's steel and aluminum levies. The trade dispute raises concerns about economic slowdown, rising consumer prices, and global market instability. While some US allies hold back, key trading partners are preparing countermeasures to safeguard their industries.

Billions in trade tariffs targeting US exports took the global trade framework to a state of fresh havoc after the EU and Canada made their decision. The EU, together with Canada, imposed retaliatory tariffs because President Donald Trump had implemented steel and aluminum import restrictions. The ongoing trade war has made economists predict economic slowdown and heightened consumer prices due to recently available inflation data, which shows a mild February increase.

The EU and Canada retaliate against US exports

Canada implemented retaliatory trade barriers on American goods worth $20 billion, which included steel, aluminum, and tools, as well as computers and sports equipment. The recent countermeasure takes place after the previous 25 per cent levy enforcement against President Trump's first trade duties. Finance Minister Dominic Leblanc stated that Canada would take more retaliatory actions if the USimplemented fresh trade restrictions. The European Union scheduled the implementation of its resulting trade barriers with a maximum value of $28 billion beginning on April 1. European Commission President Ursula von der Leyen informed the public that Europe planned to protect its economic interests through defensive measures, but she still wanted to engage in talks for negotiations. She cautioned that price escalations and employment deductions would be negative for everyone.

Mixed global reactions and economic concerns

American domestic producers endorse the tariffs even though measures aimed at automobiles might suffer from higher material expenses. The trade measures used by Trump against Canada, Mexico, and China resulted in different responses from each government. Mexican President Claudia Sheinbaum declared that her government needed until April 2 to determine potential tariffs while promising protective measures for the economy. China chose not to immediately counter the US actions but declared plans for firm protection of its commercial interests.

Stock market volatility and economic implications

The worldwide markets reacted chaotically after the imposition of new trade barriers. Asian financial markets demonstrated contradictory performance, and the Australian stock exchange continued its two-day pattern of falling prices.

Among US allies, reactions varied. British Prime Minister Keir Starmer chose not to impose tariffs against the US because he wanted to finalize a trade agreement with America. Anthony Albanese used Australian government measures to exclude countermeasures from its response strategy because fueling domestic prices concerned him.

The Trump administration maintains uncertainty through trade policies because the president shows signs of implementing more tariffs on imported vehicles and merchandise. The auto industry expresses concern about reduced competition and higher steel prices because of Trump's current stance against Nippon Steel’s acquisition attempt on US Steel. Global markets face extensive uncertainty because the next few weeks will demonstrate the permanent effects of these progressively worsening trade tensions.

FAQs:

1. Why did the European Union and Canada impose tariffs on US goods?
The EU and Canada imposed retaliatory tariffs in response to the US tariffs on steel and aluminum, aiming to protect their economies from the impact of trade restrictions.

2. How could these tariffs affect global markets?

The tariffs could increase costs for businesses, slow economic growth, and contribute to higher consumer prices worldwide, particularly in industries reliant on imported metals.

Source: economictimes.com– Mar 12, 2025

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Alok to expand global footprint as a matrix-driven organization

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

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

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

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

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

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

The company's New York showroom is located at 105 Madison Ave.

Source: hometextilestoday.com– Mar 12, 2025

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Tiruppur gears up for next phase of growth journey

Situated nearly 500 kilometres southwest of Chennai, Tiruppur, a small town in the state of Tamil Nadu, has emerged as the largest knitwear hub in the country. From its humble beginnings rooted in agriculture, Tiruppur has evolved into a thriving industrial cluster and the roots of this transformation can be traced back to the 1970s when farmers, seeking alternative sources of income, began establishing small textile units, which, with time, expanded, giving rise to a dynamic web of interconnected small and mid-sized entities.

Over time, these firms developed a unique network where production processes such as fabric fabrication, processing, and stitching were spread across various facilities, creating an ecosystem built on job work, contracting, and sourcing arrangements.

