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Currency Watch			
USD	EUR	GBP	JPY
85.65	93.67	112.05	0.58

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INTERNATIONAL NEWS

Trump's 'Liberation Day' Tariffs Pack a Wallop

President Donald Trump's "Liberation Day" has arrived. But with new "reciprocal" duties announced against the country's most prominent trade partners, it's likely that many Americans will find themselves feeling more shackled by growing financial burdens than emancipated from participation in the global economy.

At a televised ceremony from the White House Rose Garden, the president listed a litany of perceived abuses perpetuated by other nations against America's domestic industry and economy, and elucidated a plan that includes a 10-percent universal baseline tariff and proportionately heightened duties on goods from across the globe.

"For decades, our country has been looted, pillaged, raped and plundered by nations near and far, both friend and foe alike," he said. "American steel workers, auto workers, farmers and skilled craftsmen… They really suffered gravely. They watched in anguish as foreign leaders have stolen our jobs. Foreign cheaters have ransacked our factories, and foreign scavengers have torn apart our once beautiful American dream."

The president signed an executive order establishing new duty rates equivalent to half or less of the average tariff value charged by about 60 countries. The calculation of the new duty rates also accounted for the impacts of "non-monetary barriers and other forms of cheating," Trump said.

The changes include 34-percent tariffs on China-made goods, 20-percent duties on products from the European Union, 46-percent duties on Vietnam, 32-percent tariffs on Taiwan, 24-percent tariffs on Japan, 26-percent duties on India, 25-percent duties on South Korea, 36-percent tariffs on Thailand, 49-percent duties on Cambodia, 37-percent duties on Bangladesh and 32-percent duties on Indonesia. China, Vietnam and Bangladesh alone account for 49 percent of U.S. apparel imports.

Trump also signed a second executive order ending the de minimis trade exception, which allows shipments worth $800 or less to enter the country duty-free—a cornerstone of the business models employed by Asia-based e-commerce titans like Shein and Temu. The trade “loophole” will close on May 2.

“Chronic trade deficits are no longer merely an economic problem. They’re a national emergency that threatens our security and our very way of life,” Trump said, indicating that the changes will go into effect on Thursday.

While Canada and Mexico were not mentioned during Wednesday’s address, the White House indicated afterward that the existing International Emergency Economic Powers Act (IEEPA) executive order announced by Trump in February, which charges both countries a 25-percent duty on goods not compliant with the U.S.-Mexico-Canada Agreement (USMCA), will continue.

Trump threatened in recent weeks to blanket all imports from both countries with new duties (whether or not they were covered by the free-trade agreement), much to the consternation of Mexican and Canadian leaders. But the White House announcement indicated that USMCA-compliant goods, like textiles and apparel, will continue to see a 0-percent duty rate.

The president may have been swayed by behind-the-scenes negotiations with heads of state; Mexican President Claudia Sheinbaum announced early Wednesday that the nation would not engage in a tit-for-tat trade war with the U.S.

Europe: ‘We have a strong plan to retaliate’

With Trump’s announcement taking place well after business hours across the Atlantic, European Commission president Ursula von der Leyen made her sentiments—and the trade bloc’s agenda—known preemptively.

“Our immediate response to tariffs is unity and determination. I have already been in contact with our heads and state of state and government on the next steps…and we will assess tomorrow the announcements very carefully to calibrate our response,” she said Tuesday.

While the EU is willing to work with the White House to further solidify the “nearly balanced” scales of goods and services trade, the Commission president reiterated that Europe “has not started this confrontation.”

"We do not necessarily want to retaliate, but if it is necessary, we have a strong plan to retaliate," she said, noting that "firm countermeasures" will be taken against U.S. duties. The EU will also continue to work to diversify trade with other partners and "double down on our single market" by removing remaining trade barriers between European nations.

"Of course, there are severe issues in the world of trade, without any question over capacities. We know about the imbalances. We see unfair subsidies, denial of market access or the IP theft," she added. "And I hear Americans when they say that some others have taken advantage of the rules. I agree. We also suffer from it, so let's work on it. But tariffs across the board, make things work worse, not better."

Fashion industry advocates weigh in

Industry trade groups in Washington responded quickly to Trump's Rose Garden announcements—and many bemoaned the impacts the new tariff structure will have on U.S. retail.

National Retail Federation (NRF) executive vice president of government relations David French said the heightened duties would contribute to "more anxiety and uncertainty for American businesses and consumers."

"While leaders in Washington may not care about higher prices, hardworking American families do," he added. "Voters do not see tariffs as helping vulnerable communities including blue-collar workers, rural communities, families with young children, low-income households, the elderly and farmers. Tariffs are a tax paid by the U.S. importer that will be passed along to the end consumer. Tariffs will not be paid by foreign countries or suppliers."

Beyond this, "the immediate implementation of these tariffs is a massive undertaking and requires both advance notice and substantial preparation by the millions of U.S. businesses that will be directly impacted," he said.

The U.S. Fashion Industry Association (USFIA) said it was "deeply disappointed" by the administration's decision to impose new duties on imports, saying it would "particularly affect American fashion brands and retailers."

According to the group, some of the countries targeted with "worst offender" tariffs are major suppliers for American importers and also important customers for U.S.-made exports.

"The fashion industry depends on global supply chains more than perhaps any other sector of manufactured goods. For instance, a bale of cotton might be grown in Texas, shipped to Europe to be spun into yarn, sent to Korea for fabric production, then to Vietnam for garment assembly, and finally to the U.S. for retail sale—back in Texas," the group said, illustrating the global reach of the fashion supply chain.

"Americans cannot afford another round of price increases," added Retail Industry Leaders Association (RILA) senior executive vice president of public affairs Michael Hanson.

The new duties on household goods like clothing will raise costs across the board, he said. "The President's plan is not a targeted attempt to protect American innovation or national security but will hit every family's budget."

Urging the White House to "reconsider its course," Hanson said, "These newly announced tariffs—and the expected retaliatory tariffs on American businesses—risk destabilizing the U.S. economy, undermining the goals of bolstering domestic manufacturing and growth."

