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Currency Watch			
USD	EUR	GBP	JPY
86.52	94.51	112.32	0.58

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INTERNATIONAL NEWS

China unveils special initiatives plan to raise consumption

China recently unveiled a special initiatives plan to raise consumption, targeting to turn domestic demand the primary engine and anchor of economic growth.

The plan, issued by the general office of the Communist Party of China Central Committee and the general office of the State Council, aims at vigorously boosting consumption, stimulating domestic demand across the board and raising spending power by increasing earnings and reducing financial burden.

It also aims at generating effective demand through high-quality supply, improving the consumption environment to strengthen consumer willingness to spend and addressing prominent constraints on consumption, according to a state controlled media outlet.

With eight major sections, the plan addresses factors like income growth, service consumption quality enhancement, big-ticket consumption upgrading and consumption environment improvement.

There are targeted policies for rural areas, regions rich in ice and snow resources, and urban centres, allowing local authorities flexibility to implement plans based on regional conditions.

Source: fibre2fashion.com– Mar 18, 2025

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ICE cotton futures dip on profit booking, Brazilian exports up

ICE cotton futures eased on Monday due to profit booking after prices had risen for the last two weeks. Prices were hovering near their highest level in nearly four weeks. A lower US dollar, a rise in crude oil, and better cotton exports from Brazil also supported US cotton futures.

Yesterday, the ICE cotton May 2025 contract settled at 66.98 cents per pound (0.453 kg), down 0.39 cent, July cotton futures at 68.24 cents per pound, down 0.36 cent, and December contract saw a fall of 12 points.

The US dollar was hovering near a five-month low against the euro, as concerns about the economic impact of US trade policy kept investors cautious. Crude oil traded higher, supported by concerns about tight supply and prospects of growing demand. Higher oil prices could make polyester fibre more expensive, which is a man-made alternative to cotton.

The trading volume was 37,859 contracts, the lightest volume since February 27. On Friday, 45,046 contracts were cleared.

Market analysts expect the market to consolidate or move sideways after its recent rally.

CBOT wheat futures climbed due to concerns about crop damage from drought and storms in the US grain-producing region, as well as hopes that reduced Russian exports would boost demand for US supplies.

The Brazilian Institute of Geography and Statistics (IBGE) reported that Brazil's 2025 cotton planting area is expected to be 2,091,974 hectares, up 3.2 per cent from last month's estimate and 0.2 per cent more than last year's planting area. Brazil's 2025 cotton production is estimated at 9,027,745 tons, up 0.2 per cent from last month's estimate and 1.8 per cent more than last year's output.

Brazilian cotton exports in the first two weeks of March totalled 132,294.75 tons, with an average daily export volume of 16,536.84 tons, a 30.84 per cent increase from the daily average of 12,639.29 tons in March 2024.

Overall, while cotton futures faced a temporary pullback, underlying market dynamics and external factors suggest continued volatility and potential for upward movement in the near term.

Currently, ICE cotton for May 2025 is trading at 66.45 cents per pound (down 0.53 cent), cash cotton was traded at 64.48 cents (down 0.53 cent), the July 2025 contract at 67.76 cents (down 0.48 cent), the October 2025 contract at 69.81 cents (down 0.44 cent), the December 2025 contract at 69.45 cents (down 0.41 cent), and the March 2026 contract at 70.67 cents per pound (down 0.18 cent). A few contracts remained at the level of the last closing, with no trading noted today.

Source: fibre2fashion.com– Mar 18, 2025

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Global spandex market poised for explosive growth, India's position on the rise

The global spandex market is stretching its way to significant growth, projected to reach a staggering $20.8 billion by 2033, says a recent market analysis. This represents a robust compound annual growth rate (CAGR) of 8.4 per cent from its current value of $9.3 billion in 2023. Driven by a growing demand for comfortable, flexible, and high-performance fabrics, spandex, also known as Lycra or elastane, is finding its way into an ever-expanding range of applications.

Activewear, athleisure market drivers

The key drivers behind this growth include the explosive popularity of activewear and athleisure, the increasing use of spandex in mainstream fashion, and technological advancements that enhance fabric performance, such as moisture-wicking and anti-odor properties. The rise of e-commerce and the growing popularity of compression garments for medical and athletic purposes are also significant contributors.