Cluster approach the success mantra

As the town's textile industry flourished, one key factor that contributed to its success was the emergence of a cluster approach. Interacting with Fibre2Fashion, N Thirukkumaran, general secretary of the Tiruppur Exporters Association (TEA), elaborates: "Our success is basically because of the cluster approach. There are industries that complement each other. For example, my facility is semi-vertically integrated. I buy yarn and then do the rest myself.

Likewise, others depend on spinners, dyers, printing units, and embroidery units. So, there are stand-alone printing units, stand-alone dyeing units, and stand-alone knitting units, who do job works, complementing each other. That is why the ecosystem has evolved in that way. Competition is coupled with cooperation, and this has greatly contributed to our growth."

This model of decentralised but interconnected production enabled Tiruppur's textile sector to grow rapidly. By the early 1990s, the region had gained significant prominence in the global textile market, particularly in the export of knitwear. At the core of its success lies the collaboration between the small and medium-sized enterprises (SMEs), where firms that may compete in the marketplace still work in tandem within the cluster to meet the demands of the industry.

A knitwear hub as it is, the growth of Tiruppur's textile industry has had a profound impact on the local economy and employment. As of 2024, the sector directly employs over six lakh workers, with 65 per cent of them being semi-literate women who hail from the rural areas.

Additionally, approximately two lakh workers are employed indirectly, contributing to the region's socioeconomic development. The town's textile cluster has become a lifeline for many families, offering employment opportunities in an area where agriculture had previously been the primary source of livelihood.

TEA's role in shaping Tiruppur

TEA, established in 1990, has been at the forefront of promoting and supporting the region's textile industry. As of 2024, TEA boasts 1,316 knitwear-exporting units as its members. Notably, 90 per cent of these exporting units are micro, small, and medium enterprises (MSMEs), and 100 of these exporting units contribute to 50 per cent of Tiruppur's knitwear exports. This highlights the vital role MSMEs play in the region's economic prosperity.

The story of Tiruppur's rise is, however, not one of uninterrupted growth. The global textile industry has faced numerous challenges, from fluctuating demand and trade policies to environmental concerns. Tiruppur's ability to adapt to these challenges has allowed it to emerge stronger. The cluster's resilience has been demonstrated in its ability to align with evolving global trade policies while simultaneously adopting sustainable practices that resonate with the international buyers and consumers.

Sustainability & circularity the key

Tiruppur's emphasis on sustainability has positioned it as a leader in eco-friendly manufacturing. In particular, the region's commitment to reducing its environmental footprint is evident in its implementation of a zero-liquid discharge (ZLD) system, which ensures that no untreated effluent is discharged into the environment. This pioneering initiative has made Tiruppur the only textile cluster in the world to achieve zero liquid discharge status.

"We stand as the world's sole environmentally and socially governed textile cluster," asserts K M Subramanian, president of TEA, adding, "We are the only cluster globally to have achieved zero liquid discharge."

Central to this success is the installation of 18 Common Effluent Treatment Plants (CETPs) and 60 Individual Effluent Treatment Plants (IETPs) that collectively treat 130 million litres of effluent daily, achieving a remarkable 96 per cent water recycling and reuse rate.

Tiruppur's commitment to sustainability extends beyond just waste management. In the past 12 to 15 years, the region has made significant strides in improving its water conservation practices. M Anand, chairman of the Branding Sustainability & Business Promotion Subcommittee of TEA, shared, "About 12 to 15 years ago, excessive water usage caused the groundwater level to drop drastically. Now, it has been restored to 100 feet."

The TEA has also undertaken extensive tree planting and lake rejuvenation initiatives. Over the past nine years, TEA has planted approximately 2.2 million trees and restored 13 to 14 lakes, including Nanjulai Lake, which has been recognised as Tamil Nadu's 17th bird sanctuary.

