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INTERNATIONAL NEWS

White House Clarifies That Duties on China Have Hit 145%

All's fair in love and trade wars—at least when you're U.S. President Donald Trump.

Trump has made his message more than clear: do not retaliate against the United States' trade policy. But Beijing hasn't retreated, vowing to "fight to the end" in the red-hot trade war between the nations. The president clarified Thursday that, effective immediately, goods inbound from China would be subject to a 145-percent tariff, augmenting Wednesday's measure imposing a 125-percent duty rate on China.

The White House explained that the 125-percent tariff came as an addition to the 20-percent tariff Trump previously decreed on Chinese goods, due to the country's purported role in allowing the flow of fentanyl into the United States. Some products, though, could face duties higher than 145 percent. That's because materials like steel and aluminum—alongside several other product categories—will face up to an additional 25-percent levy, on top of the 145-percent duty.

Trump's ad valorem and flat-duty rates on low-value packages sent via international post also skyrocketed.

According to the New York Times, shipments already in transit—whether via sea or air—are exempt from the new tariffs, so though the change takes immediate effect, importers will likely only begin to see the fallout in the coming days and weeks.

The elucidation from the White House came just one day after Trump announced that he had decided to usher in a 90-day pause on the so-called "retaliatory tariffs" he doled out during last week's "Liberation Day" press conference. Trump kept the 10-percent baseline tariffs for all impacted countries intact, but framed the pause on additional tariffs as a reward for those who had chosen not to retaliate against his initial tariffs.

That move saw the European Union pausing its measure to strike back against the U.S. with 25-percent tariffs. But Beijing's mind had already been made up; on Wednesday morning, prior to the 90-day delay being announced, China said it would instate an 84-percent tariff on goods inbound from the United States—and Trump struck back.

On his Truth Social account, Trump heralded Wednesday as “A GREAT TIME TO BUY!!!” prior to announcing the 90-day pause.

And after the news of the pause hit investors, the stock market ballooned, hitting highs after several days of trepidation over tariffs. But on Thursday, investors showed signs of cold feet, and seemed to decide that it wasn’t such a great time to buy, after all. After Trump clarified the 145-percent duty on Chinese goods, the S&P, Nasdaq and Dow Jones Industrial Average immediately careened downward, losing half the gains of Wednesday’s rally.

On Thursday, Trump defended the tariffs, noting that they will, in time, be “a beautiful thing” and saying that the U.S. is “in very good shape.” Still, he admitted, there are likely to be “transition problems.”

“A big day yesterday. There will always be transition difficulty—but in history, it was the biggest day in history, the markets. So we’re very, very happy with the way the country is running. We’re trying to get the world to treat us fairly,” Trump said this afternoon.

Source: sourcingjournal.com– Apr 10, 2025

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US-Bound Cargo Set to Plummet 20% in Second Half on Tariff Worries

Nearly an hour before President Donald Trump dropped Wednesday's bombshell that his global "reciprocal" tariffs would be put on hold for 90 days while China's duties would spike to 125 percent, future projections for cargo entering the U.S. were revealed to be falling off a cliff.

Imports during the final six months of 2025 are now expected to be down at least 20 percent year over year, Hackett Associates founder Ben Hackett said.

Forecasts for inbound cargo volume at major U.S. ports came in at 2.14 million 20-foot equivalent units (TEUs), up 11.1 percent year over year—largely in line with last month's projections as importers rushed product into the country ahead of President Trump's country-specific tariff announcement on April 2.

But the outlook from the National Retail Federation (NRF) and Hackett Associates paints a more troubling picture in the months after, with April's container projections slowing to 2.08 million TEUs, up 3.1 percent year over year. This number marks a deceleration from the Global Port Tracker's forecasts last month, which called for a 5.7 percent increase to 2.13 million TEUs.

"We basically have the industry at a standstill with importers waiting to see if anything will change before making major decisions," said Robert Khachatryan, CEO of freight forwarder Freight Right Global Logistics ahead of Trump's newest tariff announcement.

The April numbers come as more importers deal with the uncertainty of the tariff situation, especially for goods coming out of China.

"Most of our customers have cancelled bookings," Khachatryan told Sourcing Journal on Tuesday. "There was some expediting happening with shipments from China in the past few weeks. However, our customers who import from Southeast Asia were very much taken by surprise by the high level of tariffs imposed. There was no time to react or move bookings around."

And although the high tariffs out of countries like Cambodia, Vietnam and Thailand have been rolled back temporarily to make room for negotiations, the 10-percent baseline tariffs remain in place. This keeps importers in an uneasy position when it comes to planning for months out in the event the current status quo changes.

“[Tariffs] are creating anxiety and uncertainty for American businesses and families alike with the speed at which they are being implemented and stacked upon each other,” said Jonathan Gold, vice president for supply chain and customs policy at NRF, in a statement. “At this point, retailers are expected to pull back and rely on built-up inventories, at least long enough to see what will happen next.”

Import and export bookings to kick off the month have reflected this hitting of the “pause” button, according to data from supply chain visibility provider Vizion. Between April 1-8, global container bookings dropped 49 percent and U.S. imports fell 64 percent from the seven-day period immediately before. Bookings from China fell 36 percent in the same period.

“In this environment of complete uncertainty, our forecast for import cargo will be subject to significant adjustments over the coming months,” Hackett said.

May is the first month where the adjustments are seeing massive swings. The month is expected to end 19 consecutive months of year-over-year growth, dropping sharply to 1.66 million TEU, down 20.5 percent from the same time last year.

When prior expectations were laid out in March, imports were expected to increase 2.8 percent to reach 2.14 million TEUs.

June is anticipated to see inbound cargo plummet even further at 26.6 percent to 1.57 million TEU, the lowest volume since February 2023. The previous month’s estimates called for just a 3.2 percent drop to 2.07 million TEUs.

The current forecast would bring the first half of 2025 to 11.73 million TEUs, down 2.9 percent year over year. This runs counter to the previous January-to-June prediction of a 5.7 percent increase to 12.78 million TEUs.

The second half continues the downward trend. Imports during the final six months of 2025 are now expected to be down at least 20 percent year over year, Hackett Associates founder Ben Hackett said. Port of Long Beach CEO Mario Cordero parroted the same statistic in an interview with Bloomberg Wednesday morning.

The bleak outlook for container demand marks a bullwhip effect from months of front-loading done ahead of both the East and Gulf Coast port strike to start October and Trump's return to office in January.

According to the Global Port Tracker, U.S. ports had the busiest February in three years even through the month is traditionally the slowest of the year because of Lunar New Year factory shutdowns in China.

Major ports handled 2.06 million TEUs that month, up 5.2 percent, although the Ports of New York and New Jersey have yet to report final data.

Source: sourcingjournal.com– Apr 10, 2025

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UK fashion e-commerce stabilizes as physical stores reassert themselves

UK's fashion apparel retail is marked by the dynamic interplay between physical stores and e-commerce. While the digital space experienced an increase, particularly during pandemic lockdowns, the enduring appeal of in-store experiences remains a significant factor.

E-commerce growth and stabilization

The pandemic undeniably increased the spread of online shopping, with a notable rise in online apparel sales. The convenience and accessibility of e-commerce has strengthened its place in the retail sector. However, a significant shift is indicated by Next CEO Simon Wolfson, who says, the fact that they've returned to opening new stores, even in a modest way, reflects their belief that the biggest shift to online is behind us. This signals a potential stabilization in the rapid online growth seen in recent years. The British Retail Consortium stats show, the proportion of non-food purchases made online rose to 36.4 per cent in February 2025, up from 35.8 per cent the previous year. This reveals that online sales are still growing, but the rate of growth is slowing.

