IBTEX No. 51 of 2025 April 23, 2025

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85.46	97.20	113.65	0.60

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INTERNATIONAL NEWS

IMF: Trump's Tariffs Have the Power to 'Significantly Slow Global Growth'

U.S. President Donald Trump's back-and-forth tariff drama is likely to decrease the rate of growth in economies across the world, the International Monetary Fund (IMF) said Tuesday.

In a blog Pierre-Olivier Gourinchas, chief economist at the IMF, noted that further trade tensions are likely to exacerbate risk to global economies.

"If sustained, this abrupt increase in tariffs and attendant uncertainty will significantly slow global growth," Gourinchas wrote.

The blog provides a reference forecast, which takes all tariff-related announcements that occurred between February 1 and April 4 into account—both the policies instituted by the United States and the countermeasures instated by other countries.

Using those specs, the IMF has lowered its growth forecast to 2.8 percent for 2025 and 3 percent for 2026, "a cumulative downgrade of about 0.8 percentage points" compared to its outlook in January. In 2024, the global economy grew at a rate of 3.3 percent.

But the U.S. is likely to fare even worse, the IMF projects. The reference forecast suggests that the U.S. economy will grow about 1.8 percent in 2025, nearly one full percentage point lower than the IMF's January forecast. About half of that is directly attributed to tariffs, per the IMF.

"Tariffs account for 0.4 percentage point of that reduction," Gourinchas' blog noted.

In 2024, the U.S. economy grew at a rate of 2.8 percent.

The U.S. is far from the only country impacted; the IMF also lowered its growth forecast for China this year, by a more modest 0.6 percentage point reduction, leaving its projected growth rate at 4 percent, down from 5 percent growth in 2024.

In addition to adjusting its economic outlook to meet the reference forecast, the IMF put forth two alternative forecasts, which are predicated on two scenarios: Trump drops much of his planned tariff activity and returns to the pre-April 2 status quo, or Trump sustains his 90-day pause on tariffs for countries other than China indefinitely, but tensions with China continue.

For the first alternative, which excludes Trump's tariffs and "Liberation Day" measures, the IMF projects that "global growth would have seen only a modest cumulative downgrade of 0.2 percentage point, to 3.2 percent for 2025 and 2026."

The projected path for the second alternative, which includes Trump's 90-day pause on tariffs for many nations and the U.S.-China trade war bubbling beneath the surface, comes much closer to the reference forecast; the IMF noted that the pause, even if it keeps up indefinitely, doesn't provide much relief from the reference forecast.

"This is because the overall effective tariff rate of the United States and China remains elevated even if some initially highly tariffed countries will now benefit," Gourinchas wrote. The International Apparel Federation (IAF) said in a statement last week that it welcomes the pause, but agreed that, compounded with other uncertainties, the trade war between China and the U.S. has already started to negatively impact players in the fashion and apparel industries.

"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," the IAF's statement said. "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."

Source: sourcingjournal.com– Apr 22, 2025

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Can Uzbek Cotton Shake Off Its Forced Labor Problem?

2022 was supposed to have marked a turning point for Uzbek cotton, once synonymous with state-sanctioned slavery.

It was that March, after all, that the International Labour Organization had declared the Central Asian nation's biggest cash crop "free" of child and forced labor. The same month, the Cotton Campaign, a coalition of retail trade associations, human rights organizations and investor groups, dropped its decade-plus-long boycott of Uzbek cotton after citing a breakthrough by the former Soviet republic to harvest cotton "almost entirely" without coercion. And when the U.S. Department of Labor released its annual list of goods produced by child labor or forced labor in September, it no longer included Uzbek cotton.

The "world's largest recruitment effort," in short, appeared to have come to a conclusion. The sixth-largest cotton producer in the world, once shunned and vilified for its systematic conscription of teachers, students, doctors, engineers and others to work as pickers—for which they were paid next to nothing—could now rejoin the global marketplace in good conscience if it continued to keep up its end of the deal.

Or, at least, so it seemed. Now, human rights advocates, including those who had praised the Uzbek government for transitioning away from a command economy, say the risk of relapse grows increasingly acute, especially with the loss of funding from the U.S. government to help working conditions measure up to international standards of freedom of association, expression and assembly.

One major sticking point is the Uzbek government itself, according to a March report from the Uzbek Forum for Human Rights, a frontline partner of the Cotton Campaign. The country's leadership, it said, has "reneged on positive legislation" to give farmers greater autonomy by running "unwarranted interference" that has left cotton growers unable to determine the prices they get from the privately managed "cotton-textile clusters" that their livelihoods hinge upon, which, in turn, has affected the wages they're able to pay pickers. Then there are the contradictory policies, machinery shortages and the continued imposition of de facto production quotas that are being enforced through threats of penalty. All of this has exacerbated the risks of further exploitation.

The post-2019 rise of cotton clusters, which combine production, processing and manufacturing, hasn't helped. Citing financial duress due to volatility in the global price of cotton, these clusters have not only appealed to the government to lower the price of cotton they were contracted to pay but they have also provided growers with only partial and delayed payments, if at all, said Umida Niyazova, founder and director at the Uzbek Forum. "And still officials are forcing farmers to sign contracts with the same clusters that haven't paid them for the past three years," she said.

