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INTERNATIONAL NEWS

US tariffs expected to weaken $ as GDP growth slows: Goldman Sachs

US trade policy changes are significantly affecting the country's currency, according to Goldman Sachs Research.

The rise in trade tensions and other uncertainty-raising policies are eroding consumer and business confidence, Goldman Sachs Research senior currency strategist Michael Cahill wrote in his team's report.

The US dollar's weakness against its major peers during the first quarter of 2025 is anticipated by Goldman Sachs Research to persist. Over the next 12 months, the US currency is forecast to fall by about 10 per cent versus the euro, and by close to 9 per cent against the Japanese yen and British pound (as of April 8).

"We have previously argued that the US' exceptional return prospects are responsible for the dollar's strong valuation," Cahill wrote. "But, if tariffs weigh on US firms' profit margins and US consumers' real incomes, they can erode that exceptionalism and, in turn, crack the central pillar of the strong dollar."

Goldman Sachs Research strategists earlier expected trade-related uncertainty to weigh more on foreign countries than on the United States. But soft data in the United States has, so far, shown worrying signs while European sentiment has been surprisingly resilient.

This is partly related to non-tariff issues like federal spending cuts and concerns of a weakening labour market. But tariff policy is also part of the uncertain policy mix, which is contributing to the shakier US economic outlook.

There are signs that tariff announcements and a more aggressive stance toward historical allies are changing global views of the United States and US assets, an insights piece on Goldman Sachs website observed.

Source: fibre2fashion.com– Apr 21, 2025

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Tariff uncertainty threatens global apparel industry: IAF

The International Apparel Federation (IAF) represents the apparel manufacturing community across more than 40 countries—a global industry comprising hundreds of thousands of companies and millions of employees. Apparel and textiles are among the most globalized industries, historically foundational to industrial development around the world.

The punitive tariffs introduced by the US administration on April 2nd, with the highest rates reserved for countries heavily reliant on garment exports to the U.S., represent a direct and unprovoked threat to entire industries. These measures risk destabilizing economies and jeopardizing the livelihoods of countless employees and entrepreneurs in the apparel industry globally, including in the U.S. itself.

The IAF welcomes the decision to pause a significant portion of these punishing tariffs. However, the continued application of punitive tariffs on imports from China—one of the world's largest apparel exporters—remains deeply concerning and underscores the real and ongoing risk of tariff escalation for other nations.

We implore that future trade negotiations have reasonable goals and that punishingly high tariffs on apparel do not return. Many apparel-exporting countries lack the domestic purchasing power to significantly boost imports from the U.S., making it unrealistic and unreasonable to demand steep trade balance corrections. Likewise, high tariffs will not realistically result in the large-scale return of apparel production to the U.S.

For IAF members, what has not been paused is the harm inflicted by the creation of a climate of tariff uncertainty (and, in the case of China a punitive reality).

With global supply chains still recovering from the COVID-19 pandemic, the Red Sea crisis, and weakened consumer confidence, the unpredictability of trade policy discourages investment and further undermines market stability and consumer confidence. Preventing the return of these harmful tariffs must be a top priority—followed by restoring a stable, predictable trade environment. Only then can we begin the critical work of re-evaluating global supply chains.

To be clear, no supply chain resilience strategy can withstand a tariff tornado of this scale. Nevertheless, going forward, our industry must reduce its vulnerability to sudden policy shifts. This requires expanding the foundation of competitiveness beyond cost alone. The IAF advocates for stronger, smarter, and more sustainable supply chains—anchored more in long-term partnerships, business sense, and mutual interdependence and less dependant on trade political decisions.

This has been the IAF's core message in all of its publications and events for the past decade. In line with this, IAF will intensify its global initiatives to empower manufacturers and their associations to act as strategic partners in the industry transition that we need—investing in people, processes, and technology.

Resilient supply chains are built together. Weathering this tariff crisis also requires a joint effort. We therefore urge brands and retailers to work collaboratively with manufacturers by honoring sourcing commitments, maintaining standards, and avoiding cost shifts that threaten supply chain viability.

The apparel industry is and always will be a global industry, with trade as an integral and indispensable part of it. IAF stands with the global manufacturing community, committed to unity and collective strength to be able to weather this storm and then to move to a stronger position together. Through collaborative approaches and strategic partnerships, we can build a more resilient and sustainable future for the global apparel industry— one that benefits all stakeholders across the value chain and ensures long-term prosperity despite policy turbulence.

Source: sourcingjournal.com– Apr 16, 2025

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China Warns Other Nations That 'Appeasement Cannot Bring Peace' in Trade War With US

China is cautioning other nations not to capitulate to the United States as President Donald Trump's trade wars rage on.

A spokesperson for the China Ministry of Commerce on Monday told media outlets at a press briefing that the U.S. has "abused tariffs on all its trading partners under the banner of so-called 'reciprocity,'" a pursuit they referred to as "hegemonic politics and unilateral bullying."

"Appeasement cannot bring peace, and compromise cannot be respected," they added. "To seek so-called exemptions at the expense of others' interests for one's own temporary selfish interests is to seek the skin of a tiger, which will ultimately fail on both ends and harm others without benefiting oneself."

The news comes several days after Italian Prime Minister Georgia Meloni traveled to Washington with the intent of brokering a deal with the president on Italy's behalf and smoothing tensions between the U.S. and the European trade bloc more broadly.

While the spokesperson said that China's government respects the will of other countries to resolve their trade disputes with the U.S. directly, it also believes they should "defend international economic and trade rules and the multilateral trading system." China filed a complaint with the World Trade Organization, alleging that Washington is flouting the trade body's rules through the indiscriminate levying of duties and a failure to negotiate in good faith.

The country is undoubtedly seeking to deepen its trade ties with other partners and has been making overtures in recent weeks, with leaders even meeting with officials from Korea and Japan for the first time in five years in the interest of strengthening collaboration. However, the Ministry spokesperson on Monday issued a warning to China trade partners across the globe: any deal that another nation makes with the U.S. to the detriment of China will be met with retaliation.

"If this happens, China will never accept it and will resolutely take countermeasures in a reciprocal manner," they said.

China has long been the subject of Trump's ire, inspiring the president to implement punishing Section 301 duties during his first term that raised tariffs on a multitude of items—including apparel and footwear—by up to 25 percent. At the time, Trump cited issues like currency manipulation, forced technology transfer, intellectual property theft and other non-competitive practices as the reason for his attempts to force a de-coupling from the sourcing superpower.

But, in China's estimation, "No one can remain immune to the impact of unilateralism and protectionism." Free trade should reign, the spokesperson intimated, and is wholly focused on bolstering its relationships with other trading partners to guard against unfairness perpetuated by Washington.

"China is willing to strengthen solidarity and coordination with all parties, work together to resist unilateral bullying, safeguard its legitimate rights and interests, and defend international fairness and justice," the spokesperson said.

While its government is signaling an unwillingness to back down (or even engage further in the tit-for-tat escalation of tariffs the Trump administration has engaged in over the past month), there's strong evidence that the trade war is already taking a toll on the country's most prominent and lucrative businesses.

According to a report from Japan-based news outlet Nikkei Asia, a number of garment workshops in Guangzhou, China—which have been collectively nicknamed "Shein Village"—are shuttering as the ultra-fast-fashion e-tailer contends with the loss of business that will come with price hikes and the closure of the de minimis "loophole." Under the trade provision, hundreds of thousands of small Shein parcels, many worth $50 or less, have been entering the U.S. duty free.

But the machines have sputtered to a stop in recent weeks—and even finished garments lie in piles, unable to be shipped to American shoppers without incurring massive taxes that will enter into force on May 2. One worker at a factory with around 20 employees told Nikkei, "Orders from Shein have fallen this year, and our sales are down by a lot."

