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Currency Watch			
USD	EUR	GBP	JPY
85.62	92.38	110.58	0.57

INTERNATIONAL NEWS

No	Topics
1	EU sees strong export recovery in 2024, import resumes late in year
2	Tariff Ticker: Trump Reverses Course, Says Reciprocal Duties Will Cover All Trade Partners
3	UK manufacturing downturn deepens in Mar 2025: S&P Global Ratings
4	ICE cotton dips despite lower planting forecast, dollar weighs heavily
5	UK clothing exports slide 21.7% to $292 mn in Jan 2025
6	Tariff Ticker: Dems Move to Spare Canada, Experts Pitch Balanced Trade Over Reciprocal Duties
7	New Report Highlights the Financial Benefits of Regenerative Agriculture
8	USDA Prospective Plantings: 9.87 Million Cotton Acres in 2025
9	Cross-sector credit risks from Vietnam's export exposure to US: Fitch
10	Bangladesh Halts Yarn Imported Via Land Ports—Exporters Call it 'Suicidal'

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NATIONAL NEWS	
No	**Topics**
1	How Make in India is Shaping the Future of Textiles and Apparel Industry
2	Trump's 'Liberation Day' countdown begins, world braces for tariffs impact
3	India's Textile Renaissance: A perfect storm for exponential export growth
4	EU pushes for MFN provision in India trade talks, eyes US-style concessions
5	CBIC to introduce e-processing of export, import through personal carriage by air pax from May 1
6	Textile Waste has become a significant global issue: Prime Minister Narender Modi
7	Parliament Question: Ministry Of Textiles
8	Why India's apparel sector may be hit hardest by Trump's reciprocal tariffs
9	Government lists exporters' feedback: US 2nd biggest source of curbs
10	Indias merchandise exports may fall slightly to USD 435 billion in 2024-25: GTRI
11	Cotton procurement at MSP by CCI touches 1 cr bales
12	Spinners eye cotton yarn price hike, but south India market stable

INTERNATIONAL NEWS

EU sees strong export recovery in 2024, import resumes late in year

The European Union (EU) trade in goods balance registered a surplus of €147 billion (~$159.3 billion) in 2024, representing a €113 billion increase compared with 2023 (€34 billion), according to the Eurostat. From 2014 to 2024, the EU consistently posted a trade surplus, with the sole exception of 2022, when soaring energy prices resulted in a notable deficit. In all other years, surpluses in sectors such as machinery, vehicles, and chemicals more than offset the impact of energy-related trade deficits.

The chemicals and related products group registered the largest increase in the last decade, doubling the surplus observed in 2014 from €119.1 billion to €238.1 billion (~$257.8 billion). Other manufactured goods changed from a surplus of €35.3 billion in 2014 to a deficit of €11.2 billion in 2024, according to data on international trade in goods published recently by Eurostat.

The data indicates that in 2024, imports decreased by 3.4 per cent compared to 2023, following a substantial decrease in 2023 (-16.1 per cent) compared with 2022. However, exports increased slightly by 1.1 per cent in 2024, compared with 2023, after falling in 2023 (-0.5 per cent).

In the last 3 months of 2024 compared with the same months in 2023, imports increased every month. By contrast, between February 2023 and March 2024, compared with the same month a year earlier, imports decreased every month.

In 2024 exports grew in 7 of the months, most notably in April and July. In 2023 exports increased in the first 3 months and in June but decreased in all other months, most notably in September.

In 2024, Germany maintained the largest share of the EU's extra-EU trade, contributing 27.4 per cent of the bloc’s exports to non-EU countries and 18.6 per cent of its imports.

Italy (11.8 per cent), France (10.6 per cent), and the Netherlands (10.2 per cent) were the only other EU nations with double-digit export shares. For imports, the Netherlands (17.8 per cent), France (10.4 per cent), and Italy (9.9 per cent) followed Germany.

The United States remained the largest destination for goods exported from the EU in 2024 with a share of 20.6 per cent. The United Kingdom stood second with 13.2 per cent, followed by China with 8.3 per cent. China was the largest supplier of goods into the EU in 2024 with a share of 20.1 per cent. The United States (12.9 per cent) followed at some distance.

Source: fibre2fashion.com– Apr 01, 2025

HOME

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Tariff Ticker: Trump Reverses Course, Says Reciprocal Duties Will Cover All Trade Partners

Following his announcement of 25-percent tariffs on automobiles last week, President Donald Trump has added more fuel to the tariff fire.

With days to go until "Liberation Day"—the April 2 deadline set by the White House for the rollout of reciprocal duties—Trump stoked consternation and confusion with comments indicating that the tariffs will affect all countries, not just those with trade imbalances with the U.S.

Doubling back on his comments last week that the tariffs would likely be "more lenient than reciprocal," the president on Sunday aboard Air Force One told reporters that the tariff agenda would "start with all countries," and that there would be no "cutoffs" as previously hinted.

This goes against comments from Treasury Secretary Scott Bessent, who in recent weeks has said that the tariffs might only impact the "Dirty 15," or the 15 percent of countries with the largest and most persistent trade surpluses with the U.S.

Trump economic advisor Peter Navarro told Fox News Sunday that the new duties would raise $6 trillion in government revenue over the course of the next decade, asserting that "Tariffs are tax cuts, tariffs are jobs, tariffs are national security." A Fox News poll released the same day showed that most Americans disagree; 69 percent said they believe new duties will drive up prices.

The markets, too, felt the shockwaves of continued tariff debate. On Monday, stocks were mixed, with the S&P 500 gaining 0.55 percent, or nearly 31 points, while the Nasdaq Composite dropped 0.14 percent, or 23.7 points. The Dow Jones Industrial Average grew 1 percent, or 417.86 points.

As the rollout of reciprocal duties looms, trading partners are preparing to retaliate and forming new alliances.

Over the weekend, top trade officials from Japan, China and South Korea met in Seoul for the first meeting of its kind in five years, with the goal of deepening trade ties amid growing tensions with the U.S. In a joint statement, South Korean Industry Minister Ahn Duk-geun, Chinese

Commerce Minister Wang Wentao, and Japanese Trade Minister Yoji Muto talked of promoting a "rules-based, open, inclusive, transparent, non-discriminatory multilateral trading system with the WTO at its core."

The trade leaders called for the strengthening of certain WTO functions like negotiations, monitoring, deliberation and dispute settlement in the face of current trade headwinds. The meeting also saw the Asian nations agree to accelerate negotiations for a trilateral free trade agreement and the advancement of the Regional Comprehensive Economic Partnership (RCEP), which includes 15 countries in the region that collectively make up 30 percent of global gross domestic product (GDP), population and trade volume.

White House press secretary Karoline Leavitt said Monday that the president will make his tariff announcement from the Rose Garden on Wednesday.

USTR weighs in Monday saw the release of a 397-page report from the Office of the U.S. Trade Representative analyzing the trade relationships between the U.S. and 58 of its trading partners. Commissioned by Trump earlier this year, the tome, entitled "2025 National Trade Estimate Report on Foreign Trade Barriers," may provide clues about which nations might be hardest hit by Trump's reciprocal duties.

Based on insights gleaned from the U.S. Departments of Commerce and Agriculture, as well as other U.S. Government agencies and embassies and supplemented with information provided in response to a notice published in the Federal Register, covers the country's largest export markets.

"Trade barriers elude fixed definitions, but may be broadly defined as government laws, regulations, policies, or practices—including non-market policies and practices—that distort or undermine fair competition," the report said.

"These include measures that protect domestic goods and services from foreign competition, artificially stimulate exports of particular domestic goods and services, or fail to provide adequate and effective protection of intellectual property rights."

Though Trump has railed against the European Union (EU) for trade policies he's described as unjust or unfair, the report, compiled by Trump-appointed USTR Ambassador Jamieson Greer, underscored that the U.S. and the EU "share the largest economic relationship in the world."

"Trade and investment flows between the United States and the EU are a key pillar of prosperity on both sides of the Atlantic and generate substantial economic opportunities," it added. However, certain goods and services produced stateside face "persistent barriers" in accessing certain sectors of the EU market, which the USTR said "limits the opportunity of U.S. workers and businesses to benefit from transatlantic trade."