"The demand for spandex is being driven by the booming athleisure and sportswear market. Spandex’s flexibility, durability, and comfort make it ideal for activewear," the report notes. "The increasing focus on health and fitness is pushing the popularity of spandex in clothing designed for workouts, yoga, and casual wear."

North America currently leads the global market, holding a 42.2 per cent share in 2023, largely due to the region's strong focus on health and fitness. However, emerging markets, including India, are expected to play a crucial role in the market's future expansion.

India's spandex story

India's textile industry, a cornerstone of its economy, is witnessing a notable surge in demand for spandex. This growth is driven by rising disposable incomes, evolving lifestyle preferences, and the increasing adoption of Western fashion trends. As the Indian consumer becomes more health-conscious, the demand for activewear and comfortable apparel is also on the rise.

Growing consumption: India's spandex consumption is steadily increasing, due to growing apparel, sportswear, and hosiery sectors. The increasing demand for stretchable fabrics in denim, lingerie, and sportswear is a key factor.

Production capacity: While India's spandex production capacity is growing, it is still reliant on imports to meet the increasing domestic demand. Several Indian companies are investing in expanding their production facilities to capitalize on the growing market.

Imports and exports: India imports a significant portion of its spandex requirements, mainly from countries like China, South Korea, and Taiwan. However, there is a growing focus on increasing domestic production and exports to reduce reliance on imports.

Government initiatives: The Indian government's initiatives, such as the Production Linked Incentive (PLI) scheme for textiles, are aimed at boosting domestic manufacturing and attracting investments in the sector. This is expected to positively impact the spandex market.

As per reports, India's textile and apparel market is projected to grow substantially, which directly impacts the spandex consumption. Key players like Inviya and Hyosung are significantly contributing to India's spandex market growth.

Indorama India, with its Inviya brand, is a pioneer in India's spandex manufacturing. Notably, they were the first to establish a spandex production plant in India in 2011. Inviya has significantly increased its production capacity. Starting with 5,000 tons per annum, they have expanded to 20,000 tons per year.

They offer a diverse range of spandex products, including those for woven and air-covered yarns, knits, and specialized applications like SnugFit for hygiene products.

Inviya has continued to expand their production capabilities, and recently began production in their third plant, increasing production to 65 metric tons per day. Inviya also produces ECOModa100 a 100 per cent recycled spandex.

Hyosung too has established a significant presence in the Indian spandex market. Their plant in the AURIC Industrial Complex near Aurangabad, Maharashtra, has an annual production capacity of 18,000 tons of spandex. Hyosung with their CREORA TM brand of spandex, is a large global player, that has now increased its presence in the Indian market. Hyosung is focused on increasing its market share within India.

The global spandex market is set for a period of sustained growth, with India playing an increasingly important role. As consumer preferences continue to evolve and technological advancements drive innovation, the future of the spandex market looks bright. Companies that can adapt to changing market dynamics, embrace sustainability, and leverage technological advancements will be well-positioned to capitalize on the opportunities that lie ahead.

Source: fashionatingworld.com– Mar 18, 2025

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

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

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

Speaking to business-focused ekonomim.com, Seref Fayat, Chairman of the Ready-to-Wear and Apparel Industry Assembly of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), said that one of the main reasons for Türkiye's growing apparel trade deficit with Egypt is the demand from Turkish brands.

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

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

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

Major Turkish apparel manufacturers operating in Egypt include Yesim Group, Tay Group, Eroglu Giyim, Calik Holding, LC Waikiki, and Diktas.
Egypt's competitive advantage losing ground

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

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

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

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

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

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

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

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

Source: turkiyetoday.com– Mar 18, 2025

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Turkiye's trade volume with EU up 59% over past 5 years

The trade volume between Turkiye and the European Union (EU) maintained a positive momentum in the past five years, with the figure increasing by 59 per cent over the period.

Last year, Turkiye retained its position as the fifth largest partner of the EU, continuing the trend seen in 2023, and the bilateral trade volume reached €210.8 billion, a domestic media outlet reported.