For most U.S. shoppers who frequent Shein's e-commerce site or shop on its ultra-popular app, a $100 surcharge on a haul of $12 sundresses is an untenable prospect, completely undermining the platform's appeal.

Knowing this, last week, Shein released a statement urging shoppers to get their orders in before the company is forced to raise its prices to account for the double whammy of a 145-percent duty burden and the loss of the de minimis exception.

“Due to recent changes in global trade rules and tariffs, our operating expenses have gone up. To keep offering the products you love without compromising on quality, we will be making price adjustments starting April 25, 2025,” the company said in a notice to consumers.

Notably, though, the price increases imposed by Shein won’t cover the Customs costs—consumers—the importers of record for direct-to-consumer shipments—will foot those bills themselves. Multiple users on Reddit attested to this, having experienced it firsthand during the ultra-brief pause on de minimis shipments from China implemented by the Trump administration in February.

Shein shoppers reported receiving notices from shipping providers like FedEx and DHL alerting them to unpaid Customs duties, and they were directed to pay those fees through a web link in order for their shipments to be released.

“Unfortunately, as an American, we’re very used to ignoring things we don’t like and have this false sense of power over things we actually don’t have control over. This isn’t going to be so simple as looking away and pretending the tariff fee doesn’t exist, or holding onto false hope that your specific package will just barely avoid being taxed,” one user wrote in the Shein subreddit. “Order with the assumption that you WILL be taxed, not that you won’t. Be aware, be prepared, and make the best decision for your finances.”

Source: sourcingjournal.com– Apr 21, 2025

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Trump's Trade War Has Denim Manufacturers at a Standstill

Though they were there to start planning for the Fall/Winter 2026-2027 season, President Donald Trump's upheaval of global trade policies was weighed on the minds of exhibitors and attendees at Kingpins Amsterdam last week. Many exhibitors said Trump's reciprocal tariff spree and subsequent 90 day pause on duty hikes, excluding China which soared to 125 percent on April 12, have put clients in a holding pattern.

A representative for Marmara Hemp compared the mood at the trade show to the quiet week between Christmas and New Years. There's a lot of excitement about products but no one wants to do business yet.

The standstill is discouraging for the French company which has been expanding its cottonized hemp program—90 percent of their denim mill clients were exhibiting at the show—and building buzz for Smart Linen. Made from spinning waste, it is the first pre-consumer GRS certified linen.

While existing customers like Levi's have pre-booked their orders for the company's cottonized linen the rep said he anticipates that most companies will wait to see how negotiations unfold before making any new commitments.

"Brands are waiting to see what's next," said Aydan Tuzun, Naveena Denim Mills SVP of sales and marketing. Approximately 40 percent of the Karachi, Pakistan-based mill's business is in the U.S. Clients have not asked for discounts, but Tuzun said she's heard of stories from other manufacturers about brands requesting mills to share the burden of the extra costs.

Having facilities that can produce the same type of products in China, Mexico and Vietnam is an advantage for Twin Dragon. A representative for the mill said no one is making drastic moves yet however they could shift their production from one region to another if they choose.

Likewise, Ebru Ozaydin, The Lycra Company's global strategic marketing director for denim and wovens, said the company's global reach and its ability to produce fibers in five countries helps balance the effects of turbulent economies. "Since we're at the very beginning of the supply chain, we have to wait and see how brands and the end consumer react," she said about the company's next moves.

Despite the uncertainty, Ozaydin remains optimistic, noting how momentum is building for Lycra's latest technologies. In the last six months, the company introduced FitSense technology, its targeted sculpting innovation, to the supply chain and launched it in the market with Spanx. The men's category is proving to be a major opportunity for its Adaptiv. Additionally, the first jeans made with bio-derived Lycra EcoMade just hit the market. The fiber, which is partially made with corn, is used in four Spring 2025 Agolde styles.

"Brands are still trusting us and trusting innovation," she said.

While Italian machinery company Tonello is scaling its business by recently acquiring its competitor Flainox and diversifying its capabilities, Alberto Lucchin, Tonello's marketing and sustainability manager, said the company is bound to feel the impact of tariffs, albeit indirectly. Many of Tonello's clients are based in Pakistan and Bangladesh and produce for U.S. brands.

AGI Denim is in preparation mode. Though the Pakistani mill showcased premium fabrics like a new silk blend, it balanced its collection with value added fabrics and the Flexible Collection, a family of fabrics that are almost always in production. Henry Wong, AGI Denim's VP of product development and marketing, said this allows clients to quickly place orders. "If there's a reprieve on tariffs, you want to be able to buy fast," he said. "It's unclear what will happen so brands and mills are positioning themselves for success."

Trump's ever-changing policies make it difficult to navigate solutions, but Keith O'Brien, Isko senior PR manager, said it is positive that companies are having open conversations about the realistic impact of tariff increases. He said clients are being cautious this season.

The Turkish mill is responding to this mindset with more practical technologies like We'Raw, a fabric family that maintains its raw look after home washes, and FitWise, an easy to cut and sew fabric with low shrinkage.

"We're trying to be more democratic with what people want," he said.

Whether companies make good on their promise to “circle back” after the 90 day pause ends in June remains to be seen. Many doubt the probability that the U.S. will negotiate new trade policies with 57 countries within the time frame. Others anticipate more chaos and unpredictability from the administration.

“Many people are looking for alternatives, but no one can make moves right away,” said Luca Braschi, Soko’s marketing and technology manager. The Italian chemical manufacturer’s global distribution helps mitigate the impact of business lost in one region versus another, but Braschi anticipates that affects will be felt worldwide. However, U.S. companies may be the most vulnerable. “Trump could have said the tariff increases would go into effect in 2026 or 2027, which would have given U.S. companies time to strategize and other countries time to negotiate,” he said. “Instead, he chose to drop a nuclear bomb on the economy.”

Source: sourcingjournal.com– Apr 21, 2025

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Global home textiles market to reach $185 billion by 2030

Encompassing items like bedding, curtains, towels, blankets, and rugs, the global home textiles market is projected to reach a substantial $185 billion by 2030. Fueled by shifting consumer tastes, technological advancements, and increasing disposable incomes, this expansion signifies a major transformation in the home decor and textiles sector. The market's trajectory is shaped by various economic and social factors, alongside innovations in fabric production and the growing demand for eco-friendly options.

Several factors are driving the robust growth of this segment. Rising disposable incomes allow consumers to spend more on home decor. Urbanization and changing lifestyles lead to greater attention to home aesthetics and functionality. The e-commerce boom provides convenient access to a wide array of products. Technological advancements in fabric manufacturing are introducing smart, antimicrobial, and eco-friendly materials.

Sustainability is a significant trend, with consumers increasingly prioritizing eco-friendly products made from organic, recycled, and biodegradable materials. Brands are adopting sustainable practices to meet this demand. Consumer preferences are also shifting towards customization, a greater focus on health and comfort, and alignment with evolving aesthetic trends in interior design.

The Asia Pacific region is anticipated to experience the fastest growth, driven by rapid urbanization and rising incomes in countries like India and China. North America and Europe show strong demand for premium and sustainable products.

Despite this positive outlook, the market faces challenges such as fluctuating raw material prices, competition from low-cost imports, and logistical issues. However, the future remains bright, with trends like smart textiles, sustainable innovations, rising demand for luxury goods, and the growth of online retail expected to drive continued expansion. The global home textile market is poised for significant growth, and companies that adapt to these evolving trends will be well-positioned for success.

Source: fashionatingworld.com– Apr 19, 2025

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Only 21% of UK SMEs report export growth in Q1 2025: BCC Survey

Only 21 per cent of small and medium-sized enterprises (SMEs) in UK reported increased export sales, while 27 per cent saw a decline and 53 per cent noted no change—highlighting that export growth among SME exporters remained subdued ahead of the introduction of US tariffs, according to a survey conducted by the British Chambers of Commerce (BCC).