Footwear Distributors and Retailers of America (FDRA) president and CEO Matt Priest agreed, warning that "If the administration moves forward without a clear, measured process, we risk another wave of 'shrinkflation'—where Americans pay more but get less."

The group's senior vice president, Andy Polk, added that previous duty hikes, including the 1890 McKinley Tariff and the Smoot-Hawley Tariff of the 1930s, resulted in increased prices, trade retaliation, and economic downturns.

"Regardless of the era, the consequences of high tariffs and retaliations remain largely the same," he said. "When costs rise, consumers lose. History tells us that these policies don't just impact businesses—they hit American families at the checkout line."

Some duty rates for children's shoes top 90 percent, he added, noting that footwear has always been among the most heavily tariffed consumer goods. "President McKinley later regretted his high-tariff policies, and history may repeat itself," he added.

"To be clear, tariffs are taxes borne by the American companies that import the goods and the hardworking American families that buy those goods. Before today's so-called 'Liberation Day,' the average tariff on clothes, shoes, and accessories, necessities every American must buy, was already more than five times higher than on other U.S. imports," said Steve Lamar, president and CEO of the American Apparel and Footwear Association (AAFA).

"True liberation would have involved eliminating this high tariff burden and relieving U.S. consumers of its regressive and misogynistic effects, rather than layering on more costs that fuel inflation," he added. "While we welcome President Trump's focus on reducing foreign trade barriers, we need to reduce America's high trade barriers as well and do so in a predictable manner that enables long-term investment and supply chain decisions."

Companies that have already been in a "wait-and-see" mode for the past two months are now facing more uncertainty due to the president's announcement, according to Lamar.

"While the President touts 'America First' policies, this tariff plan overlooks its destructive impact it will have on the U.S. manufacturers in our industry. These American companies depend on foreign inputs which have no, or very few, American substitutes," he said. "Tariffs will significantly increase the cost of manufacturing in the U.S., and, when paired with the retaliatory tariffs that will surely come, will undermine U.S. export opportunities as well."

American manufacturers' hopes hinge on further action

Alliance for American Manufacturing president Scott Paul said he believes Wednesday's trade action prioritizes domestic producers and workers, representing "a necessary step in the right direction."

"The United States maintains one of the world's most open markets, but the trade practices of countries like China—and even some of our allies—have damaged communities throughout the country, shutting down factories and eliminating family-supporting jobs," he added. "After decades of policies geared toward offshoring, there will be an adjustment period as businesses restructure their supply chains to adapt to the tariffs, but America can no longer avoid facing the trade imbalances that have plagued us for more than two decades."

However, Trump's sweeping referendum on foreign trade partners must be met with federal help for U.S. manufacturers aiming to take on new business, he said. "While I know some policymakers are eager to derive significant revenue from the tariffs, I'd prefer to see more manufacturing jobs and domestic supply chains established, and I hope that is the priority here," Paul added.

"Going forward, we must match today's trade action with comprehensive policies and incentives that spur investment in U.S. factories and supply chains. There is still much more work to do to strengthen our trade laws and address critical sectors."

Source: sourcingjournal.com– Apr 02, 2025

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Tariffs Increased on Imports from All Countries

President Trump issued an executive order April 2 imposing additional tariffs at varying rates on imports from all countries. These tariffs will take effect within the next few days.

Tariffs

The U.S. will levy an additional 10 percent tariff on all imports from all trading partners, effective with respect to goods entered or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on April 5. However, this tariff will not apply to goods that are (1) loaded onto a vessel at the port of loading and in transit on the final mode of transit before that time and (2) entered or withdrawn from warehouse for consumption after that time. However, several dozen countries (complete list here) will be subject to additional tariffs of 11-50 percent, including the following.

- 49 percent for Cambodia

- 48 percent for Laos

- 46 percent for Vietnam

- 37 percent for Bangladesh

- 34 percent for China

- 32 percent for Taiwan

- 32 percent for Indonesia

- 32 percent for Switzerland

- 31 percent for South Africa

- 27 percent for India

- 26 percent for South Korea

- 24 percent for Japan

- 20 percent for the European Union

These higher tariffs will be effective with respect to goods entered or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on April 9. However, they will not apply to goods that are (1) loaded onto a vessel at the port of loading and in transit on the final mode of transit before that time and 92) entered or withdrawn from warehouse for consumption after that time.

The additional tariffs will be assessed in addition to any other applicable duties, fees, taxes, exactions, or charges and will remain in place until the president determines that “the underlying conditions described [in the EO] are satisfied, resolved, or mitigated.”

According to the EO, the president may increase or expand in scope the additional tariffs if (1) they are deemed to not be effective in resolving the emergency conditions (e.g., a continued increase in the overall U.S. trade deficit or “the recent expansion of non-reciprocal trade arrangements by U.S. trading partners” in a manner that threatens U.S. economic and national security interests), (2) any trading partner retaliates through import duties on U.S. goods or other measures, or (3) U.S. manufacturing capacity and output continues to worsen.

On the other hand, the tariffs may be decreased or limited in scope if any trading partner “takes significant steps to remedy non-reciprocal trade arrangements and align sufficiently with the United States on economic and national security matters.”

The EO also restates the 25 percent tariffs on imports from Canada and Mexico (10 percent on energy and energy resources and potash from Canada) that do not qualify for duty-free treatment under the U.S.-Mexico-Canada Agreement, which will remain duty-free under the Border IEEPA. Those tariffs were imposed under a different EO; if those are terminated, USMCA-compliant goods would continue to be duty-free, while others would be subject to a 12 percent tariff.

Exclusions

The EO specifies that the additional tariffs will apply only to the non-U.S. content of a subject article provided that at least 20 percent of the article’s value is U.S.-originating. “U.S. content” refers to the value of an article attributable to the components produced entirely, or substantially transformed in, the U.S. The EO authorizes U.S. Customs and Border Protection to require the collection of such information and documentation regarding an imported article, including with the entry filing, as is necessary to enable it to ascertain and verify (1) the value of the U.S. content of an article and (2) whether an article is substantially finished in the U.S.