According to 2023 data, the EU's average most-favored nation (MFN) applied tariff rate was 5 percent. "Although the EU's tariffs are generally low for non-agricultural goods, some EU tariffs are high, such as rates of up to 26 percent for fish and seafood, 22 percent for trucks, 14 percent for bicycles, 10 percent for passenger vehicles, and 6.5 percent for fertilizers and plastics," the report said.

The report also took aim at Mexico, which will face an across-the-board duty rate of 25 percent should Trump allow the duties he announced and deferred in February to commence without further delay.

"Mexico continues to provide insufficient prior notification of procedural changes, inconsistent interpretation of regulatory requirements at different border posts, and uneven border enforcement of Mexican standards and labeling rules," the report said. Some American goods are not allowed to pass through certain ports of entry, making it difficult for U.S. exporters to arrange transportation and logistics—rules that the USTR said defy the provisions of the U.S.-Mexico-Canada agreement. The agency said Mexico must provide U.S. exporters with simplified procedures.

Canada, a frequent target of Trump's inflammatory rhetoric, was also called out for using a supply-management system to regulate prices, supply and tariff-rate quotas (TRQs) for imports, which the USTR report said "severely limits the ability of U.S. producers to increase exports to Canada above TRQ levels and increases the prices that Canadians pay for dairy and poultry products." Under the current system, American imports above quota levels face "prohibitively high" tariffs on agricultural and food products like eggs and butter, for example.

While Canada and the U.S. revised these rules in 2022 and agreed to ensure that TRQs are administered fairly under USMCA, the report said there are still practices in place that are hurting American producers.

The report underscored Trump's recent claims that India's MFN applied tariff rate—which sits at 17 percent—is "the highest of any major world economy," along with high basic customs duties sometimes exceeding 20 percent. The high tariff rates can present a "significant barrier" to the trade of certain U.S. agricultural goods.

Source: sourcingjournal.com– Mar 31, 2025

HOME

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UK manufacturing downturn deepens in Mar 2025: S&P Global Ratings

March saw UK manufacturing downturn deepen, according to S&P Global UK manufacturing purchasing managers' index (PMI) data, which show rates of contraction in output and new orders accelerated, as the difficult operating environment persisted.

Business confidence slumped to a near two-and-a-half year low, with only 44 per cent of companies expecting activity to rise over the coming year (down sharply from 56 per cent in February) as concerns about government policy, rising costs, increased geopolitical tensions and potential tariff uncertainty affected both current and expected future conditions.

The seasonally-adjusted S&P Global UK manufacturing PMI fell to a 17-month low of 44.9 in March, down from 46.9 in February but slightly above the earlier flash estimate of 44.6.

The PMI has now signalled a deterioration in overall operating conditions in each of the past six months.

March saw UK manufacturing production decline for the fifth straight month and at the quickest pace since October 2023.

The downturn was widespread, with contractions signalled across all sub-sector definitions (consumer, intermediate and investment goods) and all size categories (small, medium and large). Small-scale producers saw the steepest decrease in output, a release from S&P Global Ratings said.

By far the most significant factor underlying the retrenchment in production volumes was a slump in the level of new business received during March.

New order intakes fell to the greatest extent for over one-and-a-half years and at one of the quickest rates since the pandemic-hit months of 2020. The 6.9-point drop in the new orders index since February was also the joint-sharpest fall since 2020, further emphasising the severity of the acceleration in the pace of decline, the rating agency noted.

Manufacturers reported a tough trading environment, beset by rising geopolitical tensions, weak client confidence and economic slowdown in both domestic and overseas markets.

Disruption to new order inflows was also caused by concerns about the forthcoming rises to the national minimum wage and employer national insurance and the possibility of tariffs.

New export business contracted for the thirty-eighth successive month in March, and at the quickest pace since August 2023.

Lower intakes of new export work were mainly linked to weaker demand from the United States and Europe. Some firms also noted reduced levels of new business from China, India and the Middle East.

Source: fibre2fashion.com– Apr 02, 2025

HOME

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ICE cotton dips despite lower planting forecast, dollar weighs heavily

ICE cotton futures closed slightly lower on Tuesday, as a stronger US dollar made US cotton purchases more expensive, discouraging buyers from entering new deals. However, the losses were limited by the latest US cotton planting report, which indicated a planting area for the natural fibre that was lower than expected.

Yesterday, the ICE cotton May 2025 contract settled at 66.83 cents per pound (0.453 kg), down 0.07 cent. During the trading session, it had dropped over one per cent but recovered partially. The US dollar gained against other currencies, making dollar-denominated cotton more expensive for international buyers. The stronger dollar added further pressure on the natural fibre.

The USDA reported that the total cotton planting area in the US for 2025 is expected to be 9.867 million acres, lower than the market forecast of 10.189 million acres and well below the 11.182 million acres planted in 2024.

Cotton futures were initially dragged down by weak sentiment in the CBOT grain market. However, once the USDA's planting report was released, grains rebounded, providing some support to cotton prices. Traders remained cautious due to upcoming tariff announcements expected later in the week, leading to negative sentiment in most markets.

As of March 28, the number of deliverable No. 2 cotton futures contract stocks on the ICE remained unchanged at 14,488 bales.

Currently, ICE cotton for May 2025 is trading at 66.68 cents per pound (down 0.15 cent), cash cotton at 64.33 cents (down 0.07 cent), the July 2025 contract at 67.85 cents (down 0.14 cent), the October 2025 contract at 69.84 cents (down 0.11 cent), the December 2025 contract at 69.76 cents (down 0.16 cent), and the March 2026 contract at 70.94 cents per pound (down 0.11 cent). A few contracts remained at the level of the last closing, with no trading noted today.

Source: fibre2fashion.com– Apr 01, 2025

HOME

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UK clothing exports slide 21.7% to $292 mn in Jan 2025

The United Kingdom's clothing exports dipped by 21.79 per cent to £226 million (~$292.40 million) in January 2025, according to the UK's Office for National Statistics (ONS). The decline in clothing exports from the country reflects sluggish demand, especially in Europe, which is a major market for UK clothing. UK clothing exports had already fallen by 11.74 per cent to £3,320 million (~$4,186.53 million) in 2024.

UK clothing exports also declined by 18.99 per cent in January 2025 compared to £279 million in December 2024. Textile fabric exports in January 2025 eased by 11.21 per cent to £198 million from £223 million in the same month of 2024, but rose by 5.31 per cent month-on-month from £188 million in December 2024.

Textile fibre exports edged up by 7.2584 per cent to £55 million in January 2025, up from £51 million in January 2024, but declined from £59 million in December 2024.

During the fourth quarter of 2024, clothing exports totalled £879 million, compared to £987 million in Q4 2023 and £771 million in Q3 2024. Exports of textile fabrics and fibres in the same quarter were £670 million and £206 million, respectively. Textile fabric exports were £688 million in Q4 2023 and £653 million in Q3 2024, while fibre exports reached £150 million in Q4 2023 and £166 million in Q3 2024.

The country's clothing exports stood at £3,320 million (~$4,186.53 million) in 2024, down 11.74 per cent from the previous year. Textile fabric exports in 2024 remained relatively stable at £2,733 million, while fibre exports increased to £707 million.

In 2023, total clothing exports dropped to £3.772 billion (~$4.88 billion) from £3.931 billion in 2022 and £4.263 billion in 2021. Exports of textile fabrics and fibres in 2023 were £2.737 billion and £667 million, respectively, compared to £2.716 billion and £616 million in 2022.

Source: fibre2fashion.com– Apr 02, 2025

HOME

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Tariff Ticker: Dems Move to Spare Canada, Experts Pitch Balanced Trade Over Reciprocal Duties

President Donald Trump's long-awaited reciprocal tariffs announcement is imminent, and Democratic lawmakers are making last-ditch effort to mobilize support against new duties on trade allies.

As of the time of this publication, Senator Cory Booker (D-N.J.) remained on the Senate floor in a near-day-long filibuster of sorts, railing against the Trump administration's domestic and foreign policies that he said have hurt and will continue to burden Americans, including "launching a trade war on our allies."