These efforts contribute to carbon sequestration, absorbing over 7,000 metric tons of carbon dioxide annually and accumulating 4,000 metric tons of biomass.

Moreover, Tiruppur has significantly increased its reliance on renewable energy sources. The region now has a green energy capacity of 1,950 MW, including 1,600 MW from wind power and 350 MW from solar power.

As TEA president Subramanian explains, "As a cluster, we generate 1,950 megawatts of renewable energy, while our consumption stands at just 350 megawatts." The surplus 1,600 MW is supplied to the Tamil Nadu grid, bolstering the state's overall renewable energy capacity.

Circularity plays a key role in Tiruppur's environmental initiatives. Textile waste, including fabric cuttings and leftover materials, is recycled into yarn, which is then used to produce new fabrics and garments. Sulochana Cotton Spinning Mills Pvt Ltd, one of the region's major exporters, recycles approximately 5.5 million PET bottles daily, turning them into recycled polyester staple fibre. This process produces 100 tons of fibre in 50 dope-dyed colour variants without using any water for dyeing.

The TEA has been instrumental in promoting circularity in the textile sector even as it partnered with Reverse Resources, a company that helps textile manufacturers optimise waste collection and recycling processes. The initiative aims to achieve 100 per cent circularity and traceability of textile waste, ensuring that waste generated by the participating companies is exclusively sold for recycling purposes. Over time, TEA hopes to onboard 400 to 500 companies into this programme, making Tiruppur's textile industry fully circular.

Eyes on future, Tiruppur betting big on MMF

In addition to its focus on sustainability, Tiruppur has turned its attention to diversify offerings by expanding capabilities in manmade fibres (MMF). Thirukkumaran acknowledges the growing importance of MMF in the global textile market, noting, "currently, around 10 per cent of Tiruppur's turnover is from MMF, and our aim is to increase that to 25 per cent."

Tiruppur is keen on capturing a larger share of the global MMF market, especially in the performance fabrics and sportswear segments.

"We are focusing on bringing the business of the major players including Adidas, Reebok, and Nike to Tiruppur," says Thirukkumaran, reflecting the cluster's aspirations to become a key player in the global sportswear market.

Tiruppur's textile industry is also in talks with Surat, a city in Gujarat, known for its expertise in MMF production, to explore potential collaborations in MMF-based garment manufacturing.

Adds Dr. A Sakthivel, honorary chairman of TEA, "About four years ago, during my tenure as chairman of the Apparel Export Promotion Council (AEPC), I initiated efforts to promote MMF. We even developed a comprehensive book detailing the HS codes, garment designs, and fabric sourcing information, which we submitted to the government."

Today, TEA has a dedicated sub-committee on MMF and a seasoned professional, working as a consultant, to achieve the MMF goals. Nevertheless, the region faces some challenges in sourcing high-quality MMF fabrics. Currently, India relies heavily on imports for MMF fabric production, and the TEA is pushing for joint ventures between Indian companies and international players from Taiwan and Korea, which are known for their advanced MMF fabric production capabilities.

The global MMF market worth approximately $500 billion, the TEA aims to increase the share of MMF in Tiruppur's textile production significantly.

FTAs to boost the growth trajectory

With a turnover of approximately ₹35,000 crore in the previous year, Tiruppur's growth prospects look promising, and the TEA officials are optimistic that the region will achieve a turnover of ₹40,000 crore in the current year. And one key factor that could significantly influence Tiruppur's growth trajectory is the potential for Free Trade Agreements (FTAs) with the United Kingdom and the European Union (EU).

Dr. Sakthivel underscores the importance of these agreements, noting, "Given the current circumstances in Bangladesh, an FTA with the UK would be particularly beneficial for us. Additionally, there is ongoing discussion about potential negotiations with the EU for an FTA. If both agreements come to fruition, Tiruppur's growth rate may not just remain at 15 per cent but could possibly increase to 30 per cent to 40 per cent."