The outlook for advance orders was even bleaker, with just 20 per cent reporting growth, 28 per cent a drop, and 52 per cent seeing no shift. SME exporters are consistently more likely to report weaker export performance compared to pre-pandemic and pre-Brexit levels, as per BCC's Trade Confidence Outlook.

In Q2 2018, only 14 per cent of SME exporters reported a decrease in overseas sales, however, in Q1 2025, it stands at 26 per cent.

By contrast, domestic demand for SME exporters remains consistently more buoyant, with 28 per cent reporting an increase in domestic sales in Q1 2025, against 21 per cent for overseas sales.

SME manufacturers are more likely to report increased overseas sales, with 24 per cent indicating a rise in exports, compared to just 19 per cent of SME services exporters. However, the services sector appears more stable, with 24 per cent reporting a decrease and 57 per cent seeing no change, while 31 per cent of manufacturers experienced a decline and 45 per cent reported no change, according to the data.

The picture for advance export orders showed no improvement, with only 22 per cent of SME manufacturers and 19 per cent of SME service exporters reporting an increase.

"This data does not paint a rosy picture for exports ahead of the imposition of US tariffs. Although it is inevitable that uncertainty about US actions may well have influenced the SME export trade at the start of the year. It is also likely that manufacturers fared better than services in Q1 as US customers looked to stock up on goods ahead of tariffs coming in," said William Bain, head of trade policy at the BCC.

"We believe the government has adopted the right strategy for tariffs of negotiation not retaliation, and the signals from the White House are there is a deal to be done. It is also right to pursue a closer trading relationship with the EU and to point businesses towards the burgeoning opportunities in the Indo-Pacific region," added Bain.

"But the upcoming trade strategy must do more to provide firms with support around exports, including access to finance. Over 40 per cent of chamber members export due to the framework of support we place around them. This level of advice, training and guidance needs to be replicated across the land."

"The next few years will be pivotal for the UK's export success for decades to come. It is crucial the Trade Strategy puts us in the best possible place to deal with the challenges and take full advantage of the opportunities," said Bain.

This data is based on a survey of over 1,800 UK SME exporters.

Source: fibre2fashion.com– Apr 22, 2025

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China ships 20x more garments to US than India across many categories

Amid US tariff imposition, India is looking to turn the challenge into an opportunity. Despite a decline in recent years, China remains the dominant supplier of garments and textiles to the US, accounting for approximately 25 per cent of total imports in this category.

An analysis shows that India could gain a significant opportunity if it manages to capture even a small portion of China's share in the US garment and textile market. Six- and eight-digit HS code-wise trade data indicates that China's exports to the US are more than twenty times greater than India's in several product categories.

For example, the US imported made-up articles of textile materials, including dress patterns (HS code 630790), worth $3,453 million from China in 2024. The total US imports of these items stood at $5,170 million. China supplied 66.8 per cent of total US imports in this category. Furthermore, 53 per cent of China's total exports under this code—valued at $6,507 million—were directed to the US during the same period.

Looking at India's position in the US market, the country exported these products worth $150 million to the US in 2024, securing just a 2.9 per cent market share. China's shipment to the US was approximately 23 times larger than India's. India's total exports of these products stood at $405 million, meaning the US accounted for 37 per cent of India's exports in this category.

The analysis was conducted by the Confederation of Indian Textile Industries (CITI) under the guidance of its past chairman, Sanjay Jain. He told Fibre2Fashion, "The analysis will help identify HS code-wise products for a more focused approach. We have identified the top 20 HS codes where China holds a strong position in the US market."

Jain, who is also chairman of the ICC National Textile Committee at the Indian Chamber of Commerce and managing director of TT Limited, said that following the imposition of high tariffs on Chinese products, India could gain a substantial advantage in the US market if it manages to secure even a moderate share of China's exports. He added that India's share was minuscule across the top 20 textile and apparel items imported by the US from China last year, which presents a huge opportunity for India.

Another product category is blankets and travelling rugs of synthetic fibres—including electric blankets, table covers, and bedspreads (HS code 630140). The US imported $1,261 million (91.9 per cent) worth of such products from China out of total imports of $1,374 million in 2024. In contrast, US imports from India were recorded at just $29 million (2.2 per cent) during the same period. China's shipment of this item was 42 times greater than India's.

CITI has identified items that ranked highest in terms of value among US imports from China. Among the top 10 items were full-length or knee-length stockings, socks and other hosiery (code 611596); jerseys, pullovers, cardigans, and waistcoats of cotton, knitted (code 611020); jerseys, pullovers, cardigans, and waistcoats of man-made fibre (code 611030); women's trousers and bib-and-brace overalls (code 620462); bedlinen of man-made fibres (code 630232); brassieres made from all types of textile materials (code 621210); curtains, including drapes, interior blinds, and bed valances of synthetic fibre (code 630392); and women's dresses of synthetic fibres (code 620443).

Source: fibre2fashion.com– Apr 22, 2025

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US clothing & accessories spending slumps 3.9% in early 2025: Earnest

Consumer spending at clothing and accessories establishments in the US declined by 3.9 per cent year-over-year (YoY) between January 1 and March 23, 2025, according to Earnest. The category has emerged as the worst-performing major retail segment so far this year, highlighting continued pressure on discretionary spending.

Preliminary March growth represents a deceleration from February after accounting for leap day 2024. March 1-23rd data reflects the worst monthly trend since November 2024, as per Earnest debit and credit card data.

The deceleration is driven mostly by slower credit card spending growth. Debit card spending has outperformed credit for most of the past 12 months, mirroring overall trends indicating that younger shoppers were the main drivers of growth in clothing and accessory spending.

Meanwhile, the average credit and debit card transaction size at clothing and accessories stores was $122 in the first 23 days of March 2025. The average basket size has mostly declined YoY since December 2024. March represents a further deceleration from February, but an improvement from deeper declines in early 2024.

Earnest's panel spending at clothing stores tracks the US census Bureau's Monthly Retail Trade Survey (MRTS) clothing and clothing accessories stores trends with a 0.72 r2 since January 2018.

Earnest's panel fell 5.3 per cent YoY in March as of the 23rd, compared to negative 4 per cent in February 2025, adjusted for leap day. This implies a continued organic deceleration in monthly retail trade survey results reported by the census bureau, as per the data.

Consumer and accessories store transactions show a distinct trend compared to other categories in terms of growth by payment source. In March so far, debit card ticket sizes rose by 1.2 per cent YoY, while credit card transactions declined by 2.1 per cent, reflecting a notable divergence.

Consumer spending at clothing and accessories stores grew the fastest in Hawaii, Louisiana, and Ohio. Alaska, South Dakota, and The District of Columbia were the slowest growing states. Nevertheless, clothing spending fell in most states.

Source: fibre2fashion.com– Apr 21, 2025

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AAFA warns of severe impact from USTR's new shipping tariffs on China

American Apparel & Footwear Association (AAFA) has warned of serious consequences following the US Trade Representative's (USTR) announcement to impose steep new taxes on ships calling at US ports. The action follows a Section 301 investigation into China's practices in the maritime, logistics, and shipbuilding sectors. AAFA has actively opposed these measures, testifying at a USTR hearing on March 24 and submitting formal comments against the proposal. The association also conducted a study concluding that the proposed fees would harm US farmers, workers, and the broader economy.

The new action introduces a phased fee structure targeting Chinese vessel operators, vessel owners, and Chinese-built ships. Additionally, USTR proposes tariffs ranging from 20 per cent to 100 per cent on vital transportation equipment such as containers, chassis, and ship-to-shore cranes. These measures will reduce US trade, result in losses for American businesses, and increase costs for US consumers, AAFA said in a press release.

"We are deeply concerned that the newly announced port fees and shipping mandates are destined to have devastating consequences for American workers, consumers, and exporters. These measures are driving up shipping costs, shrinking GDP, and reducing US exports. When ocean carriers raise rates, American families will pay the price through higher costs and growing product shortages, at a time when they can least afford," said Nate Herman, AAFA senior vice president of policy.