Before the COVID-19 pandemic, the country's trade volume with the EU was around €138 billion, but this dropped to nearly €132.6 billion in 2020.

In the following years, the trade volume witnessed a steady rise, reaching €157.13 billion in 2021, €198.4 billion in 2022 and close to €207.3 billion in 2023.

Source: fibre2fashion.com– Mar 19, 2025

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Vietnam targets $454 bn in export revenue in 2025

In spite of recent signals of decelerated exports due to global economic pressures, Vietnam has set an export target of $454 billion this year—a 12-per cent year-on-year (YoY) increase.

Achieving this will need judicious actions from regulatory bodies and extraordinary efforts from businesses, several experts feel.

Official data show the country exported $65.2 billion worth products in the first two months this year—a 9.9-per cent increase YoY. Meanwhile, imports during the period totalled $62.9 billion, rising by 16 per cent YoY, resulting in a trade surplus of $235 million, a domestic media outlet reported.

Reliance on major markets like the United States, the European Union (EU) and China raises business risks and makes the country vulnerable to global economic and political fluctuations, according to Nguyen Anh Son, director general of the ministry of industry and trade's (MoIT) Agency of Foreign Trade.

The rising demand for quality and sustainability in external markets is also a challenge, apart from infrastructure constraints, particularly the discordant investment in seaports and transport systems, which result in high shipping costs and extended delivery times, Son noted.

Insufficient market intelligence has left many companies struggling with production planning, he added.

Source: fibre2fashion.com– Mar 19, 2025

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Price per unit of garments shipments from Bangladesh to EU, US declines despite rise in exports

Despite Bangladesh's garment shipments to major markets like the European Union (EU) and the United States rebounding strongly in recent months, the price per unit of these garments has fallen.

For example, in January 2025, the unit price of garments shipped from Bangladesh to the US decreased by 2.20 per cent, according to data from the US Office of Textiles and Apparel (OTEXA). However, the value of exports grew by 45.93 per cent Y-o-Y during the month to reach $799.65 million. The volume of garments exports from Bangladesh to the US increased by 49.21 per cent during the month.

Similarly, the unit price of Bangladeshi-made garments shipped to the EU decreased by 4.84 per cent in the January-December period 2024, according to the latest data from Eurostat, the EU's statistical office.

Bangladesh's garment exports to the EU grew by 4.86 per cent to $19.77 billion last year. By volume, exports increased by 10.18 per cent in the same period. The EU's total apparel imports grew by 8.98 per cent.

The unit price of the EU's global apparel imports fell by 6.83 percent, significantly influenced by China's 8.43 per cent price reduction. Price cuts by Vietnam and Cambodia were also notable.

Historically, Bangladeshi garment exporters have received lower prices than those in competing countries.

The overall price of garment items traded globally declined last year and continues to do so this year, says Faruque Hassan, Managing Director, Giant Group and Former President, Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

This decline is due to a drop in the prices of raw materials such as cotton, yarn, fabrics, and freight charges, he adds.

If the country ensures better quality and timely delivery, buyers will willingly pay more. Additionally, unhealthy price competition among local manufacturers is another factor behind the low prices paid by buyers, avers Hassan.

In the July-February period of the current fiscal year, Bangladesh's garment exports grew by 10.64 percent to $26.79 billion, according to data from the Export Promotion Bureau (EPB).

Of this amount, exports to the EU - accounting for 50.10 per cent of Bangladesh's total RMG exports - were valued at $13.42 billion.

Meanwhile, exports to the US reached $5.06 billion, representing 18.91 per cent of the total share.

Source: fashionatingworld.com– Mar 18, 2025

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Bangladesh: BGMEA seeks Tk 500cr from unpaid incentives

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday urged the government to release Tk 500 crore in due export incentives to help small and medium enterprises (SMEs) pay workers' bonuses and other dues ahead of the upcoming Eid-ul-Fitr.

The finance ministry agreed in principle to release Tk 325 crore soon, said BGMEA Administrator Anwar Hossain over the phone after meeting finance ministry officials at the secretariat in Dhaka.