The EO excludes the following from the additional tariffs.

- all articles encompassed by 50 USC 1702(b) (e.g., communications, donations, and informational materials)

- all articles and derivatives of steel and aluminum already subject to Section 232 duties

- all automobiles and automotive parts already subject to Section 232 duties

- copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals, and energy and energy products

- all articles from a trading partner subject to Column 2 duty rates

- all articles that may become subject to duties pursuant to future Section 232 actions

De Minimis

The EO states that duty-free de minimis treatment will remain available for all goods subject to the increased tariffs (except those imported from China) until the commerce secretary notifies the president that adequate systems are in place to "fully and expeditiously process and collect" revenue from these tariffs for articles otherwise eligible for de minimis treatment.

Authority

The tariff increases are being imposed under the International Emergency Economic Powers Act following the EO's declaration of a national emergency with respect to the "unusual and extraordinary threat" to U.S. national security posed by "underlying conditions, including a lack of reciprocity in our bilateral trade relationships, disparate tariff rates and non-tariff barriers, and U.S. trading partners' economic policies that suppress domestic wages and consumption, as indicated by large and persistent annual U.S. goods trade deficits." According to the EO, these deficits reflect "asymmetries in trade relationships" that (1) have contributed to the atrophy of domestic production capacity, especially that of the U.S. manufacturing and defense-industrial base, and (2) impact U.S. producers' ability to export "and, consequentially, their incentive to produce."

Source: strtrade.com– Apr 03, 2025

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US reciprocal tariffs on top textile & apparel exporting nations

As part of his ‘Liberation Day’ announcement, US President Donald J. Trump today announced reciprocal tariffs on a host of nations, including Americas closest allies like Israel.

The new tariffs applicable on the top textile and apparel (T&A) exporting nations (in alphabetical order) are as follows:

Bangladesh 37 per cent

Cambodia 49 per cent

China 34 per cent

Dominican Republic 10 per cent

European Union 20 per cent

Honduras 10 per cent

India 26 per cent

Indonesia 32 per cent

Pakistan 29 per cent

Sri Lanka 44 per cent

Türkiye 10 per cent

Vietnam 46 per cent

While 26 per cent tariff will be applicable on Indian goods entering the US with effect from April 9, those from the European Union and Türkiye would be charged at 20 per cent and 10 per cent respectively, giving them a relative edge in the US market, compared to goods from China, Bangladesh, Cambodia and Vietnam, whose tariff rates are 34 per cent, 37 per cent, 49 per cent, and 46 per cent respectively.

Speaking about India and its Prime Minister Narendra Modi, Trump said, “Their Prime Minister just left (the US recently). He is a great friend of mine, but I said to him that 'you're a friend of mine, but you've not been treating us right'. India charges us 52 per cent, so we will charge them half of that - 26 per cent.”

Trump said the new ‘reciprocal’ tariff rates are ‘kind’ and could have been much higher.

“These tariffs adjust for the unfairness of ongoing international trade practices, balance our chronic goods trade deficit, provide an incentive for re-shoring production to the United States, and provide our foreign trading partners with an opportunity to rebalance their trade relationships with the United States,” a White House Fact Sheet said.

In 2023, US manufacturing output as a share of global manufacturing output was 17.4 per cent, down from 28.4 per cent in 2001.

From 1997 to 2024, the US lost around 5 million manufacturing jobs and experienced one of the largest drops in manufacturing employment in history.

In view of the drop in both manufacturing output and employment, President Trump is working to level the playing field for American businesses and workers by confronting the unfair tariff disparities and non-tariff barriers imposed by other countries, the Fact Sheet added.

Source: fibre2fashion.com– Apr 03, 2025

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S&P Global revises 2025 eurozone GDP growth forecast to 0.9% from 1.2%

S&P Global Ratings recently revised downward its eurozone gross domestic product (GDP) growth forecast for 2025 to 0.9 per cent from 1.2 per cent earlier due to uncertainty and US tariffs.

However, it expects a substantial recovery beginning next year, thanks to fiscal stimulus measures in Germany and the European Union (EU). For 2026, it now forecasts a GDP growth of 1.4 per cent for the eurozone.

The European Central Bank (ECB) could deliver its final rate cut of the year by June, when interest rates might decline to 2.25 per cent. S& P Global Ratings expects rate hikes as early as the second half of 2026 because fiscal stimulus programmes will push growth beyond its potential.

The economic outlook is uncertain, which is why the rating agency has included alternative scenarios for the outcome of US tariffs in this publication. In a severe tariff scenario, GDP growth in the eurozone could be limited to 0.5 per cent in 2025 and 1.2 per cent in 2026, with the ECB cutting interest rates more than once this year and raising them later than it currently expects.

Trade uncertainty, potential failure to execute fiscal plans and spillovers from the US economy currently dominate the balance of risks.

However, positive factors could tip the balance if the positive effects from fiscal stimulus programmes exceed expectations or confidence improves rapidly, S&P Global Ratings said in a release.

GDP growth in the eurozone will be subdued in 2025 but is set to increase thereafter, together with interest rates. Political developments in recent months led to changes in the rating agency's base-case scenario.

Source: fibre2fashion.com– Apr 03, 2025

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South Africa's textile imports up 21% to $646 mn in Jan-Feb 2025

South Africa's imports of textiles and textile articles (under Chapters 50–63) totalled 11,897.4 million rand (~$646.00 million) in January–February 2025, according to preliminary data released by the South African Revenue Service in its February 2025 report. This represents a 21.1 per cent increase compared to the same period last year. The trade figures include transactions with Botswana, Eswatini, Lesotho, and Namibia (BELN).

Official merchandise trade statistics reveal that during the same period in 2024, the country imported textiles and textile articles worth 9,821.3 million rand. South Africa continues to be a net importer in this product segment.

Exports of textiles and related products edged up by 2.7 per cent, reaching 3,299.1 million rand (~$179.13 million) in the first two months of 2025, compared to 3,211.3 million rand in the corresponding period of 2024.