The resilience of physical stores

Despite the e-commerce boom, physical stores continue to hold significant value for consumers, particularly in the fashion apparel sector. Factors such as the ability to touch and feel products, try on clothing, and enjoy the social aspect of shopping contribute to the enduring appeal of brick-and-mortar stores. In fact, a Just Style study revealed that UK consumers still hold a strong preference for in person shopping when it comes to fashion. It noted that the key to success is in a seamless omnichannel strategy that integrates digital convenience with in-store shopping, ensuring customers get similar experience across all touchpoints.

Retailers like Marks & Spencer and Primark highlight the continued strength of physical store sales, with a significant portion of their customers preferring in-store shopping. And Next's decision to increase its physical retail space for the first time in over five years, planning a 0.4 per cent increase in its UK retail footprint by January 2026, reinforces this trend. This includes opening 10 new stores, relocating six existing ones, and converting two homeware stores into fashion outlets.

The most successful retailers are adopting an omnichannel approach, seamlessly integrating their online and offline presence. This involves offering services such as click-and-collect, in-store returns for online purchases, and utilizing digital technology within physical stores. This provides consumers with flexibility and convenience, catering to their diverse shopping preferences. The use of physical stores as distribution hubs, for click and collect, and for returns, is also becoming increasingly important for retailers. The blending of digital technology into the physical store experience, such as digital displays, and virtual fitting rooms, is also becoming more common.

Thus while e-commerce has seen significant growth, it's unlikely that physical stores will disappear. The future of fashion apparel retail lies in an omnichannel approach that caters to the diverse needs of consumers. Retailers who seamlessly integrate their online and offline presence will be best positioned for success.

Source: fashionatingworld.com– Apr 09, 2025

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What is Fashion's Responsibility to Earthquake-Battered Myanmar?

For Vicky Bowman, former director of the now-defunct Myanmar Centre for Responsible Business, there is only one way to characterize the 44 percent "reciprocal" tariff that the Trump administration slapped on Myanmar last week.

"This is a kick in the teeth for the Myanmar people from Donald Trump," the former U.K. ambassador to Myanmar said.

Until her organization shuttered last year due to the Myanmar's "increasingly difficult" operating environment, Bowman had been working to encourage responsible business engagement in the beleaguered Southeast Asian nation, which, in recent years, has lived through the violent military ouster of its semi-democratic government and barely survived several natural disasters, including a 7.7-magnitude earthquake last month that killed 3,600 people and injured 5,000 more, according to official estimates.

While the White House announced on Wednesday a 90-day pause for all affected countries except for China—albeit with a 10 percent "universal" levy until then—uncertainty still weighs heavily on what the World Bank describes as Myanmar's "weak and constrained" economic activity, which contracted during the Covid-19 pandemic in 2020 and shrank further still in the aftermath of the coup in 2021. Today, nearly half of Myanmar's population of 54 million lives below the poverty line on less than 76 cents a day, according to a United Nations report published last year. If the United States chooses, ultimately, to punish the country for a trade deficit of $579.3 million in 2024, a 15.5 percent decrease from the $105.8 million in 2023, the impacts could be phenomenal.

"Although overall exports in 2024 were about half of what they were at their pre-Covid peak in 2019, exports of luggage, handbags, backpacks and headgear were still significant," Bowman said, adding that some U.S. companies that were sourcing items such as lingerie and baseball caps from China had been looking at Myanmar as part of their "plus one" strategy to diversify from the heavy tariff target. "Whether they continue to do so remains to be seen," she said.

But sourcing from Myanmar has been a fraught prospect since the junta's takeover. For years, civil society organizations and trade unions have been calling on Western brands and retailers to exit responsibly from the country because of deteriorating labor conditions that end up enriching the military dictatorship's coffers. This has resulted in a steady exodus of nameplates such as H&M Group, Zara owner Inditex, Uniqlo parent Fast Retailing, Lidl, Marks & Spencer, Primark and Tesco, albeit with varying and sometimes undefined timelines.

In November, IndustriALL Global Union, together with its affiliates the Confederation of Trade Unions, Myanmar and Industrial Workers Federation of Myanmar, filed complaints with the Organization for Economic Cooperation and Development, or OECD, against remaining brands Next, New Yorker and LPP, accusing them of profiting from an "environment of fear, forced labor and exploitation" in a country with no freedom of association and scant rule of law. Other companies, such as Adidas, Bestseller and Takko, have also stuck it out, saying that exiting would destroy livelihoods already under duress and that they would ramp up their due diligence measures.

It's difficult to say whether countries still importing products from Myanmar into the United States will continue to do so amid the whipsaw of policy pronouncements and their reversals. But a foregone conclusion, the Myanmar Garment Manufacturers Association said in a statement Monday evening, is that any new levies will "only exacerbate the many challenges confronting Myanmar businesses and communities" in the wake of an earthquake that has caused major damage to six regions and states, including industrial zones in Pyigyitagon and Kyaukse, and left more than 17.2 million people in urgent need of food, drinking water, shelter and medical care. It's in light of the country's multiple crises that the trade group has asked the United States to consider "a more lenient rate."

"The tariffs could lead to stinging job losses and weaken business partnerships that tie the two countries' private sectors, and consumers, businesses or employees in either country will ultimately not benefit," it said. "The impacts also risk undermining the sector's long-standing efforts to address and safeguard labor issues. The garment sector has struggled with various challenges through the years and previous shocks and measures have clearly demonstrated the unintended consequences. These included forcing workers into all manner of exploitation, including demeaning work and trafficking."

But that’s not all Myanmar is facing: The Confederation of Trade Unions, Myanmar wrote in a note last week that while the National Unity Government and pro-democracy armed groups have declared a ceasefire to help those affected by the earthquake, the junta has continued to carry out aerial bombardments. Kyaw, the pseudonym that the co-founder of Myanmar Labour News has adopted for safety reasons, said that garment workers in Bago and Yangon are being forced into overtime to make up for production lost due to power cuts caused by the tremblor, though wrecked roads and rail systems could cause further delays in shipments. The same factory employees are also among the deaths and casualties, he said, though a number has yet to be released.

“The military is weaponizing the suffering of the people,” said a local community leader, who spoke on the condition of anonymity because of fear of retaliation. “Aid is being diverted to loyalists while devastated communities in Sagaing and Mandalay are left to suffer. The regime is exploiting the earthquake to tighten its grip on our country.”

‘Exceptional circumstances’

The disaster has thrown into relief the consequences of the Trump administration’s hasty dismantling of foreign aid. Notably missing in recovery efforts are the 200 rescue workers, along with sniffer dogs and specialized equipment, that the United States would have deployed in similar disasters. Under ordinary circumstances, the federal government would have also shelled out $10 million to $20 million in the immediate phase of response to something on the scale of the Myanmar earthquake, with more earmarked for rebuilding and other long-term efforts. While the United States has since pledged $9 million to the country, the U.S. disaster assistance response teams known as DARTs have been missing in action, hampered by the decimation of the U.S. Agency for International Development, or USAID. Instead, U.S. aid workers who had been sleeping on the streets in earthquake zones found themselves served with termination notices even as they were organizing help, former USAID officials told Reuters last week.

When questioned about the United States’ muted response in Brussels on Friday, Secretary of State Marco Rubio said that other large countries, including China and India, need to contribute a larger share of global aid. “We are the richest country in the world, but our resources are not unlimited,” he said.