"In just 71 days, the president has inflicted harm after harm on Americans' safety, financial stability, the foundations of our democracy, and any sense of common decency," Booker said in his introductory remarks Monday. "These are not normal times in our nation. And they should not be treated as such in the United States Senate."

In a bid to stave off new duties on Canadian imports and resuscitate a trade relationship that has taken a beating in recent weeks, Senator Tim Kaine (D-Va.) also pushed to force a vote on a bill that would unravel Trump's executive order. While the implementation of the 25-percent duty scheme—which Trump claims would address the movement of migrants and fentanyl over the Northern border—has been pushed out twice since it was announced in February, that deferral period ends Wednesday.

Kaine's bill aims to terminate the executive powers invoked by the president under the International Emergency Economic Powers Act (IEEPA). The lawmaker, who said the legislation would likely come to a vote on Tuesday or Wednesday, called Trump's reasoning for levying duties a "fake Canadian emergency" and "a sham."

The bill's chances of passing in the Senate and the Republican-led House are slim, Kaine acknowledged, but the movement has generated some support from GOP colleagues like Sen. Susan Collins (R-Maine), Sen. Thom Tillis (R-N.C.) and Sen. Rand Paul (R-Ken.), who Kaine said would vote to stop Trump's tariff plans.

Balanced trade, not reciprocal tariffs, is the right path forward not just for America's foreign policy and global relationships but for the country's economy, according to research from the American Economic Liberties Project's Rethink Trade program.

According to a white paper released this week, the U.S. has operated under a persistent trade deficit with the world since 1975—the result of government-led policies that have favored the country's financial sector, ultimately leading to slow and steady deindustrialization. Free-trade-centered policies (perpetuated by both parties at different times) have incentivized companies that make their money in America to offshore operations, seeking cheap labor and production costs to pad their margins, the group's research said.

"This was a bargain that was made in the '90s, in which the U.S. basically said, 'We're going to give other countries free-market access—or almost free-market access—to sell to the U.S. market, but we're going to get some things in return," said Daniel Rangel, the group's research director.

Those trade-offs included financial liberalization privileges for American firms to operate anywhere they wanted in the world with certain guarantees of success due to the power and prominence of the U.S. dollar. "So coming out and saying that the rest of the world has been so unfair and is taking advantage of the U.S."—as Trump has done repeatedly since he returned to office—"doesn't recognize how this was a bargain that was led by U.S. policy," Rangel said.

While the current administration's narrative purports that the U.S. is being fleeced by the rest of the world (and it does have the largest chronic trade deficit, at $1 trillion), it's far from the only nation operating with a trade imbalance, Rethink Trade's data showed. Today, 66 nations across the globe have trade deficits with their trading partners, while just 19 have surpluses that aren't related to oil or gas exports.

Rebalancing global trade would require action against the largest of those "mercantilist nations," which have designed policies that boost their industrial exports through state-sponsored activities and currency manipulation, putting competitors at a disadvantage, Rangel said. "If the policy makers of a country can keep their currency under value, that gives that country an unfair trade advantage," he said by way of example, also pointing to "any kind of labor regime that suppresses wage growth."

By interfering with fair competition, as a country like China has done, a large economy can "generate disequilibrium in in the international economy," Rangel said. While many nations, especially developing economies, have used such policies to "catch up" to their peers on the global stage, "when an economy becomes a developed economy and keeps using them, it generates a lot of global imbalances."

But seeking to rebalance the scales by targeting nations with tariffs indiscriminately won't work, Rangel opined. Instead, U.S. government leaders would do better to explore a combination of monetary, financial and trade policies to rectify the deficits. "Tariffs, if applied consistently and in combination with other policies, and ideally in coordination with other deficit countries, could be part of the remedy," the research said.

"The best case scenario (which is honestly something that's kind of hard to envision right now, given the chaotic approach that this administration has taken with regards to tariff policy), would be to try to generate some kind of global agreement in which the countries that have seen their industrial capacity diminished, that have seen rising inequality, that have seen huge levels of informality in their economy, could come together and say the current status quo is clearly not working for the majority of our citizens, and we need to come up with something different," Rangel said.

That new order could involve implementing a two-tier system in which certain countries agree not to use mercantilist tools to advance their economic interests, as well as agreeing to slap countries that are engaging in anti-competitive practices with punitive duties. "The idea would be to try to come up with an agreement that forces a rebalance, and tariffs could be part of the toolbox," he added.

While Trump has claimed tariffs as the centerpiece of his economic plan, they're not at all novel, Rangel said. During the 1950s and 1960s, considered by many to be America's manufacturing heyday, the U.S. had an average tariff rate of 10 percent. That number has declined over the ensuing decades; in 2023, the average U.S. tariff on all imports was 2.4 percent, while the average U.S. tariff on dutiable imports was 7.4 percent, according to the Peterson Institute for International Economics.

"Now they're being used in a much more aggressive way and with potentially very different objectives than the ones that have been traditionally being linked to this policy tool, in a manner that we can call 'unprecedented,'" Rangel said.

But in the absence of a formalized tariff plan, the impacts of Trump's April 2 "Liberation Day" are yet unknown. "It really depends on what happens; if the announcement is about charging reciprocal tariffs to a couple or even a dozen of countries that represent most of the U.S. trade deficit, which has been floated around, the impact will be less severe," he added. By contrast, if Trump makes good on his stated plans to go global on duties, "the impacts are likely to be felt sooner rather than later," he opined.

Depending on when the tariffs are ultimately implemented, companies may have time to shift their supply chains to limit the new duty burden—or, the U.S. could see massive market disruption within days or weeks. On Tuesday, the White House indicated that duties announced this week would go into effect "immediately." Even if the president's bark is worse than his bite in this regard, and the tariffs are not as wide-ranging or far-reaching as he's threatened, the impacts of months of tariff turmoil may be felt for some time. "There's lasting damage domestically, in terms of delegitimizing a trade tool that has been used for decades," Rangel said. Tit-for-tat trade wars could become the status quo, even though countries have been taxing imports, to some degree, for generations.

"And we have seen a lot of people understandably worried about how very aggressive and unpredictable tariff policy could affect their lives, so that that could create lasting damage," he added. In the near term, new duties run the risk of driving up prices at retail and fueling the inflation that was just starting to cool when Trump took office. "On the domestic front, tariffs could risk a wave of price gouging by corporations with market power that could use the import duties as an excuse to raise prices and bolster their profits," Rethink Trade's research said.

"That's definitely a possibility, and it's something we've already started to see," Rangel told Sourcing Journal. "It's important for people to realize that tariffs are not consumption tax; they're a tax that is charged when a good is imported into the country by a wholesaler or by a manufacturer," he said. "This is important, because in the end, a lot of these companies have huge markups, and if what they're trying to do is to translate any kind of tariff increase to the consumer, that's a choice that companies are making. That's not something that they have to do."

Source: sourcingjournal.com– Apr 01, 2025

HOME

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New Report Highlights the Financial Benefits of Regenerative Agriculture

Sustainable cotton consultancy Cotton Connect's new impact report describes how its family of cotton programs achieved positive results in 2023-2024.

The London-based consultancy helps global brands source more fairly and sustainably by creating more robust, resilient and successful raw material supply chains. Part of this effort includes programs including REEL Cotton, REEL Regenerative, the Organic Cotton Farmer Training Program and the Regenerative Organic Program. The report showed how these programs, which trained 452,321 farmers during the period resulted in the positive reduction in inputs affecting soil health and the environment, compared with control farmers.

Regenerative cotton is an important focus area. The consultancy's goal is to have more than 90 percent of REEL Cotton farmers be trained to adopt regenerative practices by 2030.

Since launching in 2021, REEL Regenerative has trained over 250,000 farmers on more regenerative agriculture practices that restore the soil health and ecosystems needed to support cotton cultivation.

Compared with control farmers, the report said the regenerative program increased yield by 4.1 percent, reduced input costs by 9.8 percent reduced water use by 14 percent. All farmers used natural fertilizer, 87 percent of farmers used bio-pesticides and 23 percent of farmers practiced crop rotation.