In February 2025, South Africa's imports of textiles and textile articles under Chapters 50–63 stood at 5,649.1 million rand (~$306.73 million), reflecting a 9.6 per cent decrease from imports of 6,248.3 million rand in January 2025.

Exports under the same chapters rose by 47.1 per cent to 1,964.2 million rand (~$106.64 million) in February 2025, up from 1,334.9 million rand in January 2025.

South Africa's imports of textile products declined in February 2025 on a month-on-month basis, while exports of these goods increased significantly during the same period.

In 2024, the country's imports of textiles and textile articles reached 65,476.0 million rand (~$3,551.95 million), up 10 per cent from 59,528.9 million rand in 2023. Exports of textiles and related products edged up by 1.8 per cent, amounting to 23,578.8 million rand (~$1,279.11 million) in 2024, compared to 23,155.9 million rand in 2023.

Source: fibre2fashion.com– Apr 03, 2025

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President Trump imposes 10% tariff on all countries from April 5

Declaring that foreign trade and economic practices have created a national emergency, US President Donald J. Trump has today announced imposition of responsive tariffs to strengthen the international economic position of the United States and protect American workers.

Using his International Emergency Economic Powers Act of 1977 (IEEPA) authority, President Trump will impose a 10 per cent tariff on all countries, effective April 5, 2025, at 12:01 a.m. EDT.

In addition, he will also impose an individualised reciprocal higher tariff on the countries with which the United States has the largest trade deficits. This will take effect on April 9, 2025, at 12:01 a.m. EDT. All other countries will continue to be subject to the original 10 per cent tariff baseline.

"These tariffs will remain in effect until such a time as President Trump determines that the threat posed by the trade deficit and underlying non-reciprocal treatment is satisfied, resolved, or mitigated," a Fact Sheet from the White House said.

Today's IEEPA Order also contains modification authority, allowing President Trump to increase the tariff if trading partners retaliate or decrease the tariffs if trading partners take significant steps to remedy non-reciprocal trade arrangements and align with the United States on economic and national security matters.

However, some goods will not be subject to the reciprocal tariff. These include: (1) articles subject to 50 USC 1702(b); (2) steel/aluminium articles and autos/auto parts already subject to Section 232 tariffs; (3) copper, pharmaceuticals, semiconductors, and lumber articles; (4) all articles that may become subject to future Section 232 tariffs; (5) bullion; and (6) energy and other certain minerals that are not available in the United States.

For Canada and Mexico, the existing fentanyl/migration IEEPA orders remain in effect, and are unaffected by today's order. This means USMCA compliant goods will continue to see a zero-per cent tariff, non-USMCA compliant goods will see a 25 per cent tariff, and non-USMCA compliant energy and potash will see a 10 per cent tariff. In the event the existing fentanyl/migration IEEPA orders are terminated, USMCA compliant goods would continue to receive preferential treatment, while non-USMCA compliant goods would be subject to a 12 per cent reciprocal tariff, the Fact Sheet clarified.

In 2024, the US trade deficit in goods exceeded $1.2 trillion. US companies, according to internal government estimates, pay over $200 billion per year in value-added taxes (VAT) to foreign governments—a “double-whammy” on US companies who pay the tax at the European border, while European companies do not pay tax to the United States on the income from their exports to the US.

So, by imposing reciprocal tariffs, President Trump said he is working to level the playing field for American businesses and workers by confronting the unfair tariff disparities and non-tariff barriers imposed by other countries.

Source: fibre2fashion.com– Apr 02, 2025

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Value of global woven cotton fabric market to reach $122.1 billion by 2035: Report

Driven by a consistent demand, the global woven cotton fabric market is poised for continued growth. However, the pace of this expansion is expected to remain moderate over the next decade. As per a report by Indexbox, the value of global woven cotton fabric market will grow at +1.2 per cent from 2024 to 2035, reaching $122.1 billion by 2035 while the market will grow at a +0.2 per cent CAGR in volume to reach 15 billion sq m by 2035.

In 2024, total global consumption of cotton fabric increased by 1.8 per cent to 15 billion sq m. This consumption was led by at 4.3 billion sq m, followed by the United States at 1.8 billion sq m and India at 894 million sq m. China also dominates in value, with $24.1 billion, while the US market is valued at $11.3 billion. Notably, India's consumption saw the fastest growth among major consumers.

The global production of cotton fabrics increased to 20 billion sq m in 2024, with China accounting for 58 per cent of the total. The US and Pakistan are also significant producers. The production value totaled $136.5 billion. Worldwide imports of cotton fabrics totaled 4.5 billion sq m in 2024, with Bangladesh, the US, and Italy being the largest importers. Imports mainly consisted of cotton fabrics containing 85 per cent or more cotton, weighing less than 200 g/sq m. Nigeria saw the fastest growth in import volume and value.

Global cotton fabric exports reached 9.5 billion sq m in 2024, with China accounting for approximately 80 per cent of all exports. The value of these exports totaled $19.6 billion. The primary exported product was cotton fabric containing 85 per cent or more cotton, weighing less than 200 g/sq m. Average import and export prices for cotton fabric have generally declined since 2014. Import prices averaged $3.9 per sq m in 2024, while export prices averaged $2.1 per sq m. Price variations exist across different fabric types and countries. Vietnam has the highest import prices, while Thailand has the lowest. India has the highest export prices, while China has the lowest.

Source: fashionatingworld.com– Apr 02, 2025

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Shadow Lines: China's silent strategy to sideline India in the global T&A supply chain

While the global narrative centers on diversifying supply chains away from China (China Plus One), a subtler, yet potentially more impactful, scenario is unfolding in the textile and apparel sector. Is China, the undisputed giant of global textile manufacturing, strategically maneuvering to keep India, its closest competitor, out of this lucrative shift?

Industry analysts and financial experts say the answer is a resounding yes. A quiet, calculated strategy is underway, where China is subtly reshaping the global textile and apparel production network, ensuring India remains a peripheral player.

The silent chess game

"No noise. No headlines. Just silent industrial chess," asserts Vivek Khatri, a chartered accountant and finfluencer, echoing the sentiment of many observers. While India focuses on policy dialogues and summitry, China is actively redrawing the supply chain map, particularly in labor-intensive sectors like textiles and apparel, where India possesses a competitive edge.