"We fully support strengthening the US maritime industry, but penalising shippers for not using American-flagged or built vessels, when they cost up to five times more and remain in limited supply, is counterproductive. It is telling that the administration made this announcement after markets closed today [April 17], and when the markets won't open again until Monday, masking a decision that is bad for the economy - bad for American farmers, bad for American manufacturers, bad for American businesses, and bad for hardworking American families," Herman added.

Source: fibre2fashion.com– Apr 21, 2025

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Japan's clothing imports rise 5% in FY25, 15% in March

Japan's imports of clothing and accessories rose by 5.3 per cent to reach 3,764,657 million yen (approximately $26.440 billion) during fiscal 2024–25 (April–March). These imports accounted for 3.3 per cent of the nation's total imports, which stood at 114,156,283 million yen, according to provisional data from Japan's Ministry of Finance. Imports of clothing and accessories jumped 15.5 per cent in March, the final month of the fiscal.

The country's imports of textile yarn and fabric increased by 2.7 per cent to 1,174,598 million yen in the recently concluded fiscal, representing 1.0 per cent of total imports.

In March 2025, imports of clothing and accessories posted impressive growth of 15.5 per cent to reach 335,174 million yen (approximately $2.354 billion), accounting for 3.6 per cent of the nation's total imports of 9,303,763 million yen. Imports of textile yarn and fabric rose by 5.8 per cent to 94,735 million yen during the same month.

Japan's exports of textile yarn and fabric grew by 6.0 per cent during fiscal 2024–25, reaching 850,139 million yen. However, exports of textile machinery declined by 12.6 per cent to 280,408 million yen, contributing 0.3 per cent to total exports. In March 2025, exports of textile yarn and fabric inched up by 1.2 per cent to 75,419 million yen, while textile machinery exports jumped by 22.6 per cent to 29,366 million yen.

During the calendar year 2024, Japan's imports of clothing and accessories increased by 3.5 per cent to 3,674,140 million yen (approximately $23.619 billion).

However, imports of textile yarn and fabric declined by 0.4 per cent to 1,157,919 million yen. In the same period, exports of textile yarn and fabric rose by 6.9 per cent to 839,583 million yen, while textile machinery exports fell by 17.7 per cent to 270,557 million yen.

For fiscal 2023–24 (April–March), Japan's imports of clothing and accessories totalled 3,564,850 million yen (approximately $23.107 billion), marking a 1.7 per cent decline.

Imports of textile yarn and fabric dropped by 10.4 per cent to 1,143,805 million yen. During the same fiscal, Japan exported textile yarn and fabric worth 802,178 million yen, while textile machinery exports stood at 320,947 million yen.

In fiscal 2022–23, imports of clothing and accessories amounted to 3,619,550 million yen (approximately $25.05 billion), while textile machinery exports reached 306,781 million yen.

Source: fibre2fashion.com– Apr 21, 2025

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China's retail & wholesale value rises 5.8% in Q1 2025

The added value of China's wholesale and retail trade grew by 5.8 per cent year on year (YoY) to reach 3.3 trillion yuan (~$457.98 billion), or 10.4 per cent of the country's gross domestic product (GDP), in the first quarter (Q1) this year, according to data from the National Bureau of Statistics.

The retail sales of goods reached 11 trillion yuan (~$1.5 trillion) in the quarter—a YoY rise of 4.6 per cent, a state-controlled media outlet reported.

The transaction volume of key commodity markets in the wholesale industry reached 1.3 trillion yuan during the period, while the transaction volume of industrial consumer goods markets increased by 0.8 per cent YoY, the ministry said.

Source: fibre2fashion.com– Apr 21, 2025

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Vietnam tries to enhance monitoring, inspection of raw material origin

In response to the 90-day suspension of US reciprocal tariffs on all countries except China, Vietnam's Ministry of Industry and Trade is making efforts to enhance monitoring and inspection of the origin of imported raw materials and ensure export compliance in all ways.

Trade policies of major countries are being monitored and businesses are being approached to understand their market needs and the kind of support they need from the ministry to propose appropriate response measures, a domestic news agency reported.

Trade promotion delegations are being sent to trade fairs and exhibitions to find potential partners and keep up with global trends.

Vietnamese businesses are being urged to diversify their export markets, reduce dependence on the United States and explore opportunities in markets where Vietnam has signed free trade agreements (FTAs).

Financial institutions are being urged to support businesses, particularly small and medium enterprises (SMEs), in accessing credit.

Departments and agencies are pursuing administrative reforms to help businesses shorten processing times and seize business opportunities, both within the country and abroad.

Source: fibre2fashion.com– Apr 21, 2025

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Pakistan seeks stronger trade ties with ASEAN bloc

KARACHI: The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) on Monday hosted a high-profile trade and industry delegation comprising 45 members from various sectors across the Association of Southeast Asian Nations (ASEAN).

The session was attended by Faiz Ahmad, chief executive of the Trade Development Authority of Pakistan (TDAP); Goh Boon Kim, head of the ASEAN delegation -- which included representatives from 10 countries deemed vital for the growth of Pakistan exports -- as well as the consul generals of Indonesia, Malaysia and Thailand. FPCCI President Atif Ikram Sheikh highlighted that ASEAN consists of Indonesia, Malaysia, Thailand, Cambodia, Laos, Singapore, Myanmar, the Philippines, Vietnam and Brunei, collectively forming the world's fifth-largest economy and export market with a combined GDP of $3.6 trillion.

The meeting was followed by a special B2B session, providing a platform for Pakistani entrepreneurs to connect with their ASEAN counterparts, explore potential trade opportunities, tap into underutilised export markets, attract investment, and initiate potential joint ventures.

FPCCI Senior Vice President Saquib Fayyaz Magoon said that the ASEAN delegation included leading business figures from a wide array of sectors -- textiles, apparel, agriculture, fisheries, food and beverages, carpets, footwear, construction, insurance, information technology, oil, handicrafts, jewellery, cosmetics, perfumes, healthcare, renewable energy, pharmaceuticals, coffee beans, green coffee, electronics, fruits and spices -- demonstrating a strong interest in strengthening trade ties with Pakistan.

Magoon emphasised that trade relations between Pakistan and ASEAN remain below their true potential. He noted that Pakistan currently has a free trade agreement (FTA) with Malaysia and a preferential trade agreement (PTA) with Indonesia. He also mentioned ongoing negotiations for an FTA with Thailand and a PTA with Vietnam, stressing that Pakistan's cumulative trade deficit with ASEAN countries stands at $11 billion and must be addressed.

Source: thenews.com.pk– Apr 21, 2025

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Bangladesh Apparel Sector Says High Freight Costs Are a Policy Problem

Bangladesh's apparel industry is calling on the country's interim government to help reduce freight costs and federal interest rates to preserve the sector's competitiveness amid ongoing tariff tensions and a more tenuous relationship with neighboring India.

On April 12, members of multiple apparel trade associations met in Dhaka to discuss the industry's roadmap to 2030 and plan for navigating through current ongoing geopolitical uncertainty.

Kutubuddin Ahmed, chairman of Envoy Textiles Limited and a former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), drew attention to the high cost of air freight—an escalating problem for Bangladeshi exporters as air cargo space is limited.

"Air cargo from Bangladesh is among the most expensive in the world, prompting many exporters to use Indian ports for third-country shipments," said Ahmed. But the Indian outlet has largely been cut off, with the country recently revoking Bangladesh's access to its transshipment services.

In using that service, Bangladesh could export goods via its land borders using India's customs stations. Cargo flowing through these stations usually ends up being transported to Indian ports and airports.

According to data from the Bangladesh Freight Forwarders Association, roughly 18 percent of Bangladesh's garment air cargo was flown through Indian airports prior to the transshipment ban.