Regenerative agriculture is proving to provide financial gains for those growing organic cotton as well. A group of 391 farmers in the Aurangabad district of Maharashtra, India, who are part of the REEL Regenerative Organic Cotton program, received 4.9 percent more profit than the control farmers due to 35 percent less input cost, even though they achieved 7 percent less yield than the conventional control farmers.

"The program demonstrated that including training on regenerative practices adds additional benefits to organic cotton cultivation, including increased profits from additional crops, improved soil health, and a balanced ecosystem," Cotton Connect states in the report.

Across all its programs in India, Pakistan, Bangladesh, China, Egypt and Turkey, the Primark Cotton Project collaborator reported that it used 21.4 percent fewer pesticides, reduced chemical fertilizer usage by 17.5 percent and reduced water usage 21.9 percent. It also reduced input costs y 14.3 percent. The program, which increased its yield by 6.1 percent, also increased its profit by 26.1 percent, according to the report.

In the consultancy's second LCA study to analyze how the outcomes of the sustainable agricultural practices in the REEL Cotton Program translates into reducing greenhouse gas (GHG) emissions, Cotton Connect found a 35 percent saving potential in CO_2 eq. The LCA study demonstrates that the REEL Cotton Program achieves higher yields, reduced water consumption, and improved nitrogen use efficiency compared with control groups of farmers, the report stated.

This aligns with Cotton Connect's overall goal to reduce GHG emissions for REEL Cotton by 50 percent by 2030, from the baseline year 2017.

"By sharing these insights, we hope to encourage and help other contributors in the textiles industry to collectively work on increasing responsible production of raw materials and supporting smallholder farmers to attain a resilient future," said Alison Ward, Cotton Connect CEO.

Source: sourcingjournal.com– Apr 01, 2025

HOME

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USDA Prospective Plantings: 9.87 Million Cotton Acres in 2025

USDA's Prospective Plantings report for the 2025 crop year shows an intended cotton planted area of 9.87 million acres for the year – down 12% from 2024 acreage.

The report was issued by USDA's National Agricultural Statistics Service (NASS) on March 31.

Upland cotton area for 2025 is estimated at 9.71 million acres, down 12% from 2024. American Pima area is estimated at 157,000 acres – down 24% from last year.

Estimated cotton acres are projected to decrease in all but two cotton-producing states – Arizona (up 22%) and Kansas (up 7%). Regionally, the report shows total Southeast cotton area at 1.98 million acres and 1.6 million acres across the Mid-South states. Southwest area is projected at 5.97 million acres, with 282,000 total cotton acres noted for Arizona, California, and New Mexico.

Among other crops, the USDA report for 2025 showed a 5% increase in planted acreage for corn, a 4% decrease for soybeans, a 4% increase for sorghum, an 8% increase for peanuts, and a 1% decrease for rice.

Estimates in the Prospective Plantings report are based primarily on surveys conducted during the first two weeks of March. The March Agricultural Survey is a probability survey that includes a sample of approximately 73,700 farm operators across the U.S. Data from operators was collected by mail, internet, or telephone to obtain information on crop acreage intentions for the 2025 crop year.

Source: cottongrower.com– Apr 01, 2025

HOME

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Cross-sector credit risks from Vietnam's export exposure to US: Fitch

Fitch Ratings expects strong economic growth in Vietnam in the next few years, but that assumption could be challenged if the United States raises hefty tariffs on Vietnam's exports. It believes the Vietnamese government's policy response will be important in determining cross-sector credit outcomes under a scenario where US tariffs on Vietnamese goods rise sharply.

In a report titled 'Vietnam Cross-Sector Credit Risks from US Trade Exposures', the rating agency projected that the country's economy will grow by 6.1 per cent a year on an average in 2025-26 under its baseline assumptions, supported by solid export momentum and increased public investment and services activity.

Strong growth prospects are credit positive for Fitch-rated issuers in Vietnam, either directly or indirectly via its assessments of the potential for extraordinary sovereign support and growth's influence on the sovereign rating. However, Vietnam's exports and economic prospects could be vulnerable if the United States raises tariffs sharply on imports from Vietnam.

Vietnam's exports to the United States are larger as a share of gross domestic product (GDP) than those of Mexico and Canada, and it appears particularly exposed to the risk of US trade actions, as its goods trade surplus with the United States is large and has risen markedly in the last decade, Fitch noted.

It believes at least some of this increase—in combination with its large trade deficit with China—represents a rerouting of trade in the wake of tariff increases imposed by the United States on Chinese imports under President Donald Trump's first term from 2017-2021.

Fitch believes the Vietnamese government has policy options that could mitigate the economic hit from US tariffs. However, these policies would be likely to also have other, potentially less positive credit effects, it added.

Source: fibre2fashion.com– Apr 02, 2025

HOME

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Bangladesh Halts Yarn Imported Via Land Ports—Exporters Call it 'Suicidal'

The Bangladeshi government halted the import of yarns entering the country via land ports, throwing the nation's apparel exporters up in arms.

The government's decision follows requests from textile mill owners who suggested yarn should be imported only via seaports. The mills claim that the land ports lack the necessary infrastructure to vet raw materials and properly identify different categories of yarn.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), told Bangladeshi publication The Business Standard that the decision "will be suicidal for apparel exporters."

The BKMEA and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), two of the leading lobbying groups supporting Bangladesh's ready-made garment (RMG) industry, had requested that the imports continue through all ports.

But the Bangladesh Textile Mills Association (BTMA) has argued that bringing in the materials through land ports undermines local industry.

That industry has propped up Bangladesh's export economy, with garments constituting 81 percent of the country's total exports, according to the Bangladesh Export Promotion Bureau (EPB). Throughout 2024, Bangladesh's RMG exports totaled $38.5 billion, a 7.2 percent increase from $ 35.9 billion in 2023 despite the nationwide unrest that resulted in mass factory closures and the ouster of former Prime Minister Sheikh Hasina.

On Thursday, the Bangladesh commerce ministry issued a notice directing the country's National Board of Revenue to halt the yarn imports.

"In this situation, it is requested to take necessary measures by issuing a notification to stop the import of yarn through all land ports or by issuing a corresponding amendment to the existing statutory regulatory order (SRO)," the notice added.

The notice established that all types of yarn imported through land ports are significantly undervalued compared to the prices declared at the Chattogram Customs House. Domestic yarn manufacturing companies are unable to compete with the cheaper imports entering the country via land, adds the notice.

The average price of yarn produced in China, Turkey, Uzbekistan and Bangladesh is almost the same, but the price of yarn imported using land ports is much lower. This is causing irreparable damage to the domestic textile industry, the notice said.

The ministry said the notice was based on information provided by the BTMA, which also included stakeholders' opinions.

Ahead of the notice, yarn imports from India were allowed through seaports and four land ports—Benapole, Sonamasjid, Bhomra and Banglabandha. These materials are often stocked in warehouses near the India-Bangladesh border in areas like Kolkata, before being shipped over.

Bangladesh is now heavily reliant on India for yarn imports, as roughly 95 percent come from the neighboring country. In total, Bangladesh imported 1.25 million metric tons of yarn in 2024—mainly cotton yarn—up 31.5 percent from 924,000 metric tons in 2023, the BTMA says.

India is suitable as a yarn source for multiple reasons, including the neighboring country's competitive rates, its capacity to deliver larger consignments on time and local yarn mills struggling with inconsistent gas and power supply.

Former BGMEA senior vice president Abdullah Hil Rakib told The Business Standard that the government's initiative would force apparel exporters to buy yarn from local markets instead, thus increasing costs for the industry and harming their competitiveness.

"We have to acknowledge that today's small enterprises will one day grow into large companies—current industry leaders are proof of this," Rakib said, warning that making SMBs depend solely on the domestic market could threaten their survival.

"It is not ethical to force apparel exporters into an economic model that limits their choices," Rakib added. BKMEA's Hatem backed this up in saying that fast-fashion apparel manufacturers would be negatively

impacted as well since importing materials through seaports requires a longer lead time.