One farmer, who spoke on the condition of anonymity because of the potential risk of retaliation, said that most growers preferred it "before"—that is, when the state, not the clusters, bought the cotton—because it meant on-time payments, farm subsidies and low-interest loans. While the government continues to exert a similar level of control, including by forcing farmers to accept lower prices through veiled threats from local authorities, this person said, it's now fallen to them to purchase fertilizer and fuel at market prices and grapple with interest rates four times higher than what they used to be.

"At least the government paid on time; it was never the case that farmers were not paid for their crops," another grower, who also asked not to be named, said through a translator. "When the clusters appeared, they said they were new investors in agriculture, but it turned out that these new private enterprises had no funds; they received subsidies and loans from the state and did not pay the farmers."

The Uzbek government did not respond to a request for comment.

'Getting some good traction'

The outcome has been a predictable one. With farmers unable to afford competitive wages because of increasing production costs, suppressed cotton pricing and unreliable payments, voluntary pickers fled to other seasonal employment with higher returns. The limited number of machinery rentals, too, has been unable to make up for the workforce shortfall.

In the fall of 2024, 3.1 million tons of cotton were harvested instead of the planned 3.6 million tons, leaving large amounts lying in the fields. Monitors also logged isolated cases of state-sponsored forced labor induced by regional officials, known as hokims, who sometimes resorted to dragooning employees of state-owned organizations or extorting them for money to pay for replacement pickers to meet volume targets.

It was only when the National Commission on Combating Human Trafficking and Decent Labor Issues, the Ministry of Education and the Labor Inspectorate began issuing public announcements reminding officials about the prohibition of forced labor that reported cases dwindled by the end of the harvest, Niyazova said. Farmers, however, have continued to appeal to the government to engage with them on a wide range of issues, including forced crop placement that permits them to grow only cotton and grain, a lack of accountability for interfering with their contractual relationship with cotton clusters, and restrictions on their freedom of association rights to form cooperatives that would give them greater bargaining power.

“We were making progress,” said Abby McGill, senior program officer at the Solidarity Center, a Washington, D.C.-based worker rights nonprofit and Cotton Campaign founding member that was halfway into a four-year agreement—it was renewed through 2026 in December—with the Center for International Private Enterprise, the Association of Cotton-Textile Clusters of Uzbekistan and the Uzbekistan Ministry of Employment and Poverty Reduction to establish an education, incentive and grievance remedy system that would strengthen the ability of Uzbekistan’s cotton supply chain workers to flag and resolve human rights violations like forced labor.

“We believe, with the Cotton Campaign, that workers are the ones who need to be verifying their working conditions, and so we were working with clusters to implement ground-level mechanisms that trained the workers up on what their rights are supposed to be,” McGill said. “We were really starting to get some good traction on the ground and build some better compliance mechanisms and higher-road standards.”

This changed last month when the Labor Department-funded program was among $30 million of so-called “America Last” programs that billionaire Elon Musk’s cost-cutting Department of Government Efficiency decided were a waste of taxpayer money. Writing in on X on March 14, DOGE called out the initiative specifically, saying that the canceled funds included “$3M for ‘transparency and accountability in Uzbekistan’s cotton industry.’” As it turned out, it was just getting started. Less than two weeks later, all cooperative agreements under the Labor

Department's Bureau of International Labor Affairs, amounting to $577 million, had been wiped out.

Among the things those involved in the program have struggled to square—short of the fact that the money involved is a rounding error in the federal budget—is the fact that it was trying to accomplish what the Trump administration has said is a strategic priority: reducing America's reliance on China.

Boosting Uzbekistan's reliability as a cotton source would provide Western brands with another alternative to the abundance of Chinese cotton, 90 percent of which derives from Xinjiang, where Uyghurs and other Muslim minorities are living under repressive and heavily surveilled conditions. This appeared to come into focus in February, when Secretary of State Marco Rubio spoke with Uzbekistan Foreign Minister Bakhtiyor Saidov to affirm the administration's commitment to a "more peaceful and prosperous" Central Asia through "mutually beneficial opportunities for investment." Rubio has since spoken to Saidov a second time, again calling for increased trade between the two nations.

"I think that it comes down to a real misunderstanding about what the project was, what it was trying to achieve," McGill said. "We had gained so much trust with the Uzbek government. We were giving a leg up to those well-intentioned producers who were trying to improve their international compliance standards."

The American Apparel & Footwear Association, another member of the Cotton Campaign, agreed. The trade group, whose roster includes household names such as Adidas, H&M Group, Gap Inc. and Zara owner Inditex—many of whom had also signed a pledge publicly commiting to swerve Uzbek cotton until it was no longer produced with state-orchestrated—was among the organizations that wrote to Secretary of Labor Lori Chavez-DeRemer to urge the program's restoration.

Click here for more details

Source: sourcingjournal.com– Apr 21, 2025

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Tariff fears drive US shoppers to stockpile apparel, footwear: Report

Consumers in the US are rapidly shifting their shopping behaviour amid growing fears of looming tariffs. Store visits across several retail categories experienced a spike, followed by a dip, and then surged again between late March and mid-April, as per a recent report.