China, for its part, has committed $14 million in assistance for Myanmar, including 1,200 tents, 8,000 blankets, 40,000 first aid kits and 126 Chinese relief workers whose distinctive blue-and-orange uniforms can be spotted in videos of the devastation circulating on social media. On Sunday, India's navy delivered 442 metric tons of food aid, including rice, noodles, cooking oil and biscuits as part of the relief mission it has dubbed "Operation Brahma" in a nod to the creator god of Hinduism. Last week, six Democratic senators sent a letter to Rubio criticizing the United States' failure to pass the "first test" of its ability to provide humanitarian assistance and amid the kneecapping of USAID for "sending a signal to countries around the world that our adversaries are more reliable and trustworthy."

With the earthquake compounding an "already incredibly complicated" conflict, brands and retailers that have yet to divest from Myanmar have a responsibility to engage with what's happening, said Natalie Swan, labor rights program manager at the Business & Human Rights Resource Center, a labor watchdog group.

"For those brands who have committed to continue to source from Myanmar, they have stated that worker welfare and livelihoods are paramount," she said. "This is now a moment for them to demonstrate commitment to Myanmar's workers, both in terms of any emergency support needed and making sure that wages get paid."

What makes the situation more complicated is that "this is an earthquake in a conflict zone, in a country where human rights are not being respected to a higher degree that, say, in other sourcing countries," Swan added. "The heightened due diligence that is required for brands In Myanmar only becomes more important at times of crisis like this."

The Ethical Trading Initiative, a multi-stakeholder organization whose brand members include Inditex and Next, wrote in a note late last month urging companies operating in and sourcing from Myanmar to engage with their colleagues and suppliers to understand the impacts of the earthquake and offer them support where possible, including adjusting expectations and purchasing practices to "adapt to these exceptional circumstances" to provide the stability that suppliers and their employees need at this time. It was also ETI that published an assessment in 2022 concluding that it "wasn't possible" for responsible businesses to apply normal human rights due diligence in Myanmar.

There are some signs of rallying by the industry. Bestseller is donating $250,000 from its foundation to the Myanmar arm of Save the Children, Takko has pledged $100,000 to earthquake victims in Mandalay and Adidas has made an unspecified donation to the United Nations High Commissioner for Refugees despite the fact that none of the factories they use have reported damage of casualties. The European Chamber of Commerce in Myanmar, which advocates for European businesses such as Bestseller and H&M in the country, has transferred two tranches of donations totaling 240 million kyats, or roughly $114,000, to implementing partners such as the Danish Red Cross and Medical Action Myanmar while calling for more pledges from the European business community.

To avoid making inadvertent payments to the junta, IndustriALL Global Union has asked that all humanitarian assistance be channelled through the National Unity Government, ethnic organizations, the Confederation of Trade Unions Myanmar and trusted local civil society and community groups "that have clearly demonstrated commitment and capacity to deliver impartial and life-saving relief." The Asia Floor Wage Alliance has said the same.

"Our contacts on the ground have alerted us to an alarming situation—aid is not reaching the victims who need it most," said Dian Septi, the nonprofit's Southeast Asia coordinator. "We must coordinate support that goes directly to those risking their lives to help. When aid falls into the hands of the military, it is plundered and diverted to rebuild their strongholds instead of saving lives. That is why we are working with local workers, activists and community leaders to make sure aid goes directly to victims and people coordinating relief efforts."

But other brands whose names appear regularly on BHRRC's worker allegations tracker did not respond to requests for comment about the support they have or would be extending, drawing potential parallels with the aftermath of Turkey's twin earthquakes in 2023, when workers and suppliers felt largely abandoned by their buyers.

"I do not hear anything about the brands' actions, such as checking with workers or making donations to workers or affected areas," said Khaing Zar Aung, the exiled president of the Industrial Workers Federation of Myanmar. She had especially harsh words for companies that are continuing to do business in the nation. "Brands that declare they are doing human rights due diligence in Myanmar, they know themselves that they are lying," she said.

Bego Demir, coordinator at Clean Clothes Campaign Turkey, a workers' rights group, remembers trying to convince brands to step in when factories started laying off workers after a government directive prohibiting dismissals during earthquake recovery expired after three months.

"Their excuse was, 'We didn't dismiss them right after the earthquake. We dismissed them three months later,'" he said of manufacturers like Baykan Denim, which axed the workers who had to move away after the disaster without compensation.

It took the intervention of Inditex, one of Baykan Denim's buyers, for the factory to pay 28 of the 270 affected workers, who had organized themselves under the union Birtek-Sen, the $32,000 they said they were owed. He was less successful with others such as Bestseller, S.Oliver and Marks and Spencer, which collaborated on an investigation that found that evidence of specific violations were not substantiated and that workers who requested severance for reasons recognized under Turkish labor law had received their dues. Baykan Denim did not respond to a request for comment.

"We were trying to convince brands, like, it's your supply chain that you are responsible for," Demir said. "For us, brands are the principal employer. They are the party who has the power in the supply chain. Just be a bit of a human being, you know?"

A labor activist in Yangon, who asked not to be named, concurred. "So far, there is no action from brands supporting earthquake victims in Myanmar," this person said. "It is disappointing to see that there is no quick response from brands to provide emergency relief. Emergency relief is a priority for workers and their families who have lost everything, and brands sourcing from Myanmar have not done anything at all. I hope they will participate and contribute during the rebuild and recovery phase."

Source: sourcingjournal.com– Apr 10, 2025

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Cotton Highlights From April 2025 WASDE Report

USDA has released its April 2025 World Agricultural Supply and Demand Estimates (WASDE) report. Here's this month's summary of the U.S. domestic and global cotton balance sheets.

In this month's 2024/25 U.S. cotton balance sheet, the only changes are a 100,000-bale reduction in exports to 10.9 million bales and an increase in ending stocks of the same amount to 5.0 million bales.

The projected 2024/25 season average upland farm price is unchanged at 63 cents per pound.

Production, consumption, and trade are reduced in this month's 2024/25 world cotton balance sheet while stocks are raised.

Lower production in Argentina, Cote d'Ivoire, and other countries more than offsets an increase in China, for an overall decline of 69,000 bales.

Global textile mill use is down 520,000 bales this month, primarily because of reductions for China and Indonesia that more than offset an increase for Turkey.

Similarly, imports are lower this month as reductions for China and Indonesia more than offset an increase for Turkey, with small changes elsewhere. Exports are reduced for Australia, Brazil, the United States, Cote d'Ivoire, and other countries, more than offsetting increases for Turkey and Kazakhstan.

Beginning stocks are increased 25,000 bales following back year adjustments to imports, consumption, and ending stocks for Egypt.

World ending stocks for 2024/25 are raised over 520,000 bales, with increases for China, Australia, Brazil, Egypt, and the United States that more than offset reductions for Turkey and Argentina, with largely offsetting changes elsewhere.

Source: cottongrower.com– Apr 10, 2025

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UK to maintain duty-free access for 92% of Bangladeshi exports

The United Kingdom will continue to provide 92 per cent of Bangladesh's exports duty-free access to its market beyond the current scheme of trade preferences, UK trade envoy in Bangladesh Rosie Winterton recently assured participants at the Bangladesh Investment Summit 2025 in Dhaka.

Bangladesh receives duty-free and quota-free access to the UK market till 2029.

The UK Developing Country's Trading Scheme encourages Bangladesh to diversify its exports to the United Kingdom beyond garments, laying the groundwork of Bangladesh's economic security, ahead of graduation from the least developed country status next year, media outlets in Bangladesh reported.