However, manpower availability is a concern area in this growth journey.

"The biggest issue is the shortage of manpower. Even if 60,000 workers were to arrive in Tiruppur tomorrow, we could absorb them immediately," says Dr. Sakthivel, adding, "Bringing workers from other states requires us to also provide them with accommodation, which is a major investment." The construction of hostels for workers is expensive, and Sakthivel urges the government to provide grants to facilitate the creation of worker accommodations.

However, given adequate backing from the stakeholders concerned along with policy support, the TEA and knitwear manufacturers are bullish of writing a new chapter in Tiruppur's growth journey, in the days to come.

Source: fibre2fashion.com– Mar 12, 2025

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Solapur handloom industry struggles between lack of recognition and finding buyers

In one of the lanes of Solapur district's Shiv Ganga Nagar, where every house is adorned with a rangoli, one such one-room house is of the weaver of Suvarna Madgundi (54), where she weaves silk sarees and cooks in the same room. "We put in hours of work into weaving, but our effort lacks recognition. This prevents us from getting any benefits," she says, weaving the zari into the blue-green saree on her brightly lit loom in her dim room. The weaving of Solapuri silk sarees is deteriorating by the day, but this has come to the attention of hardly anyone, the weaves believe.

Suvarna and her spouse have been weavers since their childhood. They belong to the Kuruhinashetty community, and migrated from the neighbouring State of Karnataka. A few families from the Padmashali community migrated from Telangana. The 350-odd families weave silk sarees and form the handloom industry in Solapur, which is highly known for its textile industry, producing terry towels and chaddars.

The weavers have been demanding the inclusion of their product, what they call the 'Solapuri silk saree', in the list of traditional textiles under the Maharashtra government's textile policy of 2023, so that they can avail themselves of the benefits of the old age pension scheme, acquire job of master trainers at the various government-run handloom institutes, and receive yearly festival of allowance of ₹15000 for female weaver and ₹10,000 for male weavers.

"Why the government is discriminating among the weavers? Himru is hardly woven in the State, yet the product is reserved, and the grant is being misused. Why not give the benefits to those who need it," says Ashok Indapure, a trader of handloom products, who also represents the weaver's community.

Another weaver, Magnat Mudgundi (34) claims that he submitted over 300 pension forms three months ago, taking regular follow-ups, but to no avail. Recalling one of the follow-up meetings, he said, "The concerned person at the office said such issues don't resolve without the opposition pestering the ruling party."

The traditional textile list includes khan fabric from South Maharashtra, Himru and Paithani saree from Ahilyanagar, Karvat Kathi saree from Vidharbha, and Ghongdi from Western Maharashtra. The community demanded to recognise their sarees under the Paithani sarees as they weave sarees out of silk and zari (material used in paithani) and the process is also similar.

Weaver's ID Card and loans

Suvarna received her Pehchan Card number (Weaver's ID) six months ago. The ID is required as a criterion to avail of the schemes under the National Handloom Development Programme (NHDP) such as MUDRA loan and workshed. She applied in 2015 and the card was issued in 2018, but received only six months ago. Her spouse is yet to receive the card. "We can't get any central government benefits," they say.

Like Suvarna's spouse, many are waiting for their cards. The card provides benefits like access to credit facilities of up to ₹2 lakhs through the 'Weavers Mudra Scheme' at subsidised interest rates for working capital, and machinery. With the card, they can also get access to the NHDP Scholarship Component, where the children of the weavers can get financial assistance of up to ₹2,00,000 annually, covering fees at recognized textile institutions and a monthly stipend of ₹5,000.

Magnat has been applying for a Mudra loan but the bank's denied him saying, "We won't give loans as there are many defaulters". Magnat points out there are off days when the sales are zero. The boom is in festive seasons (August to February), "We require money to meet ends in the off-season," he adds.

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Source: thehindu.com– Mar 12, 2025

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