Hossain also requested the banking division secretary of the finance ministry not to adjust the incentive with bank loans before Eid payments, as SMEs lack financial capacity due to the sluggish economic situation.

To facilitate payments to workers, the finance ministry and the central bank last week disbursed Tk 2,000 crore in cash incentives on export receipts to garment exporters.

Hossain said the upcoming Eid is unique in terms of salary payments. "This is not a good time for businesses, as they are facing various difficulties."

"Moreover, factories must pay salaries for February, half of the salary for March, and the full Eid-ul-Fitr bonus. So, although business has not been good, expenses remain high," the BGMEA administrator added.

The labour and employment ministry last week instructed factories to clear all arrears, salaries, and bonuses by the 20th day of Ramadan.

According to intelligence reports and the BGMEA's assessment, nearly 150 factories are in a vulnerable position regarding worker payments ahead of Eid due to financial constraints, Hossain said.

However, the BGMEA and concerned banks are continuously working on the issue. The disbursement of cash incentives last week solved the problem to a great extent, he said.

Now, the BGMEA is working to resolve the financial issues of 42 factories. It appears that the disbursement of Tk 325 crore will address major problems plaguing these factories, he added.

Ultimately, only three to four factories will face difficulties due to their dire financial condition, Hossain said.

This year, many factories, the majority being garment units, either faced closure or shut down temporarily due to political and labour unrest following last year's political changeover.

Source: thedailystar.net– Mar 19, 2025

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Bangladesh: Move afoot to tag cotton as agricultural product

The interim government will take an immediate measure to recognise cotton as an agricultural product so that growers can get low-interest loans as well as subsidy to boost cotton cultivation.

"There will be a positive decision in two or three months on increasing cotton production and easing cotton import," foreign adviser Md Touhid Hossain said on Monday without detailing the measure.

He, however, said 100-per cent local cotton production was not possible due to scarcity of land, but the production of raw material could be enhanced up to 25 per cent.

Mr Hossain made these remarks at a workshop styled 'The importance and potential of cotton cultivation in Bangladesh to save foreign currency' co-hosted by the Economic Reporters Forum (ERF), the Bangladesh Cotton Ginners Association and the Bangladesh Sudan Ginning Cotton Co Ltd (Sudan).

The event was organised in the ERF Auditorium in the capital.

The adviser also called on the National Board of Revenue (NBR) to take an immediate measure to withdraw existing 4.0-per cent advance income tax on domestically produced cotton.

He also advocated the cotton ginners' demand for a 'free zone warehouse' facility, saying that the facility could be offered to them to get fair prices and ensure adequate and timely cotton supplies.

About the country's LDC graduation, Mr Hossain said the decision that Bangladesh would graduate in 2026 was taken a long ago, but businesses sought more time to prepare themselves for this transition.

"Bangladesh will continue to enjoy duty-free access to the European Union for three more years until 2029 after graduation. I believe our businesses can prepare themselves within the three-year grace period."

The adviser reiterated that the government would not go for any time extension for the country's graduation from its least-developed status.

The government is taking steps to import cotton from the United States as a strategic move to avoid any further tax imposition by the Trump administration on Bangladesh's garment exports.

The US government has imposed tariffs on many countries since Donald Trump took office. Although Bangladesh has already been exporting with tariffs in place, uncertainty over additional tariffs always looms, according to Mr Hossain.

Addressing the event, NBR member (customs, export and IT) Md Moazzem Hossain said talks were ongoing to extend the bonded warehouse facility to some sectors, adding that it could be started with cotton imports.

Mr Moazzem expressed his intent to present a proposal to the NBR officials concerned to withdraw advance income tax on locally produced cotton. Bangladesh Cotton Ginners Association general secretary Golam Saber said cotton growers and ginners were deprived of getting agri-loans in the absence of the recognition of cotton as an agricultural product.

He said one-fourth of the required cotton could be cultivated domestically provided with necessary policy support, urging the government to recognise cotton as an agricultural product.

Cotton Development Board executive director Md Fakhre Alam Ibne Tabib also sought required policy support to help increase local cotton production up to 2.5 million tonnes annually without hindering food security.