"I am also pleased that his Majesty's revenue of customs will be providing capacity-building support to the customs way of the National Ward of revenue to enhance trade facilitation...taken together, these initiatives constitute significant UK contributions for Bangladesh's LDC graduation," she said.

Her country is working with the interim government in Bangladesh on the latter's priorities to restore law and order, ensure accountability and promote national unity, the envoy said.

Source: fibre2fashion.com– Apr 11, 2025

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US' textiles & apparel exports fall 1.57% to $3.63 bn in Jan-Feb 2025

The United States' textile and apparel exports decreased by 1.57 per cent to $3.633 billion in January–February 2025, compared to $3.691 billion in January–February 2024, according to data from the Office of Textiles and Apparel (OTEXA), a division of the US Department of Commerce. The US exported textiles and apparel worth $22.617 billion in 2024. Among the top ten export markets, shipments to Mexico decreased by 6.69 per cent, reaching $1,082.150 million in January–February 2025. Exports to Honduras, Guatemala, the Dominican Republic, and China declined by up to 4.76 per cent. During this period, shipments to Canada, the Netherlands, Japan, the United Kingdom, and Germany showed an upward trend, with exports increasing by up to 33.05 per cent.

The US exported $833.896 million worth of textiles and apparel to Canada, $192.883 million to Honduras, $82.135 million to the Netherlands, $119.663 million to China, and $95.260 million to the Dominican Republic—its key markets for textile and apparel exports. By category, apparel exports declined by 5.19 per cent year-on-year, totalling $1,051.989 million. Fabric exports fell by 0.12 per cent to $1,306.414 million, while yarn exports dropped by 3.17 per cent to $656.214 million. Exports of made-up articles and miscellaneous items saw a slight decrease of 3.27 per cent, amounting to $618.767 million.

The US exported textiles and apparel worth $22.617 billion in 2024, which was 2.98 per cent lower than the shipment value in 2023. In 2024, it exported apparel worth $7.084 billion, fabric worth $8.049 billion, and yarn worth $4.005 billion.

In 2023, US textile and apparel exports dropped by 5.02 per cent to $23.617 billion, following a 9.77 per cent increase in 2022, which had reached $24.866 billion compared to $22.652 billion in 2021. Over the past decade, annual exports have generally ranged between $22 billion and $25 billion, with notable figures including $24.418 billion in 2014, $23.622 billion in 2015, $22.124 billion in 2016, $22.671 billion in 2017, $23.467 billion in 2018, $22.905 billion in 2019, and $19.330 billion in 2020.

Source: fibre2fashion.com– Apr 11, 2025

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US' AAFA welcomes brief tariff relief, urge lasting reform

The American Apparel & Footwear Association (AAFA) has voiced strong concern following President Trump's announcement today of a 90-day pause on ‘reciprocal’ tariffs and the introduction of additional tariffs on US imports from China.

Steve Lamar, president and CEO of AAFA, criticised the ongoing unpredictability in trade policy, stating: “The on-again, off-again tariff policy is forcing companies to careen between chaos and costs.

While we welcome this limited pause to give negotiators in the U.S. and dozens of trading partners a chance to hammer out sustainable outcomes, it is only a first step in a policy that needs to be more comprehensive, predictable, and durable if we want to encourage the kind of investments that will support more US jobs.”

He warned that the continued imposition of extreme tariffs on US imports from China—the largest trading partner for the apparel and footwear industry—would raise costs for businesses and consumers alike.

“This policy continues to subject US imports of our industry’s largest trading partner to an unsustainable tax. If left in place, this extreme tariff on US imports from China, which is in addition to President Trump’s Section 301 tariffs, will lead to higher prices for everyday apparel, footwear, and accessories and higher costs for US manufacturers who rely on materials and items they can only source from China."

Lamar called for the tariff pause to be extended to all countries, encouraging the US and its trading partners to move away from retaliatory measures and towards constructive dialogue.

“It is our hope that this limited pause can be extended to all countries so that US companies, now caught in the crosshairs of a frenzied trade war, can focus their energies on encouraging the US and its key trading partners to negotiate an end to both US and foreign trade barriers. We further urge the Administration to work closely with Congress, and with all stakeholders, so that we can forge a more durable trade policy that is based on partnership of reciprocal trade, not fear of crushing tariffs.”

AAFA has also endorsed the bipartisan Trade Review Act of 2025, introduced last week by Senator Maria Cantwell (D-WA), a senior member of the Senate Finance Committee.

The legislation, co-sponsored by a cross-party coalition of senators, aims to restore Congressional authority over trade policy, as stipulated in Article 1, Section 8 of the US Constitution, and bring much-needed predictability to US trade practices.

Source: fibre2fashion.com– Apr 10, 2025

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US' textiles & apparel imports rise 9.8% to $18 bn in Jan-Feb 2025

The United States' textile and apparel imports increased by 9.80 per cent, totalling $18.070 billion in January–February 2025, compared to $16.457 billion in the same period of 2024. China remained the largest supplier to the US, holding a 24.13 per cent market share, followed by Vietnam at 15.19 per cent.

During January–February 2025, apparel imports—which constitute the majority of US' textile imports—increased by 11.21 per cent to $13.550 billion, up from $12.183 billion in the same period of 2024. Non-apparel imports also rose, by 5.78 per cent, to $4.520 billion, according to the US Department of Commerce's Major Shippers Report.

US apparel imports from Jordan surged by 33.89 per cent, while those from Bangladesh rose by 26.64 per cent. Apparel imports from China also increased, by 8.85 per cent, Vietnam 11.14 per cent, India 25.70 per cent, Indonesia 18.27 per cent, Cambodia 10.14 per cent, Mexico 1.49 per cent, Pakistan 23.18 per cent, and Sri Lanka 23.18 per cent. Imports from Italy declined by 4.11 per cent during the period under review.

In the non-apparel sector, imports from China increased by 5.71 per cent, India 18.87 per cent, Pakistan 8.57 per cent, Vietnam 12.03 per cent, Cambodia 19.90 per cent, and Indonesia 21.35 per cent. Meanwhile, shipments from Turkiye fell by 9.91 per cent, Mexico by 2.19 per cent, South Korea by 9.25 per cent, and Canada by 2.67 per cent.

During the review period, total US textile and apparel imports stood at $18.070 billion. Man-made fibre products accounted for the largest share, totalling $9.288 billion, followed by cotton products at $7.528 billion, wool products at $535.765 million, and silk and vegetable fibre products at $718.409 million.

In 2024, the country's textile and apparel imports experienced minimal growth of 2.66 per cent, reaching $107.723 billion. US apparel imports increased by 1.71 per cent to $79.257 billion, while non-apparel imports rose by 5.42 per cent to $28.465 billion.

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

Source: fibre2fashion.com– Apr 10, 2025

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More garment cooperation opportunities for Vietnam, India amid global shifts: official

Hanoi (VNA) - Vietnam and India have great potential for cooperation in the garment and textile sector as the US's new reciprocal tax policy could significantly impact exports of both countries to the US market, according to Bui Trung Thuong, Trade Counselor at the Vietnam Trade Office in India.

Vietnam is the world's third-largest textile and garment exporter, with an export value reaching 44 billion USD in 2024, while India is a leading supplier of raw materials, particularly cotton and cotton yarn. India also boasts a long-standing textile industry, with strengths based on a wide range of natural fibers such as cotton, jute, silk, and wool, as well as various synthetic fibers like polyester and nylon, making it a highly potential market.

The country has developed the capability to produce a variety of polyester textiles, artificial silk (rayon), acrylic, blended fibers, and other mixed-material textile products. It is also one of the world's top exporters of synthetic and blended textile products, according to the Vietnamese Ministry of Industry and Trade.