While China's overall inbound Foreign Direct Investment (FDI) has significantly declined, its outbound investments are growing, but not towards India. As an analysts says, "Beijing's strategy shifts dramatically when it comes to India. Despite India's population overtaking China's and its economy growing, Chinese firms are holding back." This disparity is crucial in the textile sector, where investments in new manufacturing facilities and supply chain infrastructure are vital.

China's outbound investment: Data indicates Chinese companies are strategically investing in countries that offer favorable trade agreements and align with their geopolitical interests. These investment often involve establishing or increasing textile and apparel manufacturing bases, but excluding India.

India's FDI challenges: Despite India's demographic advantage and growing market, FDI into its textile and apparel manufacturing sector remains tepid. Industry reports suggest, many international textile firms that consider India ultimately choose other destinations.

Export control: There are reports indicating China is quietly restricting the export of key textile machinery and inputs to India. This could hinder India's efforts to upgrade its manufacturing capabilities.

Textile & apparel specific hurdles

India's ambition to become a major textile and apparel export hub faces several internal and external challenges.

High import tariff is a major one. India's high import tariffs on textile machinery and components increase production costs, making it less competitive compared to countries with more liberal trade policies. The country's rigid labor laws too, create operational hurdles for global apparel manufacturers accustomed to more flexible environments.

Infrastructure bottleneck is another bugbear. Inconsistent and fragmented infrastructure further complicates logistics and supply chain management. China's supply chain integration is another plus for them. Countries like Vietnam a major textile and apparel exporter benefit from their deep integration with China's existing supply chains, making them a natural destination for companies relocating from China.

The missed opportunity

The 'China Plus One' strategy, designed to diversify manufacturing away from China, has largely benefited Southeast Asian nations like Vietnam and Bangladesh. These countries have seen a significant influx of textile and apparel investments, while India has struggled to capitalize on this shift. In fact as a trade expert points out, foreign investors are increasingly asking if India will seize this rare opportunity or let Vietnam and Mexico solidify their lead.

India's response

Interestingly, India's policymakers are aware of these challenges. The government is offering incentives to boost textile and apparel manufacturing, and actively pursuing trade deals to improve market access. However, addressing the underlying infrastructure and regulatory issues is crucial.

Despite its maneuvers, China faces a dilemma. As noted by the Observer Research Foundation, Chinese textile and apparel firms must decide whether to cede ground to Western competitors in India or risk building up India's manufacturing capacity.

China's actions raise serious concerns about India's ability to capitalize on the 'China Plus One' opportunity in the textile and apparel sector. While India possesses the potential to become a global manufacturing powerhouse, it must overcome significant hurdles and counter China's silent strategy to secure its place in the evolving global supply chain. The coming years will be critical in determining whether India can break free from China's shadow and realize its textile and apparel manufacturing ambitions.

Source: fashionatingworld.com– Apr 02, 2025

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Cambodia’s textile exports rise to $14 billion in FY24

Rising by 50 per cent annually, Cambodia's textile exports reached $14 billion last year. The sector plays an important role in Cambobia’s economy, emphasized Sun Chanthol, Deputy Prime at the ‘Cambodia Global Textile Summit 2025,’ that focused on competitiveness and sustainability in the textile sector.

Highlighting Cambodia’s position as a major textile supplier to the US and European markets, Heng Sour, Minister of Labor and Vocational Training, Heng Sour, stated, the summit aims to enhance Cambodia's reputation as a business and investment destination. It will address strategies to improve labor standards, environmental management, and circular economy practices, aligning with global expectations as Cambodia transitions from Least Developed Country (LDC) status.

The summit was also attended by dignitaries from the Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC), the International Labour Organization (ILO), and International Economics Consulting. It opened with a welcome address by Canthol who invited global leaders and innovators to discuss the future of Cambodia's garment, footwear, and travel goods industries. Emphasizing on cooperation and a shared vision for prosperity, he reiterated on his government’s vision to establish Cambodia as a premier destination for textile investment and innovation.

Cambodia's strategic location in Southeast Asia and the government's initiatives position the country as a key international manufacturing hub, affirmed Canthol. The 50 per cent annual export growth highlights the success of these efforts, he adds. Cambodia's ASEAN engagement further strengthens its global market integration and regional economic role.

The summit also hosted a panel discussion, ‘Cambodia Garment, Footwear and Travel Goods 2030,’ featuring industry leaders discussing the sector's future. Moderated by Massimiliano Tropeano, the panel discussion was attended by representatives from the Ministry of Commerce, Nike, Goldfame Group, and Li & Fung.

Source: fashionatingworld.com– Apr 02, 2025

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NATIONAL NEWS

Trump's tariff gives Indian textile exporters an edge over competitors

President Donald Trump's decision to impose tariffs on all imports to the United States (US) gives India's textile industry an advantage as its competitors like Vietnam, Bangladesh and China will face higher tariffs, experts say.

It may be further beneficial if trade negotiations lead to a zero duty on cotton imports. One major factor for Indian textile exports will be buyer sentiments in the US. "In the past, India, Bangladesh, and Vietnam faced similar tariff structures for cotton apparel exports.

However, with the recent changes, India now holds a tariff advantage over these competing nations in comparative terms, potentially boosting its competitiveness in the US market for apparel exports," said Prabhu Dhamodharan, convenor of Coimbatore-based Indian Texpreneurs Federation, an industry association.

Vietnam's textile export will face 46 per cent tariff, Bangladesh's 37 per cent, and China's 54 per cent, according to Trump's announcement.

According to US data on textile shipment and bill of lading data for 2024, China's share in its textile imports was nearly 30 per cent at $36 billion. Vietnam came next with textile imports worth $15.5 billion (13 per cent share), and $9.7 billion by India (8 per cent share).

Bangladesh used to have a larger share in USA's textile imports but political turmoil in 2024 saw its share dipping to 6 per cent at $7.49 billion. Total textile imports to the US in 2024 were $107.72 billion. Imports of clothing, which contribute to a majority of textile imports into the US, rose around 2 per cent to $79 billion in 2024 from $77 billion in 2023.