At the event, the managing director of Bangladesh Sudan Ginning Cotton Co Ltd said they have already piloted three types of hybrid cotton seeds and higher quantity of cotton could be cultivated using a small area of land.

They have already proposed the Chattogram Port Authority and the Bangladesh Investment Development Authority for developing a free zone warehouse to save time and reduce yarn production costs, among others.

Source: fibre2fashion.com– Mar 18, 2025

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NATIONAL NEWS

India's textile & apparel exports dip in Feb, but rise cumulatively

India's textile and apparel (T&A) exports dipped in February 2025 after impressive growth in January. However, the decline in textile and apparel exports was minimal compared to the overall drop in the country's merchandise exports. The country's T&A exports eased by 2.27 per cent to $3.216 billion, against total goods exports of $36.912 billion for the month.

Overall, goods exports declined by 10.85 per cent in February 2025. However, textile and apparel exports grew by 7.19 per cent, reaching $33.217 billion in the first eleven months of the current fiscal 2024-25 (April-March), while total goods exports inched up by 0.06 per cent over the same period.

Apparel exports increased by 3.97 per cent to $1.534 billion in February, while textile exports declined by 7.35 per cent to $1.681 billion in the same month.

Apparel exports rose by 10.71 per cent, reaching $14.458 billion, up from $13.059 billion in the corresponding period of the previous fiscal. Textile exports grew by 4.63 per cent to $18.759 billion in the first eleven months of FY25, compared to $17.928 billion in the same period of the previous year.

The share of T&A in India's total merchandise exports increased to 8.40 per cent during April 2024–February 2025 and to 8.71 per cent in the latest reported month, according to the Ministry of Commerce and Trade.

Within the textile sector, exports of cotton yarn, fabrics, made-ups, and handloom products increased modestly by 3.29 per cent, reaching $10.938 billion in the first eleven months of this fiscal.

Exports of man-made yarn, fabrics, and made-ups rose by 4.54 per cent to $4.432 billion, while carpet exports saw a significant increase of 12.52 per cent to $1,403.97 million.

In February 2025, exports of cotton yarn, fabrics, made-ups, and handloom products eased by 4.41 per cent to $981.80 million, while exports of man-made yarn, fabrics, and made-ups declined by 8.36 per cent to $395.65 million. Carpet exports, however, increased by 4.87 per cent to $118.87 million.

Imports of raw cotton and waste surged by 107.38 per cent to $1,140.28 million in April–February 2025, compared to $549.86 million in the same period of the last fiscal.

Imports of textile yarn, fabrics, and made-ups increased by 7.83 per cent, rising from $2,116.74 million to $2,282.50 million. In February 2025, imports of raw cotton and waste saw an astonishing surge of 217.72 per cent, from $31.43 million to $99.86 million. Similarly, imports of textile yarn, fabrics, and made-ups rose by 6.38 per cent to $196.87 million in the latest month.

In FY24, India's textile and apparel exports amounted to $34.430 billion, a 3.24 per cent decline from $35.581 billion in FY23. Apparel exports dropped by 10.25 per cent, falling to $14.532 billion from $16.190 billion. Conversely, textile exports grew by 2.62 per cent, reaching $19.898 billion from $19.390 billion in FY23.

India's imports of raw cotton and waste were valued at $598.63 million in FY24, a 58.39 per cent decrease from $1,439.70 million in the previous fiscal. Imports of textile yarn, fabrics, and made-ups also declined by 12.98 per cent to $2,277.85 million, compared to $2,617.74 million in FY23.

Source: fibre2fashion.com– Mar 18, 2025

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

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

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

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

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

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

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

According to SBI report, the reciprocal tariff may not impact India much. The decline in exports from India to the U.S. could be in the range of 3-3.5% post reciprocal tariffs, if any, it said.

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

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

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

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

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

Source: thehindu.com– Mar 17, 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: pib.gov.in– Mar 18, 2025

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Higher output hopes, lower offtake fears turn cotton outlook bearish

The outlook for the global cotton market is bearish on hopes of higher production in key regions and fears of a drop in consumption, analysts have said.

"We believe that positive outlooks for harvests in large producing markets for 2024-25 coupled with downbeat expectations for consumption will maintain a cap on prices," said research agency BMI, a unit of Fitch Solutions.