Meanwhile, Vietnam currently relies on China for 65% of its textile input materials. Therefore, increasing cotton and yarn imports from India will not only help diversify supply sources but also reduce material costs by 22–27% thanks to tax incentives under the ASEAN-India Free Trade Agreement (AIFTA).

To promote bilateral textile and garment cooperation, Thuong proposed the two countries establish a joint investment fund worth 500 million USD to build spinning mills in southern India and northern Vietnam, along with smart fabric research centres in Ho Chi Minh City and Bangalore (India).

It is necessary to sign a bilateral preferential tax agreement to help businesses in both countries reduce import-export costs and enhance competitiveness, and set up a Vietnam-India textile innovation fund to support joint research projects on green technologies, technical textiles, and recycled materials.

India currently has a high demand for premium polyester fabric, estimated at around 1.2 billion USD per year, while Vietnam can import shuttleless looms from India, which are 30–40% cheaper than those imported from Europe, he said, adding that making the most of technological strengths and complementary market demands will help establish efficient two-way supply chains.

The new reciprocal tariff policy introduced by the US will increase export costs for textile and garment products from both Vietnam and India. This situation requires the two countries to swiftly adapt by implementing regional cooperation strategies to mitigate risks from traditional markets and expand into FTA markets such as the EU, Japan, and the Republic of Korea, Thuong said.

Source: en.vietnamplus.vn– Apr 11, 2025

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Bangladesh at risk of slipping to third in global RMG export

Bangladesh's position as the world's second-largest apparel exporter could be at risk as Vietnam is quickly catching up with better logistics, more diverse products, and smoother trade processes, a top exporter warned yesterday.

"Bangladesh is very close to Vietnam. But if we don't jump into our businesses, we may lose the glory of holding the second spot," said Kihak Sung, chairman of Youngone Corporation, a pioneer in Bangladesh's readymade garments and textile sectors.

Sung made the remarks while speaking at an event during the Bangladesh Investment Summit 2025 at the InterContinental Dhaka in the capital.

The Bangladesh Investment Development Authority (Bida) organised the four-day summit, with Sung speaking at a session titled "Bangladesh Moving Forward: Through an Investor's Lens."

Sung said Vietnam exported $44 billion of clothing and textiles last year. "Bangladesh truly aspires to become the number one apparel-exporting country in the world. That is our dream. So, I urge government agencies to take the necessary steps to make it happen."

The founder of the Korean Export Processing Zone also criticised Bangladesh's port bottlenecks and long lead times.

He noted that Vietnam can export apparel to the US market at least three weeks sooner than Bangladesh.

"A three-week gap is very critical in the fast-paced fashion industry," he said, adding that buyers naturally want to place their orders where they can be fulfilled quicker.

Bangladesh produces more commodities than Vietnam, but product quality is worse than Vietnam's, he said.

He added that buyers are paying higher prices when garments are made in Vietnam. As a result, although labour costs in Vietnam are about 40 percent to 50 percent higher than in Bangladesh, it is a more lucrative destination.

"Currently, we make more profit in Vietnam, which means Bangladesh is not winning this competition in the global market."

He said if Bangladesh could reduce customs-related delays by one week to 10 days, half of the hurdles that cause delays would be resolved. It would also help to overcome geographical challenges.

Commenting on recent trade developments, Sung said, "The three-month suspension of the Trump-era tariff policy provides some relief. The Bangladesh government's proactive steps in this regard are commendable."

At the event, Javier Carlos Santonja Olcina, regional head of Bangladesh at Inditex, said Bangladesh probably has the best factories in the world in terms of LEED certification.

"But unfortunately, the port capacity and the airport capacity are not enough," he said. "So, we need to be very flexible. That means combining shipment modes – sea, air, and land."

Rear Admiral SM Moniruzzaman, chairman of Chittagong Port Authority, said they are exploring technologies that will make port activities smoother.

Md Tareq Hasan, first secretary of the NBR, said the recently launched National Single Window is helping exporters significantly.

Speaking at the event, Lutfey Siddiqi, special envoy on International Affairs to the Chief Adviser, emphasised the need for local preparation to mitigate global risks in light of the new US tariff regime and cuts in aid.

"We can't rely on preferential treatment, whether it's GSP or other LDC-related advantages. We must become much more self-sufficient," he said, stressing the importance of reforms, including in the labour sector.

Gayle Martin, interim country director of the World Bank, and Anwar Hossain, administrator of the Bangladesh Garment Manufacturers and Exporters Association, also spoke on the occasion.

Rubana Huq, vice-chancellor of the Asian University for Women, and Shams Mahmud, managing director of Shasha Denims, moderated the discussion.

On April 10, Kihak Sung was awarded honorary citizenship of Bangladesh for his outstanding contributions to the industry and the country's economy.

Source: thedailystar.net– Apr 11, 2025

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Bangladesh's cotton imports projected to rise 1.2% YoY in MY26: USDA

Cotton imports by Bangladesh are projected to rise by 1.2 per cent year on year (YoY) to 8.2 million bales in marketing year 2025-26 (MY26), and the United States is losing its market share in cotton exports to the country amid concerns about logistics and long shipment duration, according to a recent report by the US Department of Agriculture (USDA).

West African countries and Brazil gained market share in cotton exports, USDA said in its 'Cotton and Products Annual report' released last month end.

Bangladesh's millers imported 7.8 million bales of cotton in MY24. Of that, the share of US cotton was 9 per cent. In MY23, the share of cotton imported from America was 10 per cent.

During the first seven months of MY25, importers in Bangladesh bought 286,056 bales of cotton from the United States. The amount was only 6 per cent of the total cotton imports, down from 11 per cent during the same period a year ago.

The West African countries collectively supplied 1.9 million bales, 41 per cent of Bangladesh's total imports during the first seven months of this MY, the USDA said.

As a single country, Brazil emerged as the major raw cotton supplier to Bangladesh during this period, it said. Brazil exported 970,487 bales, comprising 20 per cent of the market share, followed by India with 887,600 bales and a 19-per cent share.

"Spinners prefer to buy Brazilian cotton due to its competitive pricing, increased availability during the harvesting season, and supply stability. The shipment period is also shorter for Brazilian cotton as it is often sold while it is afloat," the report noted.

Citing industry contacts, the report said Bangladesh's readymade garments sector has shown resilience and growth despite recent political upheavals that led to the ouster of Sheikh Hasina's government in August last year. The unrest led to factory shutdowns and a decline in international work orders. However, the industry has rebounded.

"With law and order restored, international clothing brands have resumed placing new orders since mid-January 2025, fostering optimism among garment exporters, with an increase in work orders from early 2025 boosting the demand for cotton," USDA observed.

"As the RMG industry is expecting a resurgence in work orders, the demand for raw materials, including cotton, will increase," it added.

Source: fibre2fashion.com– Apr 10, 2025

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Pakistan: Exports to Europe rise 10pc in July-February

Pakistan's exports to European countries grew 9.41 per cent in the first eight months of the current fiscal year from a year ago, mainly due to higher shipments to western and southern states. In absolute terms, Pakistan's exports to the European Union (EU) reached $5.921 billion in July- February FY25 from $5.412bn last year, according to data compiled by the State Bank of Pakistan.

The export resurgence was due to a slight increase in demand for Pakistani goods in western, eastern and northern Europe. The revival of export proceeds to these countries shows a rising trend for Pakistani textile and clothing products. In FY24, Pakistan's exports to the EU dipped 3.12pc to $8.240bn despite its GSP+ status, which allows duty-free entry into most European markets.