In the week ending March 23, categories like clothing, superstores, shoe stores, and department stores all posted robust gains in year-over-year (YoY) foot traffic. This surge is widely attributed to customers rushing to lock in pre-tariff prices—particularly for goods frequently imported from overseas, according to a Pass_by report.

In the week mentioned above, clothing visits jumped by 6.20 per cent, shoe stores grew by 4.36 per cent, and superstores rose by 4.27 per cent, suggesting that shoppers were concerned about pending duty increases on apparel, footwear, and everyday household items.

Just a week later, in the final days of March, foot traffic tumbled across many of these same categories. Clothing fell by 4.20 per cent and shoe stores dropped 9.49 per cent.

The first week of April saw a more tempered pace. Superstores, clothing, and electronics were down slightly, but grocery stores and liquor stores posted modest gains.

This pattern indicates that many shoppers continued to approach non-essentials cautiously while maintaining consistent demand for staples. Some may have also waited for fresh information on which products would be hit hardest and how soon higher tariffs might take effect, added the report.

By April 13, foot traffic across several retail categories in the US experienced a renewed surge. Clothing store visits rose by 4.78 per cent, grocery saw a 6.95 per cent increase, and shoe stores recorded a 4.03 per cent rise, highlighting a strong rebound in consumer activity amid ongoing tariff concerns.

Many apparel, footwear, and specialty goods are globally sourced, prompting a wave of pre-emptive bulk buying as shoppers aim to avoid anticipated price hikes. Adding to the volatility is the uncertainty around implementation timelines; after initial panic purchases, many consumers paused their spending until policy details become clearer, causing sharp week-to-week fluctuations in foot traffic, as per the data.

Retailers, in turn, are fuelling this cycle by launching flash sales and time-limited promotions in response to tariff-related headlines—triggering temporary spikes in visits, which often decline just as quickly once the offers end.

“This isn’t just about inflation anymore—consumers are clearly reacting to tariff headlines by buying what they fear will soon become more expensive or harder to find,” said James Ewen, vice president, Marketing at Pass_by. “It is rare to see such coordinated spikes across essentials, apparel, and specialty food in one week.”

Source: fibre2fashion.com– Apr 22, 2025

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China's online sales hit $499.6 bn in Q1 2025, led by trade-in push

China's e-commerce sector witnessed steady growth in the first quarter of 2025 (Q1 2025), driven by government efforts to stimulate consumption, including a large-scale consumer goods trade-in programme.

Official data shows online retail sales reached 3.6 trillion yuan (~ $499.6 billion), with physical goods sales up 5.7 per cent year-on-year. Online digital product sales rose 7.4 per cent, a state-controlled news agency reported, citing the Ministry of Commerce.

The ministry noted strengthened collaboration between the government and enterprises to integrate domestic and foreign trade, with over 10 e-commerce platforms helping channel quality foreign trade goods into local markets.

Source: fibre2fashion.com– Apr 23, 2025

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Time for Some Drastic Changes for U.S. Cotton?

Joe Nicosia, Head of Cotton at Louis Dreyfus Company and 2024 National Cotton Council Chairman, believes it's time for the U.S. cotton industry to reset its thinking and approach to trade, marketing, consumer education – practically everything. He came to his annual Cotton Outlook presentation at the Mid-South Farm & Gin Show with plenty of details to back up his reasoning.

"I wanted to try to present what I think is the call to action to try to save our industry," he says. Nicosia covered a lot of ground during his presentation. Here are just a few of the highlights – and some food for thought.

About China

"China is critical to the United States cotton industry. Vietnam and Bangladesh are actually going to import more cotton, but China is still the largest user of cotton and the largest exporter of textile and apparel products in the world.

The importance of trying to find out how much Chinese imports are going to be and how much demand they have for the U.S. cotton is going to be generated by the level of consumption and what their next year's production is going to be. "We're going to raise tariffs on them again, and we get retaliation. We've already seen this play out four years ago. We know that Chinese retaliation to the United States involves agriculture, because they know we're in a competitive situation against Brazil and other countries.

They can use that, because they know it causes turmoil inside the U.S. and causes anxiety in farm communities reaching across many states. If we come to a deal, it shouldn't take as long as last time, because we already have a framework from the Phase One program."

About Brazil and Australia

"Brazil is not going away. They now grow almost 50% more cotton than the United States. Australia will continue to grow cotton as long as they have water. Their crop is doing very well. And when we put these two competitors together, it's shocking. Combined exports for Brazil and

Australia in 2017/2018 were just under 12 million bales. They're almost 22.5 million bales this year and going higher next year.

"We have to admit the United States is not going to beat Brazil. Cotton is a second crop there, usually after soybeans. Every time soybean acres increase, corn or cotton acres expand by default because they plant two crops. Their ability to increase common acres is tremendous."

On Exports

"We're getting trounced on the export side. Brazilian exports have passed the United States. We have a battle on everything we do for the U.S. economy, which is why we continue to push forward. If we don't compete, we will get beat. We need to do better at everything, whether it's production, warehousing, shipping, or merchandise.

"We are doing really well in Mexico. Yet from the U.S. cotton industry's side, tariffs into Mexico would be devastating. We know the Mexican products are made with U.S. cotton. But how do they compete to sell their goods back into the U.S. with a 25% tariff against goods coming in from other countries?"