The International Cotton Advisory Council (ICAC) said in a statement that cotton farmers in both the Northern and Southern Hemispheres are currently facing a daunting task: how to make critical planting decisions during a time of extreme uncertainty.

US imports halve

Pointing to the ICAC's World Textile Demand Report 2024, that said cotton's market share in global fibre consumption has dropped below 25 per cent, the US Department of Agriculture (USDA) said this limits the potential growth for cotton product imports despite record consumer demand for apparel and home textiles.

"Competition with MMF (man-made fibres) is especially challenging with respect to Chinese MMF exports. US cotton product imports from China have nearly halved since peaking in 2010, while MMF product imports have risen more than 30 per cent during the same period," it said.

For the 2024-25 season, the USDA has raised the cotton production estimate by 500,000 bales (226.8 kg) to 121 million bales. This is because of a 750,000-bale increase in China more than offsetting reductions for Pakistan and Argentina.

6.3% production rise

It pegged global consumption higher by nearly 600,000 bales to 116.5 million bales on higher use in Pakistan, Bangladesh, and Egypt. Global trade is forecast higher by 200,000 bales at 42.7 million bales.

BMI said it is forecasting year-on-year higher global cotton production in 2024-25 by 6.3 per cent from 113.2 million bales to 120.3 million bales, driven by higher productivity in a series of key markets. According to forecasts by the International Cotton Advisory Committee, yields will increase by 5.4 per cent year-on-year in 2024-25.

"We expect abundant harvests in China, Brazil and the US, which we expect will post year-on-year increases of 13.3 per cent, 15.3 per cent and 17.6 per cent, respectively. We believe this will result in a market surplus of 4.50 million bales in 2024/25," said BMI.

Cotlook A index

The research agency said it was revising its 2025 cotton price forecast lower for ICE-listed second-month cotton futures from an annual average of 80 US cents a pound to 72.2 cents. The USDA lowered the US season-average farm price for 2024-25 to 63 cents.

ICAC has forecast the season-average Cotlook A index for 2024-25 between 92 cents and 97 cents, with a midpoint at 94 cents per pound. Currently, the Cotlook A Index is at 79.25. May cotton futures on InterContinental Exchange, New York, are currently ruling at 66.62 cents.

ICAC said growers particularly in the US, India, and China face a complex set of factors influencing their cotton planting decisions.

"Climate variability and water availability play a crucial role, as increasing unpredictability in weather patterns — including prolonged droughts, and excessive rainfall — necessitate a reliance on advanced climate models to determine optimal planting windows," it said.

BMI said average monthly prices have decreased for three consecutive months between November 2024 and January 2025.

"The market continues to exhibit bearish sentiment, with the latest data from the US CFTC Commitment of Traders Report indicating that the net position held on February 11, 2025, was a short position of 60,481 contracts," it said, adding that it was the largest net short position since June 2024.

Futures 30% lower

However, the USDA said CFTC showed the net long (buy) position for both non-commercial and index participants (as of March 4, 2025) falling to nearly -25,000 contracts compared with over 140,000 contracts last year.

It said since mid-February, cotton futures on the ICE have been ruling around 66 cents per pound with prices now reflecting the May 2025 contract. With additional Chinese tariffs on US cotton, cotton futures reached their lowest level since August 2020 at 63 cents per pound earlier this month.

"However, prices have recovered due in part to strong export sales for US cotton," it said.

Cotton futures are more than 30 cents lower compared with last year, yet speculators continue selling cotton futures contracts with the prediction that prices will fall even further, the USDA said.

Source: thehindubusinessline.com– Mar 18, 2025

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India, Malaysia discuss expediting Asean trade pact review, semicon cooperation

New Delhi: India and Malaysia have agreed to take necessary steps for speeding up the review of the Asean India Trade in Goods Agreement (AITIGA) for its substantial conclusion by 2025, the government said Tuesday. Malaysia is one of the ten-member countries of Asean and is the Asean chair for 2025.

The issue was discussed at a bilateral meeting between minister of state for commerce and industry Jitin Prasada and Liew Chin Tong, Malaysian Deputy Minister of Investment, Trade, and Industry.