"If India reacts by withdrawing import duty on cotton from 11 per cent to 0 per cent, it will benefit both countries. Now the ball is in India's court," said K Venkatachalam, chief advisor, Tamilnadu Spinning Mills Association.

India's Apparel Export Promotion Council (AEPC) has already approached the Ministry of Textiles seeking a 'zero for zero' duty policy on textiles and apparel. It believes that the government should reduce duties on textile products to zero per cent, which would prompt the US to apply the same tariff rate on Indian exports.

"India is well-positioned to expand its market share in the US, driven by this tariff edge. Ongoing trade negotiations may further enhance India's position—particularly if India offers zero-duty import of cotton in return for sector-specific benefits in apparel exports. This move could prove to be a game changer for the industry," Dhamodharan said.

Another advantage for India is that the textile sector contributes only 2 per cent to its gross domestic product, while for competitors Bangladesh and Vietnam, it is at 11 per cent and 15 per cent.

"It all looks negative for the entire world, and short-term buying will slow down as they eat up their pipeline inventory in anticipation of relief as countries renegotiate tariffs with the US.

However, if it all continues, the US will have to buy apparel, and relative to all major global textile suppliers (except the EU), we will be cheaper, and hence India will be the preferred destination for textiles and clothing sourcing," said Sanjay Kumar Jain, Managing Director of textile producer TT Ltd.

According to an industry expert, companies like Trident, Welspun India, Arvind, KPR Mill, Vardhman, Page Industries, Raymond, and Alok Industries will be beneficiaries as their share of revenue from the US market ranges between 20 percent to 60 percent.

Source: business-standard.com– Apr 03, 2025

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FIEO: Trump's 26% tariff will impact Indian exporters, but India better placed than peers

India's apex exporters' body, FIEO, stated on Thursday that the 26 per cent tariffs or import duties announced by US President Donald Trump on India will undoubtedly affect domestic players.

However, India is much better placed than many other countries, said Ajay Sahai, Director General and CEO of the Federation of Indian Export Organisations (FIEO).

He expressed hope that the proposed bilateral trade agreement (BTA), currently being negotiated between the two countries, would be concluded at the earliest, as it would provide relief from these reciprocal tariffs.

"We have to assess the impact, but looking at the reciprocal tariffs imposed on other countries, we are in a lower band. We are much better placed compared to our key competitors such as Vietnam, China, Indonesia, Myanmar, etc. We will definitely be affected by the tariffs, but we are much better placed than many others," Sahai told PTI.

The US President highlighted the high tariffs charged by India on American products as he announced reciprocal tariffs on countries worldwide, declaring a 26 per cent "discounted reciprocal tariff" on India.

As he made the announcement, he held up a chart that showed the tariffs that countries like India, China, the UK, and the European Union charge, along with the reciprocal tariffs these countries will now have to pay.

The chart indicated that India imposed 56 per cent tariffs, "including currency manipulation and trade barriers," and that America would now charge India a "discounted reciprocal tariff" of 26 per cent.

"India, very, very tough. Very, very tough. The Prime Minister just left. He's a great friend of mine, but I said, 'You're a friend of mine, but you're not treating us right. They charge us 52 per cent…," Trump said.

From 2021-22 to 2023-24, the US was India's largest trading partner. The US accounts for about 18 per cent of India's total goods exports, 6.22 per cent in imports, and 10.73 per cent in bilateral trade.

With America, India has a trade surplus (the difference between imports and exports) of USD 35.32 billion in goods in 2023-24. This was USD 27.7 billion in 2022-23, USD 32.85 billion in 2021-22, USD 22.73 billion in 2020-21, and USD 17.26 billion in 2019-20.

In 2024, India’s main exports to the US included drug formulations and biologicals (USD 8.1 billion), telecom instruments (USD 6.5 billion), precious and semi-precious stones (USD 5.3 billion), petroleum products (USD 4.1 billion), gold and other precious metal jewellery (USD 3.2 billion), ready-made garments of cotton, including accessories (USD 2.8 billion), and products of iron and steel (USD 2.7 billion).

Imports included crude oil (USD 4.5 billion), petroleum products (USD 3.6 billion), coal, coke (USD 3.4 billion), cut and polished diamonds (USD 2.6 billion), electric machinery (USD 1.4 billion), aircraft, spacecraft and parts (USD 1.3 billion), and gold (USD 1.3 billion).

Source: thehindubusinessline.com– Apr 03, 2025

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India's purchase of Australian cotton on the rise

Australia shipped to India 10 % of the cotton it produced in 2024, which is higher than the previous years, said Cliff White, representing the Australian Cotton Shippers Association (ACSA).

Mr. White told The Hindu on Wednesday that Australia, which harvests and markets cotton from April to December, shipped 130 tonnes to India in 2024. Under the India-Australia Economic Cooperation and Trade Agreement, India buys 51,000 tonnes of cotton duty free every year from Australia.

In 2024, the total volume was 130 tonnes, which is 10 % of the 1.2 million tonnes of cotton Australia produces annually and a substantial quantity that attracted 11 % import duty in India.

The Indian imports of cotton from Australia is expected to go up and the ACSA will sign an agreement with the Cotton Association of India on Friday in Mumbai.

On enquiries for the current cotton season (2025), Mr. White said spinners were cautious world over because of the global situation.

They want to wait and watch. The ICE Futures price for July is close to 70 cents a pound and the price movement will depend on US and Brazil production, he said.

Australia produces cotton under strict environmental conditions. It has a "My Best Management Practices" programme for the last 30 years and plans to promote it internationally so that countries coming out with sustainability and traceability norms will have the required documents on Australian cotton. "The industry is discussing it," he said.

Source: thehindu.com – Apr 02, 2025

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India's home textile exports rise 10% in 9M FY2025: ICRA

India's home textile exports have shown a marked improvement, registering a growth of approximately 10 per cent in the first nine months (9M) of FY2025, compared to a modest 3 per cent in FY2024. The sector is gaining traction on the back of resilient global demand, a strategic shift by international buyers under the China Plus One policy, and inventory restocking by major global retailers, as per a recent report by ICRA.