Hatem cited research data noting that the price of 30 single yarn in Bangladesh is $3.40 per kilogram, whereas it is $2.90 per kilogram in India and $2.96 per kilogram in Vietnam.

The BTMA had initially proposed a policy revision that allowed Bangladesh to keep importing yarn through the land ports.

Association president Showkat Aziz Russell changed his mind on the subject somewhere before the start of the year. In a letter to the government's finance adviser Salehuddin Ahmed, Russel said that land ports often lack testing facilities for materials like yarn, enabling importers and exporters alike to take advantage of misdeclaration.

Russell warned that allowing continued yarn imports through land ports would cause irreparable damage to the country's textile sector, increasing reliance on imported yarn and leading to higher import costs and unemployment.

"We have seen growth in apparel exports in the new fiscal year, yet local mills are struggling due to multiple challenges, including low orders," Russell said.

Source: sourcingjournal.com– Apr 01, 2025

HOME

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NATIONAL NEWS

How Make in India is Shaping the Future of Textiles and Apparel Industry

Introduction

The Make in India initiative, launched in 2014, has played a crucial role in positioning India as a global textile manufacturing and export hub. The textile and apparel industry is one of the largest contributors to India's economy, providing employment to millions and generating substantial foreign exchange earnings. With strong policy support, infrastructure development, and a skilled workforce, India has emerged as a preferred investment destination in the global textile sector.

Overview of India's Textile Industry

The textile and apparel industry contributes 2.3% to our GDP, 13% to industrial production, and 12% to exports. India exported textile items worth US$ 34.4 billion in 2023-24, with apparel constituting 42% of the export basket, followed by raw materials/semi-finished materials at 34% and finished non-apparel goods at 30%.

It is also the second largest employment generators, after agriculture, with over 45 million people employed directly, including many women and the rural population. As further evidence of the inclusive nature of this industry, nearly 80% of its capacity is spread across Micro, Small and Medium Enterprises (MSME) clusters in the country.

The sector also has perfect alignment with the Government's overall objectives of Make in India, Skill India, Women's Empowerment, Rural Youth Employment and inclusive growth. The industry produces about 22,000 million pieces of garments per year, with the market size projected to reach US$ 350 billion by 2030, from the current $174 billion.

Recently, the Ministry of Textiles reported a 7% increase in textile and apparel exports, including handicrafts, from April to December 2024, compared to the same period the previous year. In line with the growth roadmap, the Indian textile market currently ranks fifth globally, and the government is actively working to accelerate this growth to a rate of 15-20% over the next five years.

Impact of 'Make in India' on the Textile Industry

The Make in India initiative has catalyzed textile manufacturing and exports through key policy interventions, enhanced infrastructure, and incentives. In the Union Budget 2024-25, to promote domestic textile production, two more types of shuttle-less looms are added to fully exempted textile machinery by the government. Click here for more details

Source: pib.gov.in – Apr 01, 2025

HOME

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Trump's 'Liberation Day' countdown begins, world braces for tariffs impact

US President Donald Trump is set to announce a series of sweeping reciprocal tariffs on Wednesday aimed at addressing trade imbalances, prompting global concern as countries prepare for potential economic repercussions.

He will unveil his global tariff plan at a Rose Garden event featuring his entire Cabinet, scheduled to begin as US markets close at 4 pm Eastern Time (ET), or 1:30 am on April 3, according to Indian Standard Time (IST).

On Sunday, Trump declared that "all countries" would be targeted. "You would start with all countries, so let's see what happens," Trump told reporters, dismissing expectations that he might reduce certain levies or apply them only to nations with larger trade imbalances.

Trump termed April 2 as "Liberation Day", asserting that the tariffs would liberate the US from its dependence on foreign goods. On Tuesday, White House Press Secretary Karoline Leavitt said India imposes a 100 per cent tax on American agricultural products.

"If you look at the unfair trade practices, we have 50 per cent from the European Union on American dairy, a 700 per cent tariff from Japan on American rice, a 100 per cent tariff from India on American agricultural products, and nearly a 300 per cent tariff from Canada on American butter and American cheese."

Leavitt added that Trump's "Liberation Day" tariffs would take effect immediately after the announcement. She said, "The president will be announcing a tariff plan that will roll back the unfair trade practices that have been ripping off this country for decades. He's doing this in the best interest of the American worker."

What are reciprocal tariffs?

According to Trump, these tariffs are a key part of his administration's plan to rectify what it sees as unfair trade practices by imposing duties that match those levied by other countries on US products. This approach could affect imports valued at approximately $600 billion annually, with

tax on auto imports alone expected to raise $100 billion a year, according to media reports.

Trump had already imposed tariffs on steel and aluminium imports and additional levies on imports from China. He announced a 25 per cent tariff on all auto imports last week, which is set to take effect on April 3.

Economic implications

Economists warn that the tariffs could lead to higher prices for consumers and potential disruptions in global supply chains.

According to an S&P analysis, India, South Korea, and Thailand could be among the most vulnerable to these tariffs.

The uncertainty surrounding the trade policies has already contributed to significant market volatility, with major indices experiencing declines. In India on Tuesday, the Sensex and Nifty fell 1.8 per cent and 1.5 per cent, respectively, driven by concerns over the impact of Trump's tariffs.

Global reactions

A day before the announcement, Trump said, "India would be reducing its tariffs very substantially." He added, "I believe many countries will lower their tariffs, as they have imposed unfair duties on the United States for years.

For instance, the European Union has already reduced its car tariff to 2.5 per cent, which was announced a few days ago—a very small tariff. The US has been charging very little in comparison. I recently heard that India will also be making a significant cut to its tariffs. I asked, why was this not done long ago? Many countries are now planning to lower their tariffs."

Leaders worldwide have expressed unease over the potential for these tariffs to disrupt the global economy. Canadian businesses, for instance, are uncertain about the specifics but anticipate negative impacts, especially given the substantial trade volume between Canada and the US. Similarly, Indian and South Korean markets are on edge, with industries such as pharmaceuticals, copper, automotive, and steel bracing for possible downturns.

Between financial years (FY) 2021–22 and 2023–24, the US remained India's largest trading partner, according to a PTI report. It accounted for nearly 18 per cent of India's total merchandise exports, 6.22 per cent of imports, and 10.73 per cent of overall bilateral trade.

India and the US will hold sector-specific discussions in the coming weeks to finalise the framework of the proposed bilateral trade agreement. Commerce minister Piyush Goyal said the talks are progressing and will serve the interests of both countries while safeguarding India's concerns.

As the implementation of these tariffs approaches, the global community remains on high alert. The full impact on international trade, economies, and consumers will unfold in the coming months, depending on the specifics of the tariffs and the responses from affected nations.

Source: business-standard.com– Apr 02, 2025

HOME

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India's Textile Renaissance: A perfect storm for exponential export growth

A number of catalysts life global shifts, favorable trade dynamics, and concerted domestic efforts is pushing India's textile and apparel sector towards an era of unprecedented export growth. But can India seize this moment and transform its textile legacy into a global powerhouse?

India's textile industry, a bedrock of its economy, is good growth. And what is boosting growth is its rich heritage and expansive manufacturing capabilities. In fact, India is positioned very well to increase its global textile footprint. Recent data underscores this positive momentum.

Table: India's textile export performance

Metric	Value/Percentage	Notes
Textiles & Apparel Exports (Apr-Oct FY 2024-25)	$21.35 billion (7% increase)	Includes handicrafts; indicates robust growth momentum.
Global Textile & Apparel Export Rank (2023)	6th	Demonstrates India's significant global presence.
Global Textile & Apparel Trade Share (2023)	3.90%	Highlights India's growing influence in the global market.
Textiles & Apparel Share in India's Total Exports (2023-24)	8.21%	Underscores the sector's vital contribution to India's overall export performance.
Global Cotton Yarn Export Rank	1st	Reinforces India's dominance in the cotton yarn segment.
Global Cotton Yarn Market Share	31%	Solidifies India's position as a leading global supplier.
Global Textile Export Share	5.5% ($19.73 billion)	Represents India's strong performance in the broader textile category.
Global Apparel Export Share	3% ($15.5 billion)	Indicates significant, though with room to grow, presence in the global apparel market.
Increase in Cotton Imports (2024-25)	62% +	Reflects strategic sourcing to compensate for local production fluctuations.