The two also discussed the bilateral trade issues, market access issues, Collaboration in Semiconductor Industry, Cooperation in Service Sector and the issues related to Foreign Manufacturers Certification Scheme (FMCS) of Bureau of Indian Standard (BIS).

“The meeting discussed the ongoing review of AITIGA and both sides agreed to take necessary steps for speeding up the AITIGA review for its substantial conclusion by 2025,” the commerce and industry ministry said in a statement.

The next joint committee meeting for the review is scheduled for April 9-11 and the two sides aim to conclude the review of the pact this year.

“The two sides hoped that the meeting will help in speeding up the resolution of bilateral trade issues and growing bilateral trade between the two countries,”

Malaysia is India’s third largest trading partner of India in Asean with total trade of $20.02 billion during FY24 accounting for around 17% of India’s total trade with the bloc.

Source: economictimes.com– Mar 18, 2025

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Razorpay targets 1.5 lakh exporters on Amazon's Global Selling Platform

Fintech firm Razorpay is targeting over 1.5 lakh exporters onboard e-commerce giant Amazon's Global Selling Platform to process their cross-border transactions, becoming one of the early payment aggregators (PAs) in the country to offer the service.

The Bengaluru-based company said it will offer zero forex markup on such transactions, enabling merchants to save up to 50 per cent in transaction charges compared to traditional payment methods.

Since December last year, Indian merchants part of Amazon's Global Selling programme have been able to collect their global payouts using the company's offering for international bank transfers.

The company has served over 1 lakh exporters to date.

It added that it will reduce waiting time for customers by processing the Foreign Inward Remittance Certificate (FIRC) in one day. Merchants can transfer their earnings to their Indian bank account in Indian rupees (INR) within 24 hours.

"This initiative is set to benefit over 1.5 lakh Indian sellers who rely on Amazon Global to reach international customers. With the Indian e-commerce sector projected to reach $325 billion by 2030, I believe solutions like MoneySaver Export Account will play a crucial role in boosting global trade participation for small and medium-sized businesses," said Rahul Kothari, chief operating officer (COO), Razorpay.

The service is open to freelancers and services exporters, the company said.

This month, the company announced its entry into Singapore, its second international market foray after Malaysia three years ago.

The firm said its payment solutions would enable businesses in Singapore to reduce cross-border transaction fees by 30 to 40 per cent.

Singaporean businesses will be able to tap into the Bengaluru-based company's payment solutions, including payment gateway, cross-border transaction solutions, and financial analytics.

The expansion into Singapore comes as part of the company's focus on the South-East Asian market.

Source: business-standard.com– Mar 18, 2025

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Textile units under GST lens for mis-classifying services

Central Goods and Services Tax (CGST) officials in the recent months have investigated over two dozen textile manufacturing companies across the country for mis-classifying textile processing activities and subsequently paying lesser tax.

According to official sources, the CGST department has observed that several textile manufactures are recording activities which involve 'changing the nature of cloth' as 'washing and dyeing', and therefore are paying lower tax rate of those incomes.

Under the GST laws, washing and dyeing are considered as 'job work services' in the textile industry and attract a GST rate of 5%; while processes that significantly transform the fabric, such as bleaching, printing, or other treatments that alter its essential characteristics, attract a GST rate of 18%.

"Textile manufacturers are knowingly misclassifying the services...and paying 5% tax, where they should pay 18%. CGST officials are investigating units of all kinds of firms (corporates, small & medium companies) across India," said an official. Authorities feel the shortfall in tax-payment is to the tune of hundreds of crores, causing a substantial loss of revenue to the government.

Tax experts say that the GST misclassification in the textile industry arises from ambiguity in tax slabs. "Some manufacturers have allegedly misclassified transformative processes under the 5% category. The issue stems from multiple GST rates, unclear definitions, and potential misuse," noted Sivakumar Ramjee, executive director, Nangia Andersen.

Krishan Arora, partner, Grant Thornton Bharat said: "This appears to be a clear case of mis-interpretation, with the Department's stance contradicting the GST legislation's original intent. In this regard, a definitive resolution is essential to provide much-needed clarity to the industry."