Lobbyists including the BGMEA have urged India to reconsider the ban, which they say will increase freight costs and lead times.

To be less reliant on its neighbor, Bangladesh is ramping up cargo-handling capabilities at its international airports, with Hazrat Shahjalal International Airport (HSIA) in Dhaka building out a third terminal expected to be operational by the end of the year. The expanded terminal will nearly triple airport's annual cargo-handling capacity from 200,000 metric tons to 547,000 metric tons.

Cargo services will open in Sylhet on April 27, with Chattogram following suit and an undisclosed date.

Anwar-ul-Alam Chowdhury Parvez, another former president of the BGMEA, shared his disappointment in customs inefficiencies endured throughout Bangladesh.

“Why does it take 10 days to clear goods at ports when it should take only three?” Parvez said. “And after a decade of consistency, why has the HS code product assessment process abruptly changed?”

Parvez also pointed to some of the current economic concerns Bangladesh is facing, on top of the 10-percent baseline tariff applied on all exports to the U.S. Bangladesh initially had a 37-percent tariff slapped on its goods on April 2, before President Donald Trump put a halt to the country-specific duties to make room for negotiations.

“Interest rates remain high, gas prices have tripled, and though we’re being asked to operate in economic zones, those zones are far from fully developed,” said Parvez.

Parvez also dismissed the idea that cheap labor has given Bangladesh any other cost advantages to its peers.

“If we compare ourselves to Vietnam, their transportation, financing, and logistics costs are much lower,” said Parvez. “Factoring these in, our production costs are nearly the same,” he said, calling for long-term policy consistency and stable governance.

“These issues stem from government policies, not from the private sector,” he said.

Another meeting on April 10 held at the office of Dhaka’s Chamber of Commerce & Industry (DCCI) involved more discussion on Bangladesh’s desire to keep logistics costs down.

Derek Loh, Singapore’s high commissioner to Bangladesh, told delegates at the meeting that the southeast Asian city-state is keen to invest further in Bangladesh’s infrastructure sector.

Singapore hosts the largest transshipment port in the world, and second-largest port overall, and has emerged as a global trade center through efficient port management, Loh noted.

“By improving the efficient management of Bangladesh’s ports, it is possible to reduce the business operating costs of entrepreneurs largely, which will increase the capacity of Bangladeshi entrepreneurs in global competition,” Loh said.

Bangladesh is looking to cut these costs amid heightening tensions with India. The Bangladeshi government halted the import of yarn via India’s land ports, which angered local apparel exporters concerned that they can’t compete with cheaper imports.

Internal pressure came from domestic textile mills seeking to expand their market share. With the ban, which went into effect April 13, all yarn imports must now arrive by the more expensive transportation options including sea or air.

During a late March visit to Beijing, Bangladesh chief interim government adviser Muhammad Yunus pushed for more Chinese investment in his country, referring to India’s northeast as being “landlocked.”

“We are the only guardian of the ocean for all this region. So, this opens up a huge possibility [and] could be an extension of the Chinese economy,” Yunus said, noting Bangladesh can “build things, produce things, market things, bring things to China, and bring it out to the whole rest of the world. That’s a production house for you.”

Source: sourcingjournal.com– Apr 21, 2025

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India-US trade pact to open new market to American goods, address unfair practices: USTR

US Trade Representative (USTR) Jamieson Greer has highlighted a "serious lack of reciprocity" in US' trade relationship with India while welcoming the announcement of the terms of reference (ToR) for a bilateral trade agreement (BTA) between the two countries by US Vice President JD Vance and Prime Minister Narendra Modi.

"There is a serious lack of reciprocity in the trade relationship with India. These ongoing talks will help achieve balance and reciprocity by opening new markets for American goods and addressing unfair practices that harm American workers," Greer said in a statement following the meeting between Vance and Modi in New Delhi on Monday evening.

The USTR appreciated India's constructive engagement so far and said that he looked forward to creating new opportunities for workers, farmers, and entrepreneurs in both countries.

On April 2, US President Donald Trump announced sweeping reciprocal tariffs on imports from most countries, including a 26 per cent levy on Indian goods, but put the tariffs on hold (except a baseline tariff of 10 per cent) for a 90-day period, till July 8, to give time for trade deals.

India, therefore, is in a hurry to stitch an interim limited deal in the 90-day period to convince the US to put off the reciprocal tariffs and possibly roll back the 10 per cent baseline tariff it already imposed on imports earlier this month.

The first tranche of the larger BTA agreed upon by Trump and Modi in February this year, however, has a later deadline of Fall 2025 (September-October) and is expected to include serval areas. "The Terms of Referenceannounced today by Vice President Vance establish a roadmap for mutually beneficial, multi-sector BTA negotiations. Goals for the United States include increasing market access, reducing tariff and non-tariff barriers, and negotiating a robust set of additional commitments to ensure long-term benefits," Greer said in his Monday statement.

He said the announcement of the ToRs elevated significant work done since February 13, 2025, when Modi and Trump agreed to launch negotiations for the pact. The two leaders set a target of more than doubling bilateral trade to $500 billion by 2030.

“The terms of reference….establish a roadmap for mutually beneficial, multi-sector BTA negotiations. Goals for the United States include increasing market access, reducing tariff and non-tariff barriers, and negotiating a robust set of additional commitments to ensure long-term benefits,” the USTR said.

Vance in India

Vance, on a four-day visit to India, met Modi on Monday for bilateral talks where the two discussed diverse issues for strengthening two-way relationship including negotiating a BTA focussed on the welfare of the people of the two countries, per a statement issued by the Prime Minister’s Office after the meeting.

The two leaders also noted continued efforts towards enhancing cooperation in energy, defence, strategic technologies and other areas

“The United States has long recognised significant trade barriers with India. As a result, the United States ran a $45.7 billion goods trade deficit with India in 2024, a 5.1 per cent ($2.2 billion) increase over 2023. The United States welcomed the tariff reductions India implemented during the Prime Minister’s meeting with President Trump in February and its willingness to further reduce tariffs on US products as part of the BTA,” per a fact sheet put up on the USTR website.

Source: thehindubusinessline.com– Apr 22, 2025

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First phase of India-US trade deal likely by fall this year: Sitharaman

Finance Minister Nirmala Sitharaman, on Monday said that India is in advanced discussions with the United States (US) to finalise a bilateral trade agreement and the first phase of the pact could be signed by fall this year.

During her interaction with the Indian diaspora during a community event in San Francisco, Sitharaman added that a reciprocal tariff issue is part of a broader trade negotiation strategy.

"In fact, the progress of the agreement or the trade agreement that we are working on, at least the first tranche, is something which we hope to conclude positively by the fall this year," she said.

India is one of the countries which actively engaged with the new administration in the US to see how best we can get a bilateral trade agreement done, the Finance Minister said.

"Equally, the priority that we gave to engage with the government here is more than obviously seen with Prime Minister himself visiting United States in February. You had the Commerce and Trade Minister come. I have come here because I also have the IMF and World Bank meeting. I am scheduled to meet the treasury secretary, my counterpart here. So the keenness with which we are engaging with the US administration, even as I talk, I think the US vice-president is in India. He will be engaging with the Prime Minister hopefully this evening or tomorrow," she added.

On a separate query regarding India's future global leadership and how the current budget supports this ambition, Sitharaman highlighted India's progress in critical areas like semiconductors, renewable energy-including modular nuclear energy—digital infrastructure and artificial intelligence (AI).

Underlining India's growing role in global knowledge partnerships, she said the World Bank and other global institutions- which are keen on India's model for digital public infrastructure, skilling in AI, and job creation- are acknowledging the country's achievements, and India is committed to showcasing and scaling them.

Highlighting Prime Minister Narendra Modi's focus on inclusive growth, the Finance Minister said, "In the last two years, the Prime Minister has made it very clear that if you touched upon four sections within the country, you would touch upon everybody... the poor, the youth, the farmer, and the women."