On Competition from Polyester

The U.S. passed the Uighur Forced Labor Prevention Act, stating that cotton from Xinjiang products made with forced labor would not be allowed into the U.S. There's probably nothing wrong with that in and of itself, but what's the implication of that?

"If you tell China – the world's largest exporter of cotton textile and apparel products, as well as the world's largest manufacturer of polyester – that they can't bring their cotton products into the U.S., then what do you import? You import polyester. "One of the unintended consequences of this law has been to hurt cotton consumption in the United States by preventing imports of cotton products and supporting polyester."

Some Suggestions

"The consumer in the world needs to find out about biodegradable, sustainable cotton versus polyester. The awareness, I believe, is beginning to get some traction, but we've got a long way to go. We need a surge in world demand. We need the ability to increase the pie. We need to change behaviors over the long term.

"My message is it's time to face reality. Remember the old adage, if you can't beat them, join them? I think instead of fighting for the U.S. market share, we should join with Brazil and Australia and find ways to grow the pie. It's time for us to unite as cotton producers around the world to quit fighting against each other and focus on beating polyester.

"We have to do a better job communicating. We're really good at preaching to the choir. We have to devote sufficient resources to make consumers aware of the benefits of cotton as a natural fiber. We need to seek opportunities in the world for the benefits of cotton. It means delivering the message at other venues, not just cotton meetings. We need to enlist the help of environmental groups, NGOs, health organizations, universities, and others to demonstrate the benefits of cotton.

"We need other people to get our message out more broadly to other audiences, not just to ourselves. We need to highlight the negativity that polyester brings with it. Health impacts. Environmental impacts. There are other people who believe certain things that we believe. We need to explore legislative and regulatory approaches. Take a more creative approach, tapping the advantages of using celebrities, influencers, brands, and things like that.

"We have good organizations that are working to promote content. I'd like to ask these organizations to develop a Department of Cotton Advocacy. Work together and knock on the doors of universities, of ABC/NBC/CBS, of the World Wildlife Association – groups who may be telling the story about the risks of microfibers from polyester better than we're telling our story.

"The American Cotton Shippers Association signed Memorandums of Understanding a year or so ago between the U.S., Brazil, and Australia to promote cotton use, but we weren't really sure how to do it. Together, I think we can find a way."

Source: cottongrower.com– Apr 21, 2025

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Euro area output rises 1.1%, EU 1.0% in February 2025

Industrial production in the euro area rose by 1.1 per cent in February 2025 compared to January, while the broader EU posted a 1.0 per cent increase, according to Eurostat. The annual increase stood at 1.2 per cent for the euro area and 0.6 per cent for the EU.

Growth was primarily driven by a sharp rise in non-durable consumer goods production—up by 2.8 per cent in the euro area and 2.7 per cent in the EU. Capital goods also saw steady gains, while intermediate goods saw marginal gains—rising just 0.3 per cent in the euro area and 0.1 per cent in the EU. Production of energy and durable consumer goods declined in parts of the region, as per Eurostat.

Ireland recorded the strongest monthly growth at 10.8 per cent, followed by Belgium and Luxembourg. However, some Member States including Croatia and Greece saw notable contractions.

Annually, non-durable goods remained a bright spot, surging 9.7 per cent in the euro area and 8.1 per cent in the EU. Ireland again led the bloc with a 38.8 per cent year-on-year increase, while Hungary and Germany saw the sharpest declines.

Source: fibre2fashion.com– Apr 23, 2025

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Vietnam's govt, bizs act to prevent origin fraud, illegal transhipment

As stricter control over the abuse of origin labelling has turned essential amid growing pressure from US trade policies, Vietnam is trying to strengthen management of imported raw materials used in the production of exported goods.

The Ministry of Industry and Trade (MoIT) had earlier released a warning list of 17 export product categories from Vietnam to the United States that are at risk of trade remedy investigations due to concerns over origin fraud and illegal transhipment.

The new US tariff policies pose significant challenges to Vietnamese enterprises, as origin rules are likely to become more stringent, requiring higher domestic content in exported goods, experts say. This could raise production costs and place pressure on several export sectors.

To prevent the abuse of Vietnam's origin to evade tariffs through transshipment, businesses in the country are also taking advantage of the 90-day pause to US reciprocal tariffs to implement both short-term and long-term solutions to minimise potential negative impacts, domestic media outlets reported.

Several industry experts view this challenge as an opportunity to restructure production process and enhance competitiveness.

Many businesses are working with partners to raise shipments during the 90-day tariff delay period to avoid inventory pole-up and higher tariffs, if negotiations fail.

Several businesses in Hai Duong have started implementing digital logs—tools that help track the entire production process, from sourcing raw materials to final processing, with strict input control from the outset.

Source: fibre2fashion.com– Apr 22, 2025

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Ghana to set up 3 garment factories with private sector collaboration

Ghana plans to set up three garment factories, each capable of offering 3,000 jobs per shift, creating 27,000 jobs under the 24-hour Economy Policy, according to the country's Minister of Trade, Agribusiness and Industry Elizabeth Ofosu-Adjare. It intends to collaborate with the private sector in the effort.