Since the inception of GST in 2017, India's textile industry has witnessed profound shifts, with job work services being integral to this transformation. A major point of contention has been the GST classification of textile processing activities like dyeing and printing, say experts.

Initially, tax authorities argued that these processes, which substantially alter fabrics' essential characteristics, should be taxed at 18%, instead of the current 5% to safeguard government revenues. Building on this, during the 45th GST Council meeting, a proposal to increase the rate of dyeing and printing services to 12% was deliberated. However, it was ultimately dismissed.

Source: financialexpress.com– Mar 16, 2025

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No pink bollworm-resistant seeds may derail Punjab's big cotton push plans

The Punjab government may have been motivating Malwa farmers to expand the area under cotton as the sowing will begin from the first week of April, in the absence of genetically modified Bollgard-III stage of BT seeds resistant to pink bollworm pest, the efforts may yield the desired results.

As per the figures from the Punjab Agricultural University (PAU), Ludhiana, the area under cultivation of the cash crop has come down to the lowest of all times since the past three decades to 98,000 hectares in 2024 and what is worrying is the entire area has shifted under was guzzling paddy, which bring fixed income for the farmers, even though it is much less than what was earned from cotton.

The state government is worried that paddy cultivation will lead to faster depleting of the already falling water table. Agriculture tubewells in Malwa are drawing water as deep as 500 feet.

The National Institute of Hydrology at Roorkee has set an alert that in case the fall continues at the same pace (state average fall in subsoil water level by one meter annually), the state will turn into a desert with no water available for agriculture.

Agriculture minister Gurmeet Singh Khudian has asked the department to make efforts for increasing area under the crop and has asked farmers to purchase PAU-certified seeds. PAU has recommended 87 varieties of hybrid cotton seeds for cultivation in the state. The cash crop is sown in seven southwestern districts - Bathinda, Fazilka, Muktsar, Mansa, Sangrur, Barnala and Faridkot.

According to a senior officer in the state agriculture department, the matter about BT-III GM seeds was taken up with Union agriculture minister Shivraj Singh Chauhan and was requested to fasten the clearances.

PAU vice-chancellor Dr SS Gosal said that the seeds involve three years of trials before final clearance and the university has completed first year of the trial.

However, he refused to share the outcome as according to him, results are analysed after completing three years of continuous trials. The Genetic Engineering Appraisal Committee (GEAC), under the Ministry of Environment, Forest and Climate Change evaluates and approves the testing and commercial release of genetically modified (GM) seeds. Gosal said the Bollgard-III trials are being conducted on the behalf of the GEAC. He has also asked the agriculture department to ensure that farmers should not sow spurious seeds which earlier they used to bring from Gujarat, Rajasthan and Maharashtra.

‘Paddy an easy choice, better remuneration’

According to Dr Gosal and agriculture department, farmers in Malwa who used to grow cotton have shifted to paddy for assured profits and effortless farming. “Lots of efforts goes into growing cotton, however, growing paddy is much simpler, so we have to work hard to motivate farmer to revert to cotton,” said Dr Gosal.

Profits from cotton have reduced with the passage time which is forcing cotton growers to choose alternative paddy crop. An acre of cotton gives yield of 8 quintals which sells at a price of ₹7,100-7,600 per quintal particularly when the Cotton Corporation of India (CCI) enters the market for price stabilisation. In comparison, paddy gives a yield of 24-26 quintals, and a quintal is procured on minimum support price of ₹2,320 per quintal for A-grade paddy.

“It is not the same story now, as cotton is no longer white gold. Now, average cotton yield per acre has slipped to 4-5 quintals, which makes the crop unviable,” said a CCI official. However, the state agriculture department hopes that the area will increase during the upcoming kharif season from what it was in 2024 (98,000 hectares) because last season there was negligible infestation of white fly, pink bollworm, in comparison to the previous years.

To address the persistent issue of pink bollworm and white fly infestation, the department has deployed 264 nodal officers across seven southwestern districts in Bathinda, Fazilka, Muktsar 62, Mansa, Sangrur, Barnala and Faridkot.

Source: hindustantimes.com– Mar 19, 2025

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