Explaining the economic logic behind these focus groups, she said, "You want more (women) in the workforce. You want them to be educated. You want them to be independent. You want them to be empowered... The youth, because (they constitute) India's biggest number, which is a big asset for India... And the farmer, because small and marginal farmers are the ones doing their maximum best to get our grains, create our pulses, and so on." Sitharaman also emphasised the importance of "sunrise sectors" and India's emerging global leadership in digital public infrastructure and technology. "We need to allow progress more with that kind of technology-related things that we need, the knowledge, strength that India has acquired," she said.

In response to a question on whether India might reach a budgetary surplus in the next decade, she said, "It was during Covid when because of the lockdown, the deficit actually rocketed up. And even immediately after that, we came up in 2021 with a clear signal as to how we want to manage our deficit... by the year 2026, our fiscal deficit will come below 4.5. And that is exactly what we've been following without fail each year."

Affirming Prime Minister Modi's fiscal prudence, she added, "He is somebody who is very conscious that money has to be spent, yes. Particularly to help those who are needy. But every taxpayer paisa will have to go to the right cost, be spent properly. And you should get the bang for the buck."

On debt levels, Sitharaman said, "Immediately after Covid, our debt position was such that we went over 62 per cent of the GDP. Now, within 4 years, we have brought that down to 57.4 per cent of the GDP... In the July budget, we have very clearly said by 2030, the debt to GDP will come closer to 50 per cent." Whilst, even well-developed countries have over 100 per cent debt to the GDP and that's how we are managing our debt, she added.

Source: business-standard.com– Apr 16, 2025

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Bhilwara emerging as one of India’s top textile center: Giriraj Singh, Union Minister for Textiles

Often referred to as the ‘Textile City,’ Bhilwara is quickly emerging as one of India’s top textile center. The city is rapidly developing into a major textile production hub in the country, says Giriraj Singh, Union Minister for Textiles. The city's annual textile industry turnover exceeds Rs 250 billion (approximately $3 billion), with yarn and fabric exports contributing around Rs 38 billion (approximately $456 million). The industry directly employs about 85,000 people and indirectly employs another 60,000, highlighting Bhilwara's crucial role in the region's socio-economic landscape.

Further strengthening its status in the textile sector is Bhilwara's reputation as India's largest fabric manufacturer. The city accounts for 50 per cent of the nation's polyester fabrics and suits. It is home to over 850 manufacturing units, producing a wide variety of high-quality cotton, silk, and woolen fabrics that are exported worldwide. The city growth is being further boosted by the Rajasthan government's implementation of the Textile and Apparel Policy 2025. Focusing on complete value chain development, the policy offers significant financial incentives and addressing infrastructure issues. It aims to create over 200,000 jobs in the sector, positioning Rajasthan as a modern textile manufacturing center.

Bhilwara's commitment to modernization is clear in its loom upgrade growth rate of 9.57 per cent, exceeding the national average of 8 per cent. This progress reflects the city's dedication to adopting technological innovations and improving production efficiency.

Furthermore, the city is seeing a significant change in its workforce demographics. Approximately 10,000 women have joined the textile industry, contributing significantly to both the sector's growth and the empowerment of women in the region.

With its strong infrastructure, skilled workforce, and supportive government policies, Bhilwara is set to continue its rise as a key player in India's textile industry, creating a history of growth and innovation.

Source: fashionatingworld.com– Apr 19, 2025

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India's T&A exports rise 6.32% in FY25

Compared to the previous year, India's textile and apparel (T&A) exports increased by 6.32 per cent in in the fiscal year ending March 31, 2025. As per a report by the Confederation of Indian Textile Industry (CITI), this growth was primarily driven by the apparel sector, where exports increased by 10.03 per cent during the fiscal year.

Rakesh Mehtra, Chairman, CITI, says, this strong performance in apparel exports and steady growth in textiles amidst global challenges underscore the resilience, adaptability, and global competitiveness of the Indian textile and apparel industry." He further attributed this success to the increasing momentum in establishing new trade partnerships and supportive policy decisions by the government, which have boosted confidence among exporters.

Mehra also emphasized the industry's optimism about sustaining this growth, particularly in light of shifting global trade dynamics. The ongoing trade tensions between the US and China present a strategic opportunity for India, especially in textile and apparel trade.

With the US actively looking to diversify its sourcing beyond China, India is well-positioned to become a reliable and preferred partner. However, this will require proactive diplomacy and a focused effort to secure a more favorable and stable tariff system, he notes.

In March 2025, India's textile exports declined by 5.81 per cent compared to March 2024, while apparel exports increased by 3.97 per cent during the same period. The combined T&A exports during the month declined by 1.63 per cent compared to March 2024.

However, for the period of April 2024 to March 2025, India's textile exports grew by 3.61 per cent Y-o-Y while apparel exports grew by 10.03 per cent during the same timeframe.

CITI's analysis indicates, this growth outperformed the overall merchandise exports, which remained largely flat during the same period.

Source: fashionatingworld.com– Apr 19, 2025

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Key infrastructure sectors growth slows to 3.8% in March: Govt data

The output of eight key infrastructure sectors slowed down to 3.8 per cent in March, as against 6.3 per cent growth registered a year ago, according to official data released on Monday.

On a monthly basis, the growth rate in the production of these sectors was slightly higher than the 3.4 per cent expansion recorded in February.

In March, production of crude oil and natural gas recorded a negative growth.

The production growth of coal, refinery products, steel and electricity moderated to 1.6 per cent, 0.2 per cent, 7.1 per cent, and 6.2 per cent, respectively.

Fertiliser production rose by 8.8 per cent in March 2025 against 1.3 per cent contraction in the same month last year.

Cement production growth rose to 11.6 per cent in March 2025 from 10.6 per cent in the year-ago month.

The growth of core sectors -- coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity -- was 4.4 per cent during April-March 2024-25 fiscal. It was 7.6 per cent in the same period last fiscal.

The eight core sectors contribute 40.27 per cent to the Index of Industrial Production (IIP), which measures overall industrial growth.

Source: business-standard.com– Apr 21, 2025

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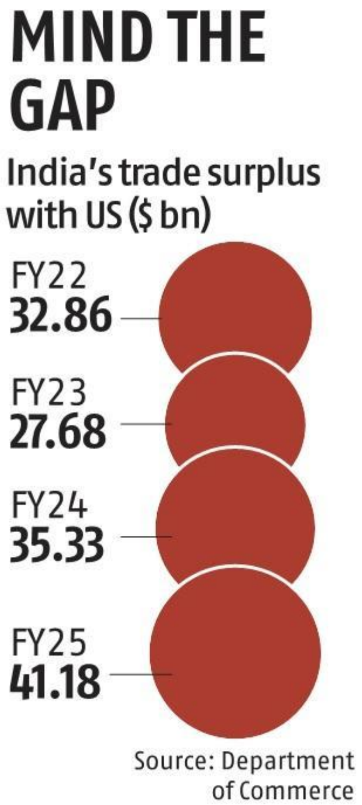
India draws up blueprint to reduce over $40 billion trade surplus with US

India is exploring strategies to reduce its over $40 billion trade surplus with the US – a key concern for the Donald Trump administration — to fast-track the proposed bilateral trade deal.



According to a source familiar with the matter, the Indian government is encouraging industry stakeholders, including exporters and importers, to evaluate opportunities for increasing imports from the US.

Narrowing America's mounting trade deficit has been the cornerstone of Trump's sweeping country-specific reciprocal tariffs, which he later paused for 90 days until July 9.

Based on the formula used by the United States Trade Representative office, India's shipments to the US are supposed to face an additional tariff of 26 per cent.