What led to the rise in exports...

Several converging factors are creating an unprecedented opportunity for India's textile exports. Geopolitical and trade dynamics is an important factor. For example, China's tariff on US cotton has drastically reduced US cotton prices, making it more accessible for Indian manufacturers, enhancing their cost competitiveness. Furthermore, it reduces the competitiveness of Chinese textile exports, opening market share for Indian goods.

US tariffs on Mexico too has given a competitive pricing advantage to Indian textiles in the US market. Meanwhile Bangladesh's political and economic uncertainties are prompting global buyers to diversify sourcing, favoring India as a stable alternative.

Another factor contributing to export growth is the strategic trade agreements. Like the India-Australia FTA that provides preferential access to high-quality Australian cotton, strengthening India's raw material supply. Similarly, the FTAs with EU & UK are expected to significantly boost exports by eliminating tariffs and enhancing market access.

India also has its own domestic strength with abundant raw materials. India's leading position in cotton and other natural fiber production provides a strong foundation. Its vast and skilled workforce gives it a significant advantage in labor-intensive textile manufacturing. Add to it government policies like the Production-linked incentive (PLI) schemes and infrastructure development projects that foster growth.

Product diversification is another plus. Expansion into man-made textiles and technical textiles is broadening India's export portfolio. Reliable cotton supply both from domestic sources and increased cotton imports, and FTA’s with cotton producing nations, ensure a constant supply of raw materials.

Despite the favorable outlook, India's textile industry must address critical challenges. Infrastructure bottlenecks for instance. Improving logistics and infrastructure is essential for efficient export operations. Investing in modern technology and automation too is crucial for enhancing productivity and competitiveness.

Maintaining high quality and complying with environmental and social standards is also vital for market access. Navigating potential recessions and fluctuations in global demand is another challenge.

Mitigating the impact of disruptions to global supply chains due to geopolitical tensions is important. And along with all this, remaining competitive amidst evolving global trade dynamics, including potential shifts in US cotton export strategies is also vital.

Source: fashionatingworld.com– Apr 01, 2025

HOME

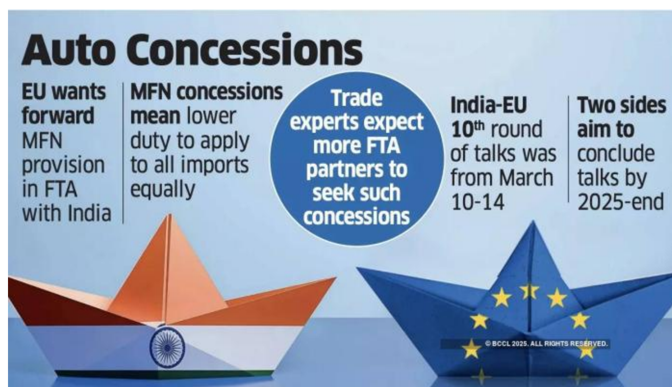
****

EU pushes for MFN provision in India trade talks, eyes US-style concessions

The European Union is pressing for inclusion of a "forward most-favoured-nation (MFN)" provision in free trade agreement (FTA) talks with India, which would require the latter to make concessions similar to those offered to the US in a proposed bilateral trade pact.

The issue of MFN status figured during the last round of India-EU trade negotiations in Brussels held a fortnight ago, people familiar with the development said. Such a move would imply that reduced duties would apply uniformly across all imports.

"This (MFN clause) has been suggested with a view towards the ongoing tariff talks between India and the US," said an official.



New Delhi and Washington are currently in discussions for a bilateral trade deal in the backdrop of US President Donald Trump's pledge to impose reciprocal tariffs on all countries, including India, from April 2.

Effecting the MFN provision would obligate India to automatically extend the same concessions to the EU that it would offer to the US in future, based on the formulation of the clause and its acceptance by New Delhi.

Countries can grant duty cuts to each other's imports on a preferential basis in an FTA but in the absence of such pacts, they have to give equal concessions to all of their trading partners.

"All of India's FTA partners will demand such concessions because we can't discriminate there as per the rules of the World Trade Organization (WTO)," said trade expert Biswajit Dhar.

However, the tenth round of India-EU parleys did not make much progress despite it being the first round after the College of Commissioners' visit to India on February 28, and the two sides jointly announcing the goal of finalising the agreement by the end of 2025.

"For the first time, sectoral sessions took place looking at specific industries like automotive and medical devices from a holistic point of view, looking at all obstacles that can impede market access, in particular, related to tariffs and rules of origin," said another official.

The two sides discussed rules of origin and customs procedures for claiming preferential treatment for processed agricultural products, fisheries, pharmaceutical products, chemicals, fertilisers, textiles and clothing and car parts.

They did not make any headway on the issue of greater access to India's government procurement market, which remains a sticking point amid New Delhi's preference for local companies and EU's insistence on the impact of such a policy on its companies.

Source: economictimes.indiatimes.com – Apr 02, 2025

HOME

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CBIC to introduce e-processing of export, import through personal carriage by air pax from May 1

The CBIC on Tuesday said it will introduce electronic processing of import/ export through personal carriage by air passengers from May 1 at specified airports. Nine airports at Delhi, Mumbai, Kolkata, Chennai, Kochi, Coimbatore, Bangalore, Hyderabad and Jaipur would allow personal carriage export of gems and jewellery.

Seven airports Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad and Jaipur would allow personal carriage import of gems and jewellery.

Four airports Bengaluru, Chennai, Delhi and Mumbai would allow personal carriage samples/prototypes of machinery.

"The Central Board of Indirect Taxes and Customs (CBIC) has introduced electronic processing of Bill of Entry/ Shipping Bill pertaining to gems and jewellery/samples/ prototypes through personal carriage by air passengers from May 1, 2025, onwards at specified airports," an official statement said.

The harmonised procedure and electronic processing will promote ease of doing business for such mode of transaction, especially for gems and jewellery and high-end manufacturing, it added.

Source: economictimes.indiatimes.com – Apr 01, 2025

HOME

****

Textile Waste has become a significant global issue: Prime Minister Narender Modi

Textile waste has become a significant global issue, Prime Minister Narender Modi emphasized in his monthly radio broadcast, 'Mann Ki Baat.' He voiced concerns about the growing problem of textile waste and the increasing popularity of fast fashion in this program.

Informing listeners about global research efforts to address the textile waste problem, Modi noted, less than 1 per cent of textile waste is recycled into new clothing.

This poses a considerable challenge for India as the country is the third-largest producer of textile waste globally, he pointed out.

However, the Prime Minister expressed optimism about the various commendable initiatives underway in India to tackle this issue.

Highlighting the numerous Indian startups that are engaged in developing textile recovery facilities, Modi said, teams across the country are working to empower ragpickers. Youngsters are engaging themselves in sustainable efforts like recycling old clothes and footwear, and distributing these to those in need. Various items, such as decorative pieces, handbags, stationery, and toys, are being made from textile waste.

Many organizations are now promoting circular fashion brands, Modi added.

Discussing the emergence of clothing rental platforms, Modi noted, designer clothes are being made available for rent. Cities like Panipat in Haryana re merging are new global centers for textile recycling.

Bengaluru is also establishing a unique identity with innovative tech solutions, Modi noted. The city collects over half of the country's total textile waste. Tirupur in Tamil Nadu manages textile waste through wastewater treatment and renewable energy, Modi added.