Industry revenues are projected to rise by 7–9 per cent in FY2025 and by 6–8 per cent in FY2026, with operating profit margins expected to remain between 13–15 per cent. The performance momentum is likely to sustain, supported by gradual inventory liquidation at retailer levels and benefits from the vendor diversification strategy.

The United States remains the largest market for Indian home textile exports, accounting for 59 per cent of the market in FY2024 and 56 per cent in the first nine months of FY2025.

However, medium-term growth remains sensitive to tariff-related developments in the US and progress on free trade agreement negotiations with the UK and the EU, the report noted.

In terms of product segments, carpets, floor coverings, and bed, table, toilet, and kitchen linens recorded a robust 13 per cent year-on-year growth in 9M FY2025. This was attributed to heightened consumer focus on personal well-being and home aesthetics. Other categories, such as blankets and general furnishing articles, saw more subdued growth.

While US retail sales in furniture and home furnishing stores declined by 2 per cent year-on-year in calendar year 2024 due to weak demand, signs of recovery emerged in Q4 CY2024, with sales growing by 5.5 per cent year-on-year.

ICRA's sample of four companies — representing around 50 per cent of the industry's size — saw a 14 per cent year-on-year increase in revenues in FY2024, driven by export volume growth, strong domestic demand, and select inorganic expansions. However, this pace moderated to 8 per cent in 9M FY2025, the report added.

Despite stable raw material costs during FY2025, rising logistics and operational expenses are expected to compress margins by 100–150 basis points, although they are still projected to stay within the 13–15 per cent range.

Looking ahead to FY2026, margins are expected to be supported by improved scale, favourable currency rates, and consistent export incentives.

Source: fibre2fashion.com – Apr 03, 2025

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India must push EU hard on carbon border tax relaxation

Amidst the fears generated by US' tariff threats and actions, the EU has proposed relaxing compliance requirements under its Carbon Border Adjustment Mechanism (CBAM) — which is expected to come into force from next January — for small EU importers of steel, cement and aluminium in particular (besides fertilizer, electricity and hydrogen). This benefit would be transferred to suppliers.

The EU's efforts to ease green compliance comes at a time when the availability and prices of these products could turn volatile. In its present form, the EU proposals may not impact India significantly. But a change in provisions could alter the scenario. These proposals are now at a preliminary stage and could go through iterations before they are ratified by EU Parliament.

It seems that the EU is seeking to deepen ties with alternative trade partners, besides preparing its own industries for the worst. Under the proposed rules, exporters of less than 50 tonnes annually of CBAM goods are exempt from CBAM, against the earlier regulation which capped the exemption at a very nominal value. Since the limit is very low indeed, it will not benefit most Indian shipments.

The proposal argues that since 80 per cent of the importers, mainly SMEs in EU, account for less than 1 per cent of the emissions embedded in CBAM goods they will be exempted. But even if the move is targeted at giving EU SMEs a break, the 50 tonne cap appears too low.

The proposal also says: "the Commission has set ambitious quantified targets for reducing administrative burden: at least 25 per cent for all companies and at least 35 per cent for SMEs." The EU should be raising the limit, when its units, presumably under stress already, are expected to pay a tax at about $90 per tonne of carbon. This may just be a policy signal.

There is another change in the offing. So far (with CBAM being in the phased implementation stage between 2023 and 2025), importers needed to establish through elaborate documentation in the exporting country, the levels of emissions embedded in the commodity, on the basis of which they would pay their tax.

A default level of emission would apply only if the importer was unable to proceed with such documentation. Now, in order to make matters easier, a default level fixed by the European Commission can be invoked by the importer at the outset. This seems like a major concession for both importers and exporters, even if the level is rather high. But more clarity is awaited in this regard on the manner in which such an emission level is arrived at.

India must push for more transparency and better terms in CBAM, if not its withdrawal in FTA talks with EU, while securing green technology in its ‘hard to abate’ sectors. Its steel exports being negligible, India is not likely to be hit on the whole. But the development of its ‘own cap and trade market’ will give it a lot of leverage in downstream products, as it negotiates CBAM-like issues in the future.

Source: thehindubusinessline.com – Apr 02, 2025

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Trump's 27% tariff, not 26%, may boost India's textile, semiconductor sectors over Asian peers: GTRI

The imposition of higher reciprocal tariffs by US President Donald Trump on several Asian and European countries, including China, Vietnam, Taiwan, Thailand, and Bangladesh, presents a strategic opportunity for India to strengthen its position in the global trade and manufacturing said GTRI Founder Ajay Srivastava

Srivastava added that goods from India will face a 25 per cent tariff on steel, aluminium, and auto-related goods, and no tariffs on pharmaceuticals, semiconductors, copper, or energy products.

For the remaining products, India will be taxed a reciprocal tariff of 27 per cent and not 26 per cent, as reported. The fine print of the notification says India will be subject to a tariff of 27 per cent, says Srivastava.

"Goods from India face a 25 per cent tariff on steel, aluminium, and auto-related goods, and no tariffs on pharmaceuticals, semiconductors, copper, or energy products. For the remaining products, India is subject to a reciprocal tariff of 27 per cent," he said.

He highlighted that while India faces a 27 per cent tariff, the U.S. has set higher reciprocal tariff rates on goods from other countries, with China facing 54 per cent, Vietnam 46 per cent, Bangladesh 37 per cent, and Thailand 36 per cent. This relatively lower tariff on Indian goods gives India a competitive edge in several sectors.

One key area of opportunity is the textile and garment industry. The high tariffs imposed on Chinese and Bangladeshi textile exports create an opportunity for Indian manufacturers to increase market share, attract new production setups, and expand exports to the U.S.

Srivastava said, "One of the most prominent areas of opportunity lies in textiles and garments. The high tariffs on Chinese and Bangladeshi exports create room for Indian textile manufacturers to gain market share, attract relocated production, and increase exports to the U.S."