With talks on the proposed India-US Bilateral Trade Agreement (BTA) scheduled to take place in Washington later this week, and formal negotiations expected to begin within a month, a calibrated increase in imports from the US is seen as a crucial signal behind India's willingness to address Washington's concerns.

A team of commerce department officials headed by chief negotiator and commerce secretary designate Rajesh Agarwal will hold discussions for three days with his counterpart in Washington, beginning April 23.

India and the US will see high profile visits this week. US Vice President JD Vance will begin a four-day visit to India on Monday and is expected to discuss economy, trade and diplomatic ties with prime minister Narendra Modi.

Similarly, finance minister Nirmala Sitharaman is on a tour to the US to attend the World Bank-International Monetary Fund meeting as well as the G20 Finance Ministers and Central Bank Governors (FMCBG) meetings. At the sidelines of the meeting, Sitharaman is expected to hold bilateral discussions with her counterpart treasury secretary Scott Bessent who is spearheading tariff talks with key trading partners.

The terms of reference finalised by India and the US for the proposed BTA is likely to include around 19 chapters, covering goods, services, non-tariff barriers, rules of origin, customs facilitation, dispute settlement and regulatory issues, official sources said.

Government officials said that since India runs a trade deficit of as much as $282 billion, shifting the source of imports to the US will not pose a major challenge.

“Narrowing the trade deficit could be one of the outcomes of the BTA. Both countries aim to increase bilateral trade to $500 billion by 2030, which could boost exports,” one of the government officials told Business Standard.

In FY25, India’s trade surplus with the US widened to $41 billion, from $35 billion a year earlier.

India is also expected to ramp up imports of crude oil and liquefied natural gas (LNG) from the US. An industry official said that there may be an incentive to import more from the US, according to the latest regulation released by the White House earlier this month, which states that the import tariffs would be applicable only to the ‘non-US’ content of a product.

“This means that the import duty will be calculated based on the share of non-US components in the final product,” the official explained.

“This could benefit sectors like plastics, where polymers sourced from the US would incur lower tariffs. Similarly, in the gems and jewellery sector, importing gold from the US could offer a cost advantage.”

However, an exporter will be able to take a call, depending on the final calculation that will be influenced by the difference in the price of the raw material or the final gain on the import duty front when the finished goods are exported, the official added.

Furthermore, India is looking to diversify its trade exposure by expanding into new markets globally.

In FY25, India's imports from the US grew 7.4 per cent to $45.3 billion, while exports surged 11 per cent to touch $86.5 billion.

India's major imports from the US include crude oil and petroleum products, gold and jewellery, plastics, aircraft, and electrical machinery and components. The key exports to the US comprise pharmaceuticals and biologicals, telecom equipment, precious and semi-precious stones, petroleum products, gold and precious metal jewellery, and ready-made garments.

Source: business-standard.com– Apr 20, 2025

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RBI draft directions for exports envisage more powers to authorised dealers

The Reserve Bank of India (RBI) has issued the draft direction on the export and import of goods and services, and the draft Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2025, for comments or feedback from stakeholders before the end of this month. The RBI has also launched the Platform for Regulatory Application, Validation and Authorisation (PRAVAAH), through which online applications for regulatory authorisations, licenses, and approvals should be submitted.

In a significant departure from the practice of giving detailed guidelines, the draft direction merely provides a list of RBI regulations that authorised dealers (ADs) must follow. It further states that ADs should ensure adherence to the extant Foreign Trade Policy as well as the guidelines issued by the Government of India related to export and import transactions, and merchanting trade transactions (MTT). ADs are also required to send all references to the RBI through the PRAVAAH portal and inform any doubtful transaction to the Directorate of Enforcement.

The draft regulations require ADs to put in place within six months a separate, internal policy document for handling transactions (including the reporting thereof) related to export and import of goods and services as well as MTT and on dealing with grievances and appeals against any decisions.

The monitoring of payments through the Export Data Processing and Monitoring System (EDPMS) and Import Data Processing and Monitoring System (IDPMS) will continue. The time limits for realisation of export proceeds, submission of documents to ADs after exports, remittance for imports etc. more or less remain the same with powers to ADs to grant extensions.

In MTT, the period between the outward remittance and inward remittance is being raised to six months. Exports will be allowed only against full advance or irrevocable letter of credit for any exporter who fails to realise the export proceeds within 24 months from the due date (including extensions) and whose cumulative unrealized export outstanding exceeds ₹25 crore.

Any importer whose imports against advance remittances have not materialized and such remittances have not been repatriated and whose cumulative import advances exceed ₹25 crore cannot remit advances for imports except against irrevocable standby letter of credit or a bank guarantee.

Quite obviously, RBI does not want to micro-manage and wants to let ADs decide on most issues such as extension in the period for realisation of export proceeds or import payments, reduction in the amount of export proceeds to be realised, monitoring project exports and so on. So, each AD might use the discretion to offer easier terms and attract business, which could mean that similar transactions will get different treatment by different ADs. Whether that is desirable in matters concerning enforcement of regulations is a moot point.

The trade will welcome the direction that ADs shall levy reasonable charges for handling transactions and shall not levy any charges/penalty for any regulatory delay/violation. Exporters will be relieved that the draft regulations do not mandate surrender of proportionate export incentives in case of shortfall in realisation of export proceeds.

However, there would be disappointment that the RBI asks the ADs to police each and every import and export transaction. SEZ units will be surprised that they will have to submit the export declaration forms to the development commissioners. Service providers will be peeved that a copy of every invoice will have to be submitted to the specified authorities.

Source: business-standard.com– Apr 21, 2025

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India must engage with China, US on equal terms: GTRI

New Delhi, India should engage with China and the US on equal terms and the engagement should be guided by its strategic autonomy, economic interest and global trade principles, not by external pressure, think tank GTRI said on Monday. These remarks came in the backdrop of China's warning that it would take countermeasures in a "resolute and reciprocal" manner against nations that strike trade deals with America at the expense of Chinese interests.

Global Trade Research Initiative (GTRI) said that China's warning of retaliation against countries aligning with the US efforts to isolate Beijing must be viewed through the lens of global supply chain realities.

Leading economies, including the US, EU, Japan, South Korea, and India, are deeply dependent on China for the supply of industrial and consumer goods, it said, adding that China is embedded at every level of the global production hierarchy - finished goods, intermediate products and parts and components.

Replacing China entirely requires building manufacturing capabilities from the raw material stage upward an effort that no country has yet achieved at scale.

The think tank said that India must chart an independent course, strengthening its domestic manufacturing base and reducing critical import dependencies through targeted investment in deep manufacturing. At the same time, it said, India should remain firmly committed to WTO-led multilateral trade norms and avoid actions that risk violating global rules.

"India should not be drawn into binary geopolitical rivalries. Instead, it must engage with both China and the US on equal terms, guided by strategic autonomy, economic interest, and global trade principles not by external pressure," GTRI founder Ajay Srivastava said.

The US remained India's largest trading partner for the fourth consecutive year in 2024-25 with bilateral trade valued at USD 131.84 billion, while the country's trade deficit with China widened to USD 99.2 billion during the same period, government data showed.

In the last fiscal, India's exports to China contracted 14.5 per cent to USD 14.25 billion against USD 16.66 billion in 2023-24. The imports, however, rose by 11.52 per cent in 2024-25 to USD 113.45 billion against USD 101.73 billion in 2023-24.

China continues to be the second largest trading partner of India with USD 127.7 billion two-way commerce in 2024-25 compared to USD 118.4 billion in 2023-24.

India is negotiating a bilateral trade agreement with the US with a view to boosting bilateral trade to USD 500 billion by 2030.

Source: economictimes.com– Apr 20, 2025

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India's retail industry may gain as Trump's tariffs singe Chinese exports

Trump's tariffs: If the 90-day tariff pause continues, experts and industry stakeholders believe that India could capitalise on the opportunity to boost its FMCG (fast-moving consumer goods) and retail exports to the US, especially given a higher tax on China (145%). However, the current US tariff policy is creating pressure on the retail sector, both in India and globally, they said.