Despite Pakistan's reportedly lack of strict adherence to these conventions, Islamabad has so far avoided stern criticism from the EU, largely due to the bloc's preoccupation with the ongoing war in Ukraine.

Western Europe, which includes countries such as Germany, the Netherlands, France, Italy, and Belgium, accounts for the largest portion of Pakistan's exports to the EU. The exports to this region increased by 11.67pc to $2.918bn in 8MFY25, up from $2.613bn in 8MFY24.

There is also a slight increase in exports to eastern and northern Europe. The exports to the north of Europe saw a rise of 17.73pc to $4.98.61m in 8MFY25, up from $423.51m in the corresponding months last year.

Exports to southern Europe saw a paltry growth of 2.69pc to $2.021bn in 8MFY25 from $1.968bn in the corresponding period last year. In this region, exports to Spain record a paltry growth of 0.87pc to $973.57m in 8MFY25 from $965.12m in the preceding year.

Exports to Italy increased 1.83pc to $747.03m in 8MFY25 compared to $733.64m in the same period last year. Exports to Greece recorded a marginal increase of 9.53pc to $92.02m during the year under review against $84.01m over the previous year.

Source: dawn.com– Apr 10, 2025

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Commerce and Industry Minister Shri Piyush Goyal chairs a meeting on the emerging trade scenario with Export Promotion Councils and Industry bodies

Union Minister of Commerce and Industry, Shri Piyush Goyal, today held discussions with the Export Promotion Councils and Industry Bodies in New Delhi in the light of the emerging trade scenario. The meeting was called to deliberate on the impact as well as opportunities arising out of the evolving and very dynamic scenarios and to apprise the industry and trade about the steps being taken by the Government.

The Commerce and Industry Minister (CIM) complemented the exporters and the industry for achieving the highest ever export of above USD 820 Billion in the fiscal 2024-25 which is nearly 6% growth over previous fiscal year. In spite of multiple headwinds including the red sea crisis, Israel-Hamas conflict spilling over to Gulf region, continuation of Russia-Ukraine conflict and slow growth in some developed economies, the Minister lauded the Exporters for their resilience and efforts.

During the meeting, CIM also apprised the exporters regarding discussions with the US for a mutually beneficial multi-sectoral Bilateral Trade Agreement (BTA), which has been ongoing due to the foresight of Honb'le PM Modi who was one of the first global leaders to agree on the BTA in his meeting with President Trump in February 2025.

The Commerce and Industry minister assured the exporters that the Government will work to provide a conducive environment to enable them to successfully navigate the recent changes in the global trade environment.

The Commerce and Industry Minister assured that the country is working in a proactive manner and exploring solutions which are in the best interest of the nation. The team working on BTA is exploring the right mix and the right balance and he exhorted the exporters to not panic and look at the silver lining in the present scenario. He assured that the team is working with speed but not in undue haste to ensure the right outcome for the country.

The CIM said that different countries are approaching the tariff imposition in a different manner. However, as far as India is concerned, there is a potential for increase in manufacturing, creation of additional jobs because it can attract big players in global supply chain as India has been able to establish itself as a trusted and reliable partner and with a predictable business friendly destination.

Various Export Promotion Councils, representing a wide array of sectors, presented their views and outlook in light of the emerging challenges in global trade and requested the government to take proactive measures to support the export industry in these challenging times.

The meeting was attended by Export Promotion Councils, Industry bodies and officials from Commerce and line ministries.

Source: pib.gov.in– Apr 09, 2025

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US-China tariff war: Commerce Ministry to set up import monitoring cell to check surges

With China and the US engaged in a full-fledged tariff war, the Commerce Ministry is setting up an import monitoring cell under the Directorate General of Trade Remedies to keep a close watch on imports to check surges, especially from the neigbouring country, sources said.

There is also a worry that China may now try to undercut other countries, including India, in important markets such as the EU by selling its stuff cheap.

“Much of China’s annual exports to the US of about $439 billion is likely to come to a halt with the 125 per cent tariffs imposed by the Donald Trump regime. It will be desperately looking to diversify its markets and sell more to the existing ones.

India is vulnerable as it already imports substantially from Beijing and is also in its neighbourhood. The government therefore has to be more watchful towards dumping,” a source tracking the matter told businessline.

On Wednesday, US President Donald Trump postponed reciprocal tariffs announced on its trade partners, including India, by 90 days but it increased tariffs on China to 125 per cent. It would make it very difficult for China to keep exporting to the US unless it reaches a deal with the country.

Import monitoring cell

An import monitoring cell, which will keep track of imports and monitor surges of general goods periodically and of sensitive items on a daily basis, will be set up soon, the source said.

The DGTR, which already has a mechanism in place to investigate and propose actions against various trade violations by other countries, including dumping and subsidy actions, has been given additional responsibility of heading the import monitoring cell so that prompt action can be taken against surges, the source added.

“If required the BIS can be alerted to work together with the customs department to identify sub-standard imports,” a top official had said earlier outlining measures to stop China from increasing its exports to India.

Exporters are also worried about China increasing its exports not only to India but also to important markets such as the EU by undercutting prices and eating into the existing share of other countries.

“China will be aggressive in all markets including big ones such as the EU. It can adopt all possible ways to grab a greater share of the market through cost cutting, price cutting or dumping. India needs to watch out,” said Ajay Sahai from FIEO.

In FY 2024, India’s imports from China reached $101.74 billion, making China India’s top import source with bilateral trade totaling $118.4 billion. India’s trade deficit during the fiscal widened to $85 billion.

Source: thehindubusinessline.com– Apr 10, 2025

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Indian exporters face uncertainty despite US pausing tariffs

The 90-day pause in US reciprocal tariffs on most countries is a temporary relief for Indian exporters as orders put on hold can now be shipped. But there is persistent uncertainty on who would bear the burden of the 10 per cent baseline tariffs that are still in place as it could put exporters' profits under stress.

Exporters are also concerned that competing countries, such as Vietnam and Bangladesh, may offer discounts to US buyers to compensate for the baseline tariffs which would force them to do the same. Such countries getting into early tariff pacts with the US before India is able to seal the proposed India-US bilateral trade agreement (BTA) is another concern.

Tariff on China

However, China being slapped with a steep 125 per cent tariff spells opportunities in at least some sectors in India.

"The roll back of additional reciprocal tariffs while maintaining a baseline tariff of 10 per cent is not good enough as it is still going to lead to price rise in the US and a demand slowdown.

The big question is who pays this 10 per cent? Is it the consumer, the importer, the exporter or do they all share? Whatever the case may be, there will be demand contraction as well as margin contraction in the industry," pointed out Sanjay Jain, ICC Chairman of Textile Committee and MD TT Ltd.

When US President Donald Trump announced reciprocal tariffs of 26 per cent on India on April 2, US buyers were looking for deep discounts up to 13 per cent, pointed out Ajay Sahai, Director General, FIEO. With the postponement of the reciprocal tariffs, they would still look for a discount, but at a lower rate, possibly round 3-5 per cent which may put pressure on profits, he said.

Countries that were slapped higher reciprocal tariffs on April 2 have come at an equal level after its postponement and India has lost its advantage with its Asian competitors.

“Vietnam was one of the hardest hit by reciprocal tariffs, but now it is at a same level as India. If Vietnamese exporters offer discounts to buyers, there will be pressure on Indian exporters too,” Sahai said. Things would get even more complicated if a competing country reached a tariff agreement with the US before India could wrap up its BTA negotiations with the US.