Given India's strong foundation in textile production and comparatively lower tariff rates, the sector is expected to witness higher global demand and new investments.

Another sector likely to benefit is electronics, including telecom and smartphones. With Vietnam and Thailand facing steep U.S. tariffs, they may lose their cost advantage. India, which has already invested in electronics manufacturing through government initiatives like the Production-Linked Incentive (PLI) scheme, can position itself as a preferred destination.

The semiconductor industry also offers potential growth opportunities; the 32 per cent tariff on Taiwan could encourage companies to relocate parts of their operations to India, provided the necessary infrastructure and policy support are in place.

Overall, the shift in U.S. trade policies could benefit India by attracting investments in key industries and increasing its role in global supply chains.

Source: economictimes.com – Apr 03, 2025

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India-Australia Economic Cooperation and Trade Agreement Celebrates 3rd Anniversary of Signing

The India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA) marks its third anniversary of signing today, a landmark achievement that has enhanced the economic partnership between India and Australia. Since the agreement's signing on 2nd April 2022, it has created pathways for robust trade, offering new avenues for businesses, entrepreneurs, and employment across both nations.

With the signing of the ECTA, India and Australia have fostered new economic opportunities, underlining the complementary strengths of both economies. Following the signing and implementation of the agreement, total bilateral trade reached USD 24 billion in 2023-24, marking an impressive 14% growth in India's exports to Australia as compared to 2022-23. This positive momentum continues in the current fiscal year, with India's exports to Australia having increased by 4.4% during April 2024-February 2025 as compared to the same period in April 2023-February 2024.

The ECTA has brought tangible benefits across several sectors, notably textiles, pharmaceuticals, chemicals, and agriculture. Exports on new lines, such as Calcined Petroleum Coke, High-Capacity Diesel Generating Sets, and Air Liquefaction Machinery, demonstrate the expanding trade opportunities facilitated by the agreement. Sectors like electronics and engineering hold significant potential for future exports, offering promising prospects for further growth and innovation.

Imports of key raw materials, such as metalliferous ores, cotton, wood and wood products have supported the growth of Indian industries, solidifying the mutually beneficial and complementary nature of the partnership.

The India-Australia partnership is poised for even greater growth. As the ECTA celebrates its third anniversary, India and Australia reaffirm their commitment to deepening their economic ties, driving mutual prosperity, and contributing to a stronger and more resilient global economy.

Source: pib.gov.in– Apr 02, 2025

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Parliament Question: Ministry Of Textiles

- PARLIAMENT QUESTION: IMPLEMENTATION OF PM MITRA SCHEME
- PARLIAMENT QUESTION: SERICULTURE INFRASTRUCTURE PROJECTS
- PARLIAMENT QUESTION: IMPACT OF FTAS AND PTAS ON EXPORTS
- PARLIAMENT QUESTION: BHARAT TEX 2025
- PARLIAMENT QUESTION: ROADMAP FOR TEXTILE SECTOR

Source: pib.gov.in– Apr 02, 2025

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India gains tariff edge over rivals in US textile market, says ITF

The new reciprocal tariff structure announced by the US is aimed at creating a level playing field among trade partners, said Prabhu Dhamodharan, Convenor of the Coimbatore-based Indian Texpreneurs Federation (ITF). This presents a medium to long-term opportunity to boost export volumes, especially in the textiles and apparel sector to the US, he told businessline.

Under the framework, India's tariff rate is 26 per cent, which is significantly lower compared to many competing nations like Vietnam – 46 per cent; Sri Lanka – 44 per cent; Bangladesh – 37 per cent and China – 54 per cent. This gives India a clear advantage in cost competitiveness, he said.

In the past, India, Bangladesh and Vietnam faced similar tariff structures for cotton apparel exports. However, with the recent changes, India now holds a tariff advantage over these competing nations in comparative terms, potentially boosting its competitiveness in the US market for apparel export, he said.

India is well-positioned to expand its market share in the US, driven by this tariff edge. The Ongoing trade negotiations may further enhance India's position—particularly if India offers zero-duty import of cotton in return for sector-specific benefits in apparel exports. This move could prove to be a game changer for the industry, he said.

Some of the key factors to watch are the response of US consumers, including sentiment and consumption behaviour, will play a crucial role in shaping short-term export trends. There will be some turbulence at the retail level, which can be expected if the tariffs are implemented in full. The way each country retaliates and responds will also influence the next phase of trade dynamics, he said.

Source: thehindubusinessline.com– Apr 03, 2025

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Welspun to expand India operations with innovative and sustainable product offerings

A global leader in home textiles with a strong presence in the US and UK markets, Welspun is now focusing on expanding its reach within India. The company aims to bring its innovative and sustainable products to Indian consumers, capitalizing on the country's rapidly growing market. Keyur Parekh, CEO Global & Whole Time Director, emphasizes, India's diverse consumer preferences require a strategic approach. Welspun plans to educate consumers about the benefits of its products, highlighting features like Hygro Cotton, which becomes softer over time and regulates temperature. The brand is also focusing on sustainability, aligning with global standards.

Welspun's product strategy caters to both mass and premium markets. Brands like Spaces target luxury segments, while British heritage brand, Christy offers exclusive experiences. The company is also expanding into flooring solutions, meeting the demands of India's booming construction sector with durable and aesthetic options.

Further, Welspun is implementing an omnichannel approach to ensure accessibility across various consumer segments. The company's quick commerce platforms address immediate needs, while luxury offerings maintain exclusivity through direct-to-consumer channels and partnerships with high-end retailers. Welspun's success is rooted in its ability to provide more than just products; it offers experiences. Its innovations, like Hygro Cotton, focus on comfort and functionality. The brand is committed to sustainability, ensuring products are made without harmful chemicals.

Looking ahead, Welspun plans to integrate Indian design sensibilities into its luxury range, personalizing offerings for Indian consumers. The company targets a 30 per cent growth in the coming year, driven by increased consumer awareness, expanded distribution channels, and continued product innovation. The brand's goal is to redefine India's home textile landscape by providing comfortable, stylish, and sustainable solutions.

Source: fashionatingworld.com– Apr 01, 2025

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