"The industries such as spice, tea, and cosmetics could be more impacted because tariff rates will increase their cost in the US market, and consumers may shift focus to other alternatives," says Chaudhary Dev Pratap Singh, Founder of FMCG company Univision Foods.

Singh advises India to swiftly leverage the 90-day tariff pause by boosting its exports, securing favourable trade terms, and solidifying its position as a reliable alternative to China in global supply chains. "To turn this temporary window into lasting trade advantages, a focused approach involving strategic diplomacy and close coordination between industry and government will be essential," says Singh.

Ravi Saxena, CEO & Founder of kitchen appliance and cookware brand Wonderchef, agrees with Singh. "India has a timely opportunity to boost its retail exports to the US. But this window is limited to specific products that meet high-quality standards, says Saxena.

"The US market will look to de-risk its overdependence on China, and India must step in to fill that vacuum in categories like packaged foods, wellness products, Ayurveda-based personal care, and spices—areas where we already have global recognition.

But scale and consistency are still weak spots. The US buyers demand uninterrupted supply and adherence to the highest global standards—something we must strengthen rapidly," adds Saxena.

For context, retail exports from India to the US reached $76,167 million in FY22, nearly $78,542 million in FY23, and nearly $77,515 million in FY24, according to the government data.

Need to reposition as a strategic retail partner

To seize the opportunity, India needs to reposition itself as a strategic retail partner by investing in automation, packaging technology, and quality assurance, say experts and stakeholders.

Streamlining the regulatory framework is also crucial to eliminating delays. With the tariff pause being temporary, swift action in high-potential categories like organic food, ready-to-eat meals, and plant-based products can help India boost exports and establish a lasting presence in the US retail market, says Saxena.

“This window also allows India to strengthen its case for favourable bilateral trade terms and enhances domestic manufacturing competitiveness. Additionally, it offers a chance to diversify export destinations, reducing over-reliance on any single market. However, this short timeframe may drive up freight costs, impacting profit margins, and the temporary nature of the pause adds planning uncertainty. Furthermore, India will face intensified competition from other countries also seeking to leverage the US-China trade dynamics,” says Kanishk Maheshwari, Co-founder & Managing Director, Primus Partners.

Maheshwari notes that Indian exporters may recover faster and gain market share due to the higher tariffs on China, potentially giving India a competitive edge. “With several key free trade agreements (FTAs) on the horizon and the possibility of a bilateral trade deal with the US, India is poised to emerge stronger and more globally integrated despite the initial hurdles,” adds Maheshwari.

Source: economictimes.com– Apr 21, 2025

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North Indian yarn market struggles, buoyed slightly by strong cotton

North India's cotton yarn market witnessed weaker sentiment as negative factors outweighed positive indicators. Uncertainty continued in the cotton yarn sector due to Bangladesh's import ban through land borders and concerns over US tariffs.

Despite this, cotton yarn prices remained steady, supported by stronger cotton prices. According to market sources, spinning mills are facing significant setbacks in yarn exports and they may need to consider price hikes to protect margins.

In Ludhiana, cotton yarn demand further slowed, with Bangladesh being a major concern for trade. However, prices did not move significantly. A trader from Ludhiana told Fibre2Fashion, "Bangladesh was the most prominent market for Indian cotton yarn exports. After the ban on imports through land borders, Indian mills have lost a crucial market. Global uncertainty due to US tariffs has also discouraged yarn trade."

In Ludhiana, 30 count cotton combed yarn was sold at ₹258-268 (approximately $3.02-3.14) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹248-258 (approximately $2.91-3.02) per kg and ₹253-263 (approximately $2.96-3.08) per kg, respectively; and carded yarn of 30 count was noted at ₹238-243 (approximately $2.79-2.85) per kg today, according to trade sources.

The cotton yarn market is under contradictory pressure due to weak demand and strong natural fibre prices. The situation in Bangladesh remains a concern, as Indian yarn is unable to reach this neighbouring market. Market sources warned that this move may prove self-defeating for Bangladesh's garment industry, as alternative import routes would increase yarn costs.

In Delhi, 30 count combed knitting yarn was traded at ₹259-260 (approximately $3.03-3.05) per kg (GST extra), 40 count combed at ₹284-285 (approximately $3.33-3.34) per kg, 30 count carded at ₹233-235 (approximately $2.73-2.75) per kg, and 40 count carded at ₹258-260 (approximately $3.02-3.05) per kg today.

India’s home textile hub, Panipat, also witnessed stable prices for recycled yarn and raw materials. Trade sources said exporters are avoiding purchases due to uncertainty in export demand for finished products. Domestic buyers are sourcing only for immediate needs. The market is also experiencing a cash crunch, further dampening demand.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹75-78 (approximately $0.87-0.91) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹52-55 (approximately $0.60-0.64) per kg, 20s recycled PC yarn (Grey) at ₹95-99 (approximately $1.11-1.16) per kg and 30s recycled PC yarn (Grey) at ₹128-134 (approximately $1.50-1.57) per kg. Cotton comber prices were noted at ₹106-108 (approximately $1.24-1.27) per kg. Recycled polyester fibre (PET bottle fibre) noted at ₹78-80 (approximately $0.91-0.94) per kg today.

In north India, cotton prices continued to trend upward, increasing by ₹50–60 per maund (37.2 kg) since last Thursday. Traders attributed the rise to stronger ICE cotton and lower arrivals. Farmers, currently focused on wheat harvesting, are not prioritising cotton sales in Mandis and are expected to sell the remaining crop in the coming months.

North India saw cotton arrivals of 1,700 bales (170 kg each), with Punjab receiving 100 bales, Haryana 800, upper Rajasthan 500, and lower Rajasthan 300. In Punjab, cotton was priced at ₹5,690–5,700 (approximately $66.65–66.76) per maund. In Haryana, prices were ₹5,600–5,630 (approximately $65.59–65.94) per maund. In upper Rajasthan, rates stood at ₹5,700–5,720 (approximately $66.76–67.00) per maund, while in lower Rajasthan, cotton was priced at ₹54,000–55,400 (approximately $632.49–648.88) per candy (356 kg).

Source: fibre2fashion.com– Apr 21, 2025

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Punjab govt to offer 33% subsidy on Bt cotton seeds to boost crop shift

The Punjab government on Saturday said it has decided to provide a 33 per cent subsidy on BT cotton hybrid seeds, as part of its move to promote crop diversification in the state. The subsidy will be given on seeds which are recommended by Punjab Agricultural University (PAU), Ludhiana.

Agriculture Minister Gurmeet Singh Khuddian said a sum of Rs 20 crore has been allocated for the subsidy programme and this move would reduce financial burden on cotton growers, while simultaneously discouraging the cultivation of non-recommended hybrids to enable them to adopt high-yielding and pest-resistant BT cotton hybrid seeds.

The department has fixed a target to increase the cotton crop area to at least 1.25 lakh hectares this year, he said. Cotton, a crucial kharif crop in the south-western districts of the state, presents a viable alternative to the water-guzzling paddy crop, contributing to both agricultural diversification and economic growth.

Urging farmers to take advantage of this opportunity and opt for the recommended Bt cotton hybrid seeds, Khuddian said the state government is committed to supporting farmers and promoting sustainable agricultural practices.

This subsidy programme is a crucial step towards achieving crop diversification, besides ensuring the prosperity of our cotton industry, he said.

Dr. Basant Garg, administrative secretary of the department, informed that the subsidy programme is limited to a maximum of five acres or ten packets (each weighing 475gm) of cotton seeds per farmer.

He appealed to farmers to obtain original bills for all Bt cotton seed purchases, while directing the department officials to conduct regular monitoring and inspections to prevent entry of spurious seeds from neighbouring states.

Source: business-standard.com– Apr 19, 2025

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