Competitiveness

Sahai made a case for the government to help Indian exporters maintain their competitiveness in the uncertain situation by reinstating the interest equalisation scheme with an interest subsidy of 5 per cent and extending the popular RoDTEP scheme beyond September 30.

The fact that China, engaged in a tariff war with the US, was totally out of the picture was a silver lining but India would need to work hard to take advantage.

″For India to get even a part of China′s share of $30 billion in US market for textiles & garments, it will need to ensure its MMF raw material prices are competitive otherwise competitors will get fabric from China and sell to the US at lower costs,″ Jain said.

Source: thehindubusinessline.com– Apr 11, 2025

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UK to back India in internationalisation of rupee

India and the United Kingdom have agreed to explore the role of London as a global financial centre and foreign exchange hub to support internationalisation of rupee, according to a joint statement issued yesterday at the India-UK Economic and Financial Dialogue in London.

“Both sides note the potential for greater internationalisation of the Indian rupee and welcome India permitting the opening of rupee accounts in overseas jurisdictions,” the statement, issued by UK chancellor of the exchequer Rachel Reeves and Indian finance minister Nirmala Sitharaman, said.

“Both sides look forward to furthering the bilateral relations between our nations, including continuing negotiations at pace towards a mutually-beneficial Free Trade Agreement and Bilateral Investment Treaty,” it noted.

The two countries also welcomed the agreement to formalise cooperation between the Financial Conduct Authority and International Financial Services Centres Authority through an exchange of letters. This would set out a clear framework for future regulatory cooperation.

“Both sides commit to hold a one-off UK-India Strategic Leadership Exchange on Illicit Finance, bringing together leaders and practitioners in both countries to exchange risk understanding, knowledge, and experiences of addressing illicit finance flows,” the statement added.

The two countries recognised the importance of transition finance for mobilising capital to support sustainable development and discussed the importance of international tax cooperation.

Source: fibre2fashion.com– Apr 10, 2025

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Tariff pause brings little relief to textile exporters as US buyers remain cautious

Indian textile and leather goods exporters see the 90-day tariff relief as an opportunity to clear their backlogs at lower duties, but don't expect a significant boost in export orders. According to industry insiders, US buyers remain in a 'wait-and-watch' mode amid subdued demand and uncertainty over Washington's ongoing trade negotiations with other countries.

"Recent developments bring some relief, and ongoing order dispatch issues may begin to ease," said Prabhu Dhamodharan, convenor of the Indian Texpreneurs Federation (ITF), a Coimbatore-based association that represents the entire textile value chain, including standalone spinning units, weaving companies, and exporters of apparel and home textiles.

However, he noted that consumption continues to be under pressure, as the average landed tariff on consumer goods—including textiles—into the US exceeds 20%. This includes a baseline 10% tariff on all countries and over 100% on Chinese imports. "Normally, in uncertain times like this, retailers are very cautious with order placements. It all depends on actual retail sales. We'll still have to wait and watch," he added.

On Wednesday, US President Donald Trump paused the implementation of reciprocal tariffs for 90 days for all countries except China, which now faces a 104% tariff. However, the baseline 10% duty that came into effect on April 5 remains in place across the board.

"We can only export based on demand and our existing capacity," said A Sakthivel, Vice Chairman of the Apparel Export Promotion Council. Sakthivel, who also heads Tiruppur-based Poppys Knitwear, said the tariff window might help advance shipments by around 10 days, and exporters are focused on dispatching only pending orders during the relief period.

He added that Indian exporters are more closely watching the outcome of bilateral trade agreement (BTA) talks with the US, which could offer longer-term gains for the industry. "One thing is clear—US buyers now have a sense that India will enjoy more favourable tariff treatment compared to other Asian countries, especially China," he said.

In 2024, the US imported $107.72 billion worth of textiles, including $80 billion in apparel alone. China accounted for the largest share at 21%, followed by Vietnam (19%), Bangladesh (9%), India (6%), and Sri Lanka (3%). Under the new tariff structure, India's key competitors—Vietnam (46% tariff), Bangladesh (37%), and Sri Lanka (44%)—face significantly higher duties. Over 75 countries are currently in talks with the US to lower their tariffs.

"Textile is one of the sectors with the least import dependency for raw materials and intermediate goods, and US buyers are starting to see that as a strategic advantage when partnering with India," Dhamodharan said.

Israr Ahmed of Chennai-based Farida Group, a leading leather goods exporter, said the tariff pause has brought welcome relief to the industry, which had been fearing order cancellations under the new structure. "Order cycles in our industry range from 90 to 120 days, and most exporters are now trying to push orders within that 90-day window," he said. While India holds a relatively small share in global leather and footwear exports, he believes buyers are beginning to recognise the need to diversify away from countries like China and Vietnam.

India exported leather and leather products worth $4.1 billion between April 2024 and February 2025, of which $870 million went to the US, as per government data. Ahmed, a former vice-president of FIEO, said India stands to gain a larger share in the long run—provided high tariffs on competing countries continue.

"The tariff pause is not yet a game-changer for India," said a top official at a Noida-based leather products exporter. "Some orders are still on hold, and new ones that do come in are mostly exploratory—to test whether India can deliver at scale," the person added.

Source: financialexpress.com– Apr 11, 2025

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High tariffs on China could make Indian products more competitive in the US: GTRI

Imposition of steep 125 per cent tariffs on China by the US could help Indian products from sectors such as textiles, leather, engineering, and electronics become more competitive in US, think tank GTRI said on Friday.

However, the benefits may be short-lived unless India proactively leverages this breathing space to strengthen its export ecosystem, streamline compliance processes, and enhance engagement with US buyers, the Global Trade Research Initiative (GTRI) said.

It suggested that the government reintroduce interest equalisation scheme to help small firms with access to cheaper working capital credit and customs expediting shipments.

The 90-day suspension of country-specific tariffs, as outlined in the new executive order, offers a small window of opportunity for Indian exporters, GTRI Founder Ajay Srivastava said.

While Chinese goods now face steep tariffs of up to 125 per cent, imports from India will be subject to a flat 10 per cent additional duty, significantly lower than the earlier punitive rates proposed under the April 2 order.

"This temporary relief could help Indian products become more competitive in the US market, especially in sectors where India competes directly with China, such as textiles, leather goods, engineering items, and electronics," he said. In these segments, India competes directly with China.

He asked the Indian exporters to carefully review the latest US executive order and customs guidelines to understand which products will face new tariffs and which may be exempt and the timelines.

According to the modifications in the order, if a product contains at least 20 per cent US made components, only the non-US portion will be taxed, provided the value breakdown is clearly declared, he said.

"Items already en route to the US before April 5 and entering by May 27 will not face the new duties. Goods shipped between April 5 and April 9 will be charged a flat 10 per cent, avoiding steeper country-specific tariffs," the think tank clarified.

Source: thehindubusinessline.com– Apr 11, 2025

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India eyes trade pact push as US pauses reciprocal tariffs for 3 months

With US President Donald Trump "temporarily suspending" country-specific reciprocal tariffs until July 9, India sees the three-month window as an opportunity to renew its push for a proposed bilateral trade agreement (BTA) with the US and expedite finalisation of the first tranche of the trade deal.

"The 90-day pause on the 26 per cent reciprocal tariff (imposed by the US on Indian imports) gives us the window to expedite the trade deal discussions that began last month. We still don't know if the pause on reciprocal tariffs will continue beyond 90 days," a senior government official told Business Standard.