Source: fashionatingworld.com– Apr 01, 2025

HOME

****

Parliament Question: Ministry Of Textiles

- PARLIAMENT QUESTION: MEASURES TO IMPROVE INDIA'S GLOBAL RANKING IN TEXTILE MANUFACTURING
- PARLIAMENT QUESTION: DEVELOPMENT OF SILK SECTOR
- PARLIAMENT QUESTION MODERNIZATION AND UPGRADED TECHNOLOGY IN SERICULTURE SECTOR
- PARLIAMENT QUESTION: RAW SILK PRODUCTION IN 2024-2025
- PARLIAMENT QUESTION: BUDGETARY ALLOCATIONS AND INITIATIVES FOR ENHANCING TEXTILE EXPORT
- PARLIAMENT QUESTION: SUPPORT TO SILK FARMERS AND WEAVERS
- PARLIAMENT QUESTION: PPROMOTING LIVELIHOOD OF RURAL WOMEN THROUGH SERICULTURE
- PARLIAMENT QUESTION: BUDGETARY ALLOCATION TO MEGA HANDLOOM CLUSTERS

Source: pib.gov.in– Apr 02, 2025

HOME

****

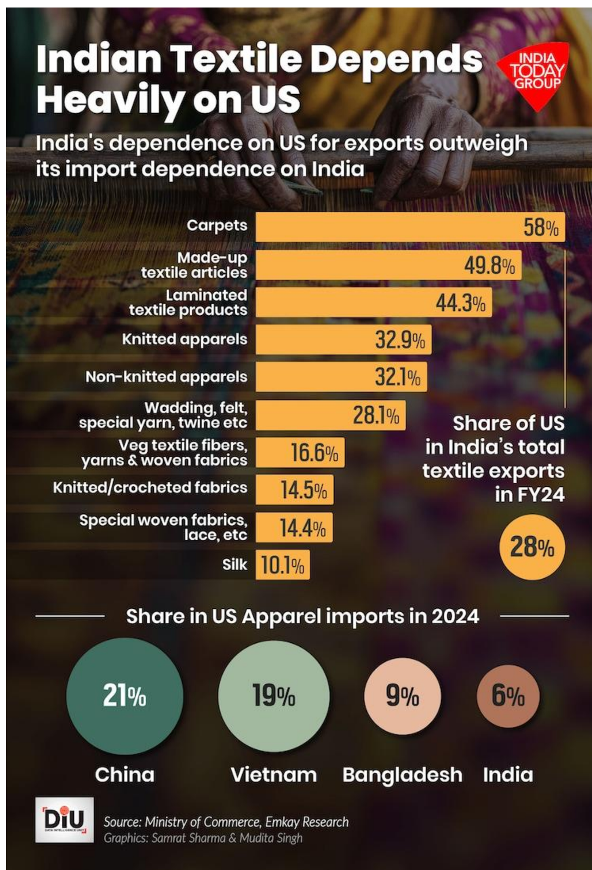
Why India's apparel sector may be hit hardest by Trump's reciprocal tariffs

The potential impact of Donald Trump's new reciprocal tariffs — set to be unveiled on April 2 — on India's auto and pharma sectors has been thoroughly discussed. The real vulnerability, however, lies elsewhere: the Indian apparel sector, with more exposure to the US market, may potentially be replaced by exports from Vietnam and Bangladesh.

According to Emkay Research, while India could be among the worst-hit nations per broad reciprocal differentials, the key susceptible sectors (auto, pharma, electronics) are far better placed than feared. Apparel and gems/jewellery are the most exposed.

The United States is the largest buyer of India's textile exports. Of around USD 36 billion worth of textile exports from India in 2023-24, the US accounts for nearly 28 per cent or USD 10 billion. From 21 per cent of overall textile exports from India in 2016-17 and 2017-18, the US share rose to 25 per cent in 2019-20 and 29 per cent in 2022-23.

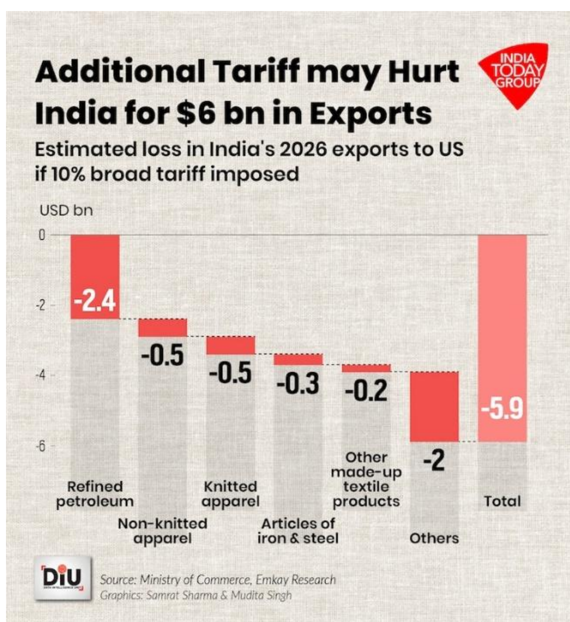
While overall textile exports to the US were nearly 28 per cent of overall textile exports in 2023-24, some articles are much more vulnerable. For instance, the US accounted for a whopping 58 per cent of carpets, 50 per cent of other-made-up textiles, 44 per cent of coated, covered, laminated textiles, and around 33 per cent of knitted and non-knitted apparel and accessories exports from India.



Notably, India's dependence on textile exports to the US doesn't translate into the same proportion of the US dependence on India for textile imports. While India accounted for six per cent of textile imports in the US in 2024, China accounted for 21 per cent, Vietnam 19 per cent, and Bangladesh's share was nine per cent.

ESTIMATION BASED ON 10% RECIPROCAL TARIFF

Given the magnitude of tariffs India imposes on imports, all Indian exports to the US would face additional tariffs of 10 per cent, according to Emkay Research. In this scenario, the Observatory of Economic Complexity's tariff simulators show that an additional tariff of nearly 10 per cent on Indian exports to the US would reduce India's estimated CY26 US exports by around USD 5.9 billion. The sharpest cut is estimated to be in refined petroleum exports (USD 2.4 billion) and apparel (over USD 1 billion).



Meanwhile, the White House recently pointed to New Delhi's 100 per cent tariff on American agricultural products, arguing that such high levies make it "virtually impossible" for US exports to compete.

Source: indiatoday.in– Apr 01, 2025

HOME

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Government lists exporters' feedback: US 2nd biggest source of curbs

NEW DELHI: Trade restrictions imposed by the US through standards and other compliances are next only to the European Union on a platform that is being put together by the govt based on feedback from domestic industry.

The commerce department, which is testing the portal, has received 24 complaints related to recent trade barriers erected by EU, followed by the US (22) and China (20), some of which have already been flagged by Indian officials during their interaction with American counterparts.

The list includes several standards related to labelling to safety for toys that Indian exporters ship. Similarly, textiles sector has its own set of complaints, which include norms on consumer safety, regulation of environmental sustainability footprint, labelling of cancer-causing chemicals and requirements on country of origin, with each expected to add compliance cost for Indian industry.

Similarly, diamond exporters want certain exemptions on requirements related to countries of mining origin following G7 sanctions on Russia, highlighting how norms could impact exports of goods worth $8 billion. Exporters have highlighted issues related to recognition of BIS certification for gold and silver bars.

Agricultural and Processed Food Products Export Development Authority has flagged how US authorities have restricted export of grapes despite the agency under the purview of the commerce department completing the required compliances. It has also suggested that more certification agencies for organic food should be authorised by the US govt till it signs mutual recognition agreements.

Officials said that Indian authorities have also raised the issue of costly registration fees and US FDA's norms.

While USTR puts out an annual report, Indian doesn't intend to do so. "Every country imposes restrictions and the idea is to put them together at one place so they can be highlighted during talks with trading partners," said an official.

The official also justified some of the issues flagged in the latest USTR report, arguing that some of the specifications in the country are due to religious or cultural factors such as the requirement that dairy products should not be from cattle that have been fed with animal feed that had meat. Besides, security concerns were the other area that resulted in some of the checks.

Source: timesofindia.com– Apr 02, 2025

HOME

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Indias merchandise exports may fall slightly to USD 435 billion in 2024-25: GTRI

New Delhi, Mar 30 (PTI) The country's merchandise exports, which have been contracting since October last year, are expected to decline slightly by the end of this fiscal year and fall below USD 435 billion, think tank GTRI said on Sunday.