This formed part of President John Dramani Mahama's rapid industrialisation for job initiative, and the ministry was promoting strategic value addition to revive deformed industries and scale up production for both domestic and international markets, she told the second edition of the Kwahu Business Forum at Mpraeso in the Kwahu South district of the Eastern Region.

The Forum is a major government initiative to foster entrepreneurship and support the growth of domestic small and medium enterprises (SMEs).

This year's Forum stressed the importance of aligning the nation's financial systems with national development priorities to support entrepreneurship, industrialisation and inclusive economic growth, she was cited as saying by domestic media outlets.

A top priority this year is to pass the Business Regulatory Reform Commission Bill, which would institutionalise reforms, mediate public-private sector concerns and enforce regulatory impact assessments, she added.

She would be leading a high-powered private sector delegation to China to pursue targeted business-to-business (B2B) engagement.

Source: fibre2fashion.com– Apr 23, 2025

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Upgraded ASEAN-Australia-New Zealand FTA officially enters into force

The upgraded ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) has officially entered into force for Australia, New Zealand, Singapore, Malaysia, Laos PDR, and Brunei Darussalam. The remaining ASEAN member states will follow suit 60 days after completing their domestic ratification processes.

The Upgrade, formally known as the Second Protocol to Amend the Agreement Establishing AANZFTA, simplifies documentation for traders accessing existing tariff preferences, which eliminate or reduce duties on approximately 97.7 per cent of all tariff lines for Australian exports, Australia's Department of Foreign Affairs and Trade said in a press release.

In addition to enhanced trade facilitation, the revised agreement introduces new commitments on services, e-commerce, consumer protection, sustainable development, and support for micro, small and medium enterprises (MSMEs). It also offers regulatory certainty and increased market access across a broad range of sectors.

Fifteen years after the agreement's original implementation on January 1, 2010, the Upgrade reaffirms the bloc's commitment to a cooperative and rules-based trading system, advancing regional economic integration and shared prosperity, the release added.

Source: fibre2fashion.com– Apr 21, 2025

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Bangladesh: Offer duty-free access for garments made of US cotton

Local textile millers yesterday sought duty-free export facilities to the USA for garment items produced in Bangladesh using American cotton.

The Bangladesh Textile Mills Association (BTMA), a platform for the primary textile sector, made the call through two letters — one sent to Gary Adams, president and CEO of the National Cotton Council of America, and another to Eric Geelan, counsellor for political/economic affairs at the US embassy in Bangladesh.

In the letters, BTMA President Showkat Aziz Russell also urged the US government to permanently remove Bangladesh from the list of countries subject to the additional duty.

Earlier, on April 2, US President Donald Trump imposed reciprocal tariffs on various countries; for Bangladesh, the rate was set at 37 percent. However, Trump issued a 90-day pause on imposing new tariffs, while maintaining a 10 percent baseline tariff rate.

"We are confident that these measures will significantly boost bilateral trade and further embed US cotton into global supply chains via Bangladesh's growing ready-made garment (RMG) industry," said the BTMA president.

"BTMA is committed to prioritising US cotton in a substantial portion of our production, much of which is exported to the US and other global markets."

To support this vision, BTMA highlighted several government initiatives currently underway, including the establishment of a central warehouse in Bangladesh dedicated exclusively to US cotton, aimed at quadrupling import volume.

The Bangladesh government has expressed a strong commitment to strengthening trade ties with the United States, particularly in cotton and textiles, the BTMA president said in the letters.

He also referenced comprehensive proposals made by Chief Adviser Professor Muhammad Yunus directly to US President Donald J. Trump, outlining a strategic roadmap for mutual economic growth.

"Additionally, we are preparing to send an official BTMA delegation to the United States, in collaboration with the National Cotton Council of America, at the earliest possible date," Russell said.

"This mission, comprising 12–13 representatives, will engage in high-level dialogue and negotiations with key US government and private sector stakeholders to advance our shared goals," the BTMA stated.

In both letters, the BTMA noted that it is a trade body representing 1,856 member mills engaged in yarn and fabric manufacturing, dyeing, printing, and finishing — and has been a cornerstone of Bangladesh's industrial and export economy.

To date, the textile sector has attracted cumulative investments of over $23 billion, the association added.

"On behalf of Bangladesh's textile and apparel industry, we express our appreciation for the enduring and fruitful partnership with the United States," the letter said, adding that in 2024, Bangladesh imported approximately $270 million worth of US cotton, accounting for around 12 percent of the country's total cotton imports.

"We strongly believe this volume can be increased by four to five times in the near future with mutual collaboration and policy support," Russell also stated.

Over 90 percent of total exports to the USA are garment items, which face over 15 percent duty, while Bangladesh levies 2.2 percent duty on imports of US goods.

Alongside the chief adviser's letter to the Trump administration, Commerce Adviser Sk Bashir Uddin, in a separate letter sent to US Trade Representative Jamieson Greer, offered zero-duty benefits to 100 additional US goods, on top of the existing 190 products.

Source: thedailystar.net– Apr 23, 2025

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Pakistan: Textile exports rise by 9.38 percent to $13.6 billion in 3 quarters

Textile exports witnessed an increase of 9.38 percent during the first three quarters of the current financial year (July-March) as compared to the corresponding period of last year, Pakistan Bureau of Statistics (PBS) reported.