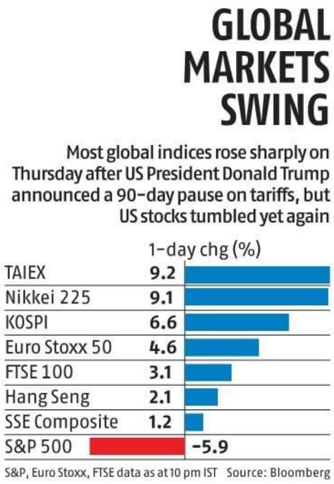
Finalising at least the first tranche of the deal may offer some relief to Indian exporters, even if Washington decides to continue with the 26 per cent reciprocal tariffs after the three-month pause, the official added.

In February, Prime Minister Narendra Modi and US President Trump announced their intention to finalise the first phase of a mutually beneficial BTA by the fall of 2025.

After the US last week announced country-specific reciprocal tariffs ranging from 10 per cent to 50 per cent on imports from several countries, with India facing a 26 per cent duty, Trump on Wednesday reversed his decision and announced a 90-day pause on all reciprocal tariffs — except those on China — effective from midnight on April 9 (Eastern Time). Currently, a 10 per cent ad valorem tariff, over and above the existing most-favoured nation (MFN) tariff, continues on American imports.

America's plan to impose reciprocal tariffs on most countries has prompted several major trade partners to reach out to India for free-trade agreements (FTAs). Apart from the US, India is negotiating trade deals with the United Kingdom, the European Union, New Zealand, Peru, Chile, and Oman. Talks for trade agreements with Bahrain, Qatar, and the Gulf Cooperation Council (GCC) may also materialise.

The official cited above said India was planning to use this period to fast-track long-pending trade agreements with key partners, such as the UK and the EU.



In February, Prime Minister Modi and European Commission President Ursula von der Leyen had set an ambitious target to sign an FTA by the end of 2025. At present, the approach is to finalise the deal in tranches, although a formal announcement regarding the same is pending.

India believes these trade deals will bring long-term benefits and boost exports to these regions, the official said.

"India's negotiating position is stronger now. Considering the fast-changing geopolitical environment and the EU's tension with the US, the trade bloc is more willing to address India's concerns on non-tariff barriers, such as carbon border adjustment mechanism (CBAM) and deforestation regulation," the official said.

Before the tariff pause was announced, Commerce Minister Piyush Goyal said on Wednesday that India was working with the US administration to remove the 26 per cent tariff imposed on Indian goods.

"We believe that India was not one of those countries which really needed to have tariffs on them because we were already in engagement for a bilateral trade deal but the US has not differentiated. For every country, they have come out with a number. But we are in constant engagement. We will be working with them to take off these additional tariffs in the days to come."

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

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India terminates trans-shipment facility for Bangladesh to export goods to third countries

New Delhi, Apr 9 (PTI) The government has terminated the trans-shipment facility that allowed export cargo from Bangladesh to third countries using Indian land customs stations en route to ports and airports, according to a government circular.

Indian exporters, mainly from the apparel sector, had earlier urged the government to withdraw this facility to the neighbouring country.

The facility had enabled smooth trade flows for Bangladesh's exports to countries like Bhutan, Nepal, and Myanmar. It was provided by India to Bangladesh in June 2020.

"It has been decided to rescind... circular...dated June 29, 2020, as amended with immediate effect. Cargo already entered into India may be allowed to exit the Indian territory as per the procedure given in that circular," the Central Board of Indirect Taxes and Customs' circular, dated April 8, said.

The announcement came at a time when the US has imposed sweeping tariffs against a number of countries, including India and Bangladesh.

The earlier circular had allowed transshipment of export cargo from Bangladesh to third countries using Indian Land Customs Stations (LCSs) en route to Indian ports and airports.

According to trade experts, the decision will help many of the Indian exporting sectors like apparel, footwear, and gems and jewellery.

Bangladesh is a big competitor of India in the textile sector.

"Now we will have more air capacity for our cargo. In the past, exporters have complained about lesser space due to the transhipment facility given to Bangladesh," Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said.

The apparel exporters' body AEPC has earlier urged the government to suspend this order, which allows the trans-shipment of Bangladesh export cargo to third countries through the Delhi Air Cargo complex.

AEPC Chairman Sudhir Sekhri had stated that almost 20-30 loaded trucks arrive in Delhi every day, which slows down the smooth movement of cargo, and airlines are taking undue advantage of this.

This leads to an excessive increase in air freight rates, delay in handling and processing of export cargo, and severe congestion at the Cargo Terminal at the IGI Airport, Delhi, resulting in exports of Indian apparel exports through the Delhi air cargo complex becoming uncompetitive.

Think tank Global Trade Research Initiative (GTRI) Founder Ajay Srivastava said that the withdrawal of this facility is expected to disrupt Bangladesh's export and import logistics, which depend on Indian infrastructure for third-country trade.

"The previous mechanism had offered a streamlined route through India, cutting transit time and cost. Now, without it, Bangladeshi exporters may face logistical delays, higher costs, and uncertainty. Additionally, Nepal and Bhutan, both landlocked nations, may raise concerns about restricted transit access to Bangladesh, especially as this move will hamper their trade with Bangladesh," Srivastava said.

He added that according to WTO (World Trade Organisation) rules, all members are required to allow freedom of transit for goods moving to and from landlocked countries. This means such transit must be unrestricted, free from unnecessary delays, and not subject to transit duties.

Both India and Bangladesh are members of this Geneva-based organisation.

Source: livemint.com– Apr 09, 2025

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India’s cotton imports for 2024-25 season seen higher at 33 lakh bales on shrinkage in domestic output

India’s cotton imports for the 2024-25 season ending September are seen more than doubling to 33 lakh bales of 170 kg each on further shrinkage in the domestic crop. Last season, India’s cotton imports stood at 15.20 lakh bales.

The Cotton Association of India (CAI), in its latest projections, has revised upwards the import estimates to 33 lakh bales, up from earlier projections of 30 lakh bales. Till March end about 25 lakh bales are estimated to have arrived at the Indian ports.

The upward revision in imports is on expectations of lower than estimated domestic production even as the consumption is seen flat.

The trade body expects a shrinkage in the domestic crop further and has lowered its projections by 4 lakh bales to 291.30 lakh bales of 170 kg each, mainly on lower production in Maharashtra. Earlier the trade body had projected an output of 295.30 lakh bales. This revised lower projection is based on the inputs received from the state member associations as of March end, Atul Ganatra, President, CAI, said in a statement.

The decline in projections is on account of lower output in Maharashtra, where the production is seen declining by 5 lakh bales compared to the earlier estimates, while in Telangana the output is seen higher by 1 lakh bales.

CAI has estimated the total cotton supply till the end of March including the imports at 306.83 lakh bales. This includes the imports of 25 lakh bales of 170 kg each and also the opening stocks of 30.19 lakh bales.

For the 2024-25 season ending September, CAI has maintained the consumption at 315 lakh bales, same as estimated previously. Consumption till March end is estimated at 170 lakh bales. Exports till March 31 are estimated at 9 lakh bales.

Stocks at end of March are estimated at 127.83 lakh bales including 27 lakh bales held by the mills and the remaining 100.83 lakh bales with CCI, Maharashtra Federation and the trade.

Cotton exports for the 2024-25 season are pegged at 16 lakh bales, lower by 12.36 lakh bales over previous year's 28.36 lakh bales, the trade body said.

The closing stock for 2024-25 season at end of September 2025 is estimated lower at 23.49 lakh bales from same period last year's 30.19 lakh bales.

Source: thehindubusinessline.com – Apr 11, 2025

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