Exports dipped 10.85 per cent in February to USD 36.91 billion due to volatility in petroleum prices and global uncertainties.

"At this rate, India's total merchandise exports for FY'2025 are expected to be below USD 435 billion, slightly lower than USD 437.1 billion in FY'2024," Global Trade Research Initiative (GTRI) Founder Ajay Srivastava said.

During April-February 2024-25, the exports stood at USD 395.63 billion as against USD 395.38 billion in the corresponding period of 2023-24.

Key sectors that recorded negative growth both in February and cumulatively include petroleum products, gems and jewellery, ceramic products and glassware, oil seeds, oil meals, and iron ore.

These sectors are facing consistent declines, indicating the need for strategic interventions to support recovery, Srivastava said.

In the petroleum products sector, exports fell 29.23 per cent in February 2025 and 25.56 per cent over 11 months, primarily due to a drop of 7.8 per cent in global crude oil prices from USD 83.5 per barrel in February 2024 to USD 77 per barrel in February 2025.

"A recovery in this sector will depend on global oil price trends and increased refining efficiency to maintain margins," he said.

He added that engineering goods, India's largest export segment, saw an 8.62 per cent decline in February 2025, though it recorded a 7.97 per cent increase over 11 months.

To support this sector, the government can provide low-cost export credit to reduce financial pressure on exporters, and offer technology upgrade incentives to boost productivity and efficiency, Srivastava said.

By implementing targeted policy measures, the government can help stabilise struggling sectors and improve overall export performance, ensuring India remains competitive in the global trade market, he added.

Source: livemint.com– Mar 30, 2025

HOME

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Cotton procurement at MSP by CCI touches 1 cr bales

The progressive procurement of cotton by the State-run Cotton Corporation of India (CCI) at the minimum support price (MSP) has touched 1 crore bales (170 kg each for the 2024-25 marketing season. Telangana tops the list of States where the maximum quantity has been procured, followed by Maharashtra and Gujarat in the progressive procurement.

“One crore bales have been purchased and it is still going on” said Lalit Kumar Gupta, chairman-cum-managing director, CCI.

As of March 26, CCI has purchased 40.38 lakh bales in Telangana, followed by Maharashtra at 29.34 lakh bales, Gujarat at 14.10 lakh bales and 5.22 lakh bales in Karnataka.

In Madhya Pradesh, 3.95 lakh bales have been procured, while in Andhra Pradesh the progressive procurement stood at 3.83 lakh bales of 170 kg each. In Odisha 2.06 lakh bales have been procured, while in Haryana the purchased quantity stood at 0.61 lakh bales and 0.50 lakh bales in Rajasthan.

2nd highest procurement

This year’s cotton procurement by CCI is the second highest since 2019-20, when the State-run agency had procured over 1.05 crore bales.

With the latest procurement figures touching one crore bales of 170 kg each, the CCI has purchased over a third of the cotton produced in the country during 2024-25 crop season. The Committee on Cotton Production and Consumption (COCPC), in its recent meeting, reduced the crop estimates for the 2024-25 season at 294.25 lakh bales of 170 kg each from the earlier projections of 299.26 lakh bales in November last year.

As per the Cotton Association of India (CAI) data, the cumulative market arrivals of cotton during the 2024-25 marketing season till March 29 stood at 244.25 lakh bales. With this over 82 per cent of the cotton produced during the year has arrived into the market, so far. The daily arrival stood at 52,000 bales on Saturday. Raw cotton prices still ruled below the MSP levels in some parts of Gujarat and Maharashtra last week.

Mills in no hurry

“CCI faces the challenge of selling its raw cotton bales earlier and at better prices. There’s no global support for cotton prices at the moment. Indian spinning mills will eventually need to buy from CCI to meet their annual requirements, but they are not in a hurry to do so. Based on current international prices, exporting CCI cotton is not viable. It appears that once private market stocks are depleted, CCI may raise prices to align with imported cotton parity,” said Anand Popat of Cotyarn Brokers in his weekly note on Sunday.

“Export demand remains weak, and MNCs are not actively buying due to higher basis levels. Raw cotton prices remain stable to firm, with signs of a gradual upward trend. The gap between CCI and market prices is expected to narrow as the availability of raw cotton with private ginners continues to decline. There is little chance of a price drop from current levels. Prices are likely to follow CCI’s upward movement, and if ICE cotton futures rise, domestic prices could increase rapidly,” Popat added.

Source: thehindubusinessline.com– Mar 31, 2025

HOME

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Spinners eye cotton yarn price hike, but south India market stable

Cotton yarn prices in south India remained steady over the past couple of days. However, spinning mills are quoting higher prices following recent gains in cotton prices.

The cotton yarn markets of Mumbai and Tiruppur experienced slower demand from the consumer industry. Market experts noted that local demand may pick up in the coming weeks, but traders are concerned about the proposed US tariffs and a possible ban on Indian yarn in Bangladesh.

They also reported that payment flows for outstanding dues from micro and small enterprises (MSEs) had not improved by March 31, continuing the trend seen in the last fiscal. This suggests that payment flow is unlikely to improve suddenly. Seasonal demand for cotton yarn is expected to support payments from the downstream industry.

In the Mumbai market, cotton yarn prices remained at previous levels, although spinning mills were attempting to raise their selling prices. The recent rise in cotton prices has increased production costs. Payment flow was also sluggish in the central states of western India.

A trader from the Mumbai market told Fibre2Fashion, “Currently, the Mumbai market is seeing steady demand from the consumer industry. Retail demand for garments and other consumer products is expected to improve with the summer season, which will support the entire textile value chain.”

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,390-1,415 (approximately $16.25-$16.54) and ₹1,335-1,375 per 5 kg (approximately $15.60-$16.07) (excluding GST), respectively. Other prices include 60 combed warp at ₹319-323 (approximately $3.73-$3.78) per kg, 80 carded weft at ₹1,370-1,430 (approximately $16.01-$16.71) per 4.5 kg, 44/46 carded warp at ₹266-271 (approximately $3.11-$3.17) per kg, 40/41 carded warp at ₹252-258 (approximately $2.95-$3.02) per kg and 40/41 combed warp at ₹268-272 (approximately $3.14-3.18) per kg, according to trade sources.

The Tiruppur market also continued to see stable cotton yarn prices. However, a few mills raised their selling prices by ₹3 per kg following the recent increase in cotton prices. Market sources said that although local demand is expected to improve this month, overall sentiment from global markets remains weak. Bangladesh's move to ban Indian yarn imports via the land route has not been well received, and the US tariff issue is also a concern for the domestic cotton yarn trade.

In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹255-263 (approximately $2.98-3.08) per kg (excluding GST), 34 count combed cotton yarn at ₹264-271 (approximately $3.09-3.17) per kg, 40 count combed cotton yarn at ₹276-288 (approximately $3.23-3.37) per kg, 30 count carded cotton yarn at ₹235-240 (approximately $2.75-2.81) per kg, 34 count carded cotton yarn at ₹240-245 (approximately $2.81-2.87) per kg and 40 count carded cotton yarn at ₹248-253 (approximately $2.90-2.96) per kg.

In Gujarat, cotton prices declined by ₹300–400 per candy of 356 kg over the past couple of days due to reduced demand from spinning mills. Bearish sentiment in ICE cotton futures also dampened the mood in the domestic cotton trade. However, cottonseed was traded at higher prices due to strong demand and limited supply.

Traders noted that cotton demand remained poor amid uncertainty in the downstream textile value chain. Ginning mills are expected to close operations due to lower seed cotton arrivals, which will reduce the supply of cottonseed.

Cotton arrivals were estimated at 6,000–7,000 bales of 170 kg in Gujarat and 60,000–65,000 bales nationwide. The benchmark Shankar-6 cotton was quoted between ₹53,700–53,800 (approximately $627.64–$628.80) per candy of 356 kg, while mills in the south were looking to purchase cotton at ₹54,700–54,800 (approximately $639.32–$640.49) per candy. Seed cotton (kapas) was traded at around ₹7,480–7,550 (approximately $87.42–$88.24) per quintal.

Source: fibre2fashion.com– Apr 01, 2025

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