The textile exports from the country were recorded at $13,613.702 million during the July-March (2024-25) against the exports of $12,445.935 million during July-March (2023-24).

The textile commodities that contributed in trade growth included cotton cloth the export of which increased by 0.11 percent to $1,424.503 million from $1,422.886 million while the export of knitwear surged by 16.82 percent to $3,785.369 million from $3,240.272 million.

The other commodities that witnessed growth in trade included bed wear, the export of which rose by 13.70 percent to $2,374.260 million from $2,088.267 million, towels by 4.46 percent to $818.733 million from $783.799 million; tents, canvas, and tarpaulin up by 14.46 percent to $101.135 million this year compared to the exports of $ 88.359 million last year.

Similarly, the export of ready-made garments grew by 19.05 percent to $3,091.574 million from $2,596.889 million, art, silk and synthetic textile rose by 11.06 percent to $303.919 million from $273.660 million; made up articles (excl. towels and bed wear) increased by 9.80 percent to $588.138 million from $535.662 million while the export of other textile materials went up by 3.79 percent to $561.382 million from $540.883 million.

The textile commodities that witnessed negative trade growth included raw cotton the exports of which declined by 98.45 percent to $0.871 million from $56.086 million.

Likewise, the exports of cotton yarn declined by 32.01 percent to $538.381 million from $791.808 million whereas the export of cotton carded or combed dipped by 99.20 percent from $0.752 million to $0.006 million during the period under review.

The exports of yarn other than cotton yarn also declined by 4.44 percent to $26.612 million from $25.431 million. Meanwhile, on year-on-year (YoY) basis, the textile exports from the country witnessed an increase of 9.97 percent during March 2025 as compared to the corresponding month of last year.

The textile exports in March 2025 were recorded $1,429.968 million against the exports of $1,300.288 million in March 2024. On month-on-month (MoM) basis, the textile exports increased by 1.18 percent in March 2025 when compared to the exports of $1,413.265 million in February 2025, according to PBS data.

Source: thenews.com.pk– Apr 21, 2025

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NATIONAL NEWS

IMF lowers India's FY26 growth forecast to 6.2%, maintains stable outlook

With rising global trade tensions, the International Monetary Fund (IMF) on Tuesday lowered the growth forecast for India during Fiscal Years 2025-26 (FY26) and 2026-27 (FY27) by 30 basis points (bps) and 20 basis points, respectively. This is lower than the global growth projection, where the dip is estimated at up to 50 basis points.

"For India, the growth outlook is relatively more stable at 6.2 percent in 2025 (Fiscal Year 2025-26), supported by private consumption, particularly in rural areas, but this rate is 0.3 percentage point lower than that in the January 2025 WEO Update on account of higher levels of trade tensions and global uncertainty," IMF said in its annual publication 'World Economic Outlook.'

In January, it had a projected growth rate of 6.5 per cent for both FY 26 and FY 27. Now, the growth is expected to be 6.2 per cent for current fiscal and 6.3 per cent for next fiscal. The growth projection for the current fiscal is lower than the Reserve Bank of India's (RBI) forecast of 6.5 per cent announced earlier this month, reduced from 6.7 per cent. However, it is similar to the forecast range of the lower band (6-3-6.8 per cent) given by the Economic Survey.

Immediately after US President Donald Trump announced the reciprocal tariff on April 2, various agencies cut their projections. Morgan Stanley said it sees a downside risk of 30-60bps to its growth estimate of 6.5 per cent for F26. EY India feels GDP growth may come down to 6 per cent as against the expectation of 6.5 per cent in 2025-26 if India does not respond with suitable policies to neutralise this adverse impact.

Forecast for China, US

As the tariff war is focused on the US and China, growth in both economies is expected to see a deeper impact. For China, the IMF has revised 2025 GDP growth downward to 4 per cent from 4.6 per cent in the January 2025 projection. "This reflects the impact of recently implemented tariffs, which offset the stronger carryover from 2024 (as a result of a stronger-than-expected fourth quarter) and fiscal expansion in the budget," the multilateral agency said.

For the United States, growth is projected to decrease in 2025 to 1.8 per cent, 1 percentage point lower than the rate for 2024 as well as 0.9 percentage point lower than the forecast rate in the January 2025 WEO Update. "The downward revision is a result of greater policy uncertainty, trade tensions, and a softer demand outlook, given slower-than-anticipated consumption growth," IMF said.

Global Growth Forecast

For the global number, the IMF has used two references. "Our World Economic Outlook's reference forecast includes tariff announcements between February 1 and April 4 by the US and countermeasures by other countries. This reduces our global growth forecast to 2.8 percent and 3 percent this year and next, a cumulative downgrade of about 0.8 percentage point relative to our January 2025 WEO update," it said.

Further, it also presented a global forecast excluding the April tariffs (pre-April 2 forecasts). Under this alternative path, "global growth would have seen only a modest cumulative downgrade of 0.2 percentage point, to 3.2 percent for 2025 and 2026," it said.

Source: thehindubusinessline.com– Apr 22, 2025

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Traders bodies seek implementation of e-commerce policy, independent regulator for digital commerce

The Confederation of All India Traders (CAIT) along with other industry bodies has sought policy measures like immediate enforcement of FDI and e-commerce policies, and rolling out of e-commerce rules under the Consumer Protection Act. CAIT along with All India Mobile Retailers Association (AIMRA), All India Consumer Products Distributors Federation (AICPDF), and Organised Retailers Association (ORA) have also proposed levying of luxury tax under GST on purchases made through e-commerce platforms and an independent regulatory body for digital commerce.

Industry bodies said that the traditional retail sector is under siege by e-commerce and quick commerce companies and alleged that they are "blatantly violating laws, manipulating markets, and systematically dismantling small retailers for profit."

The industry bodies plan to submit their recommendation to the Commerce Ministry and Consumer Affairs Ministry. Additionally, the organisation stated that its affiliates, such as the All India Consumer Products Distributors' Federation and the All India Mobile Retailers Association, will approach the human rights commission regarding the well-being of gig economy workers.

Praveen Khandelwal, Secretary General, CAIT and MP, alleged that these players are involved in aggressive algorithm-driven consumer manipulation and the reckless use of FDI for predatory pricing. "There is a need for enforcement of FDI and e-commerce policies and rolling out of e-commerce rules under Consumer Protection Act. We are also proposing imposition of Luxury Tax under GST on purchase of goods from e-commerce platforms. We are also calling for prohibition of inventory-led operations by platforms posing as marketplaces and formation of an independent body for regulation of digital commerce."

CAIT said a full-scale nationwide campaign beginning May 1 will be launched to protect and promote the interests of traditional retailers. Local trade associations in every city and state will be involved and recommendations will be submitted to state and Central government officials.

Source: thehindubusinessline.com– Apr 22, 2025

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Indian khadi sector booms, KVIC hits $20 bn turnover in FY25

The Khadi and Village Industries Commission (KVIC) has posted its highest-ever turnover in financial year 2024–25 (FY25), with total sales soaring to ₹1.70 lakh crore (~ $20 billion). Underlining a decade of robust growth, KVIC reported a 447 per cent rise in sales, a 347 per cent increase in production, and a 49.23 per cent boost in employment generation since 2013–14.

In the financial year 2023-24, there was an increase of 399.69 per cent in sales and 314.79 per cent in production in comparison to the year 2013-14, Manoj Kumar, chairman, KVIC said in a release.

Khadi, the legacy of Mahatma Gandhi, is no longer just a fabric, but has become a symbol of the creation of 'Ek Bharat, Shreshtha Bharat', Manoj Kumar said while releasing the provisional data of Khadi and Village Industries for FY25 at the office located at Rajghat, New Delhi on Monday.

The performance of KVIC has made a significant contribution towards realising the resolution of 'Viksit Bharat' by the year 2047 and making India the third economy of the world, Kumar further added. He attributed this achievement to the inspiration of Mahatma Gandhi, the guarantee of Prime Minister Narendra Modi, the guidance of the Ministry of MSME and the hard work of crore of artisans.

Production of Khadi clothing has seen remarkable growth. From ₹811.08 crore (~$95.31 million) in 2013–14, it rose to ₹3,783.36 crore (~$444.39 million) in 2024–25—a 366 per cent increase. Sales of Khadi garments grew even more impressively, jumping from ₹1,081.04 crore (~$127.01 million) to ₹7,145.61 crore (~$839.57 million), reflecting a growth of 561 per cent, the Ministry of Micro, Small & Medium Enterprises said in a release.

There has also been a tremendous jump in the sales of Khadi clothes. While its sale was only ₹1081.04 crore in the financial year 2013-14, it increased by about six and a half times to ₹7145.61 crore in FY25 with an increase of 561 per cent. The promotion of Khadi by Prime Minister Narendra Modi from a larger platform has had a huge impact on the sale of Khadi clothes.

That major objective of KVIC is to provide maximum employment opportunities in rural areas and it has set a record in this regard in the last 11 year, Kumar said speaking on objective of the Khadi and Village Industries Commission (KVIC). While the cumulative employment was 1.30 crore in the financial year 2013-14 (FY14), it rose to 1.94 crore in FY25 with an increase of 49.23 per cent. There has also been an unprecedented increase in the business of Khadi and Village Industries Bhawan, New Delhi.

While the business of Bhavan was ₹51.02 crore in FY14, it increased by almost 2 times and reached Rs 110.01 crore in FY25 with a jump of 115 per cent. Since the launch of the Pradhan Mantri Employment Generation Program (PMEGP) scheme, a total of 1018185 units have been established, for which the Government of India has distributed margin money subsidy of ₹27166.07 crore against a loan of ₹73348.39 crore. So far 90,04,541 people are getting employment through PMEGP.

With the aim of providing employment to maximum number of people in rural areas under the Gramodyog Vikas Yojana Scheme, KVIC has more than doubled the budget of Rs 25.65 crore in the financial year 2021-22 by 134 per cent to ₹60 crore in the financial year 2025-26 (FY26).

A total of 22284 machines and equipment were distributed in the year 2022-23, 29854 in the financial year 2023-24 and the highest 37218 machines and equipment in FY25. Under Gramodyog Vikas Yojana, KVIC has made a significant contribution in the creation of a self-reliant India by distributing a total of 287752 machines, toolkits and equipment so far.

Speaking on contribution towards women empowerment Kumar said that in the last 10 years, 7,43,904 trainees have been trained through 18 departmental and 17 non-departmental training centres of KVIC, out of which 57.45 per cent i.e. 4,27,394 are women.

Apart from this, 80 per cent of the 5 lakh Khadi artisans are also women. In the last 11 years, the wages of Khadi artisans has been increased by 275 per cent while in the last three years, it has been increased by 100 per cent.

Source: fibre2fashion.com– Apr 22, 2025

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Serious lack of reciprocity in trade with India: USTR Jamieson Greer

The United States Trade Representative (USTR) Jamieson Greer has said that there is a "serious lack of reciprocity" in the trade relationship with India, while welcoming India's constructive engagement towards the conclusion of the Bilateral Trade Agreement (BTA).

"These ongoing talks will help achieve balance and reciprocity by opening new markets for American goods and addressing unfair practices that harm American workers.

India's constructive engagement so far has been welcomed, and I look forward to creating new opportunities for workers, farmers, and entrepreneurs in both countries," Greer said in a statement, welcoming the announcement of the finalisation of the terms of reference for the BTA by Vice President JD Vance and Prime Minister Narendra Modi.

Releasing a factsheet, the USTR office said this announcement builds on significant work done since February 13, when Prime Minister Modi visited President Trump and the two agreed to launch negotiations for a BTA.

"The terms of reference announced today by Vice President Vance establish a roadmap for mutually beneficial, multi-sector Bilateral Trade Agreement 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," it said.

The factsheet said 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," it added.

The USTR office said India's average applied tariff is 17 per cent, among the highest of the world's largest economies, while the US average applied tariff is 3.3 per cent. "In addition to tariffs, technical barriers to trade, regulatory barriers, and restrictions on access to the market in the services, industrial, and agricultural sectors also reduce US exports to India. The terms of reference announcement with India is a critical step forward in negotiations with India to achieve reciprocal trade with one of our most strategic partners and deliver results to the American people," it added.

In a statement after the meeting between Vance and Modi on Monday, the White House said both leaders welcomed "significant progress" in the negotiations for a trade deal. "The BTA presents an opportunity to negotiate a new and modern trade agreement focused on promoting job creation and citizen well-being in both countries, with the goal of enhancing bilateral trade and supply chain integration in a balanced and mutually beneficial manner," it added.

Source: business-standard.com – Apr 23, 2025

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April composite PMI at 60 as biz growth hits 8-month high on export surge

India's private sector growth rose to an eight-month high in April fueled by robust demand, particularly a surge in foreign orders for manufactured goods, according to a survey, but business confidence showed some signs of softening.

While the latest data underscores a vibrant start to the fiscal year for India's economy, the souring outlook will make it challenging to maintain momentum at a time when US President Donald Trump's tariffs have hurt business sentiment.

The HSBC flash India Composite Purchasing Managers' Index (PMI), compiled by S&P Global, climbed to 60.0, up from 59.5 in March, the strongest pace of combined manufacturing and services growth since August.

The 50-mark separates growth from contraction.

Manufacturing growth underpinned the strong performance, with the index rising to 58.4 from 58.1 and reaching a level not seen in a year. The services PMI index also showed solid growth, rising to a four-month high of 59.1 from 58.5 last month.

Higher new business in the services sector and an improvement in goods production and new orders - a key gauge for demand - especially from international clients, were the primary drivers of the overall positive momentum.

"New export orders accelerated sharply, likely buoyed by the 90-day pause in the implementation of tariffs," said Pranjul Bhandari, chief India economist at HSBC referring to Trump's decision to target dozens of countries on April 2 by announcing sweeping tariffs on goods before deferring them for 90 days.

India is trying to position itself as a manufacturing base of choice for the world as China faces high US duties.

The record surge in new export business, the strongest since the index was measured in September 2014, was heavily concentrated within the manufacturing sector which registered the most significant increase in over 15 years.

"As a result, output and employment grew, for both, manufacturers and service providers," Bhandari added.

Amid an intensification of capacity pressures, firms continued to hire additional staff across sectors with goods producers recording the highest employment generation since the beginning of the survey in March 2005.

While input cost inflation trends were mixed, accelerating in the manufacturing sector and decelerating in their services counterpart compared to March, robust demand allowed firms to pass higher costs on to clients.

Selling prices saw a sharper increase led by manufacturers.

Business sentiment was also mixed with strong order inflows improving optimism among goods producers, but softening in the services sector resulting in an eight-month low overall outlook for the coming year.

Source: business-standard.com– Apr 23, 2025

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Trump govt may press India to give Amazon, Walmart's Flipkart full access to $125 bn e-comm market

In a renewed push for a 'fast-paced' reciprocal trade agreement, the United States may be pressing India to fully open its $125 billion e-commerce market to American retail giants like Amazon and Walmart, according to a report by the Financial Times.

The talks are part of a broader framework for India-US trade deal that is expected to cover multiple sectors, including food and automobiles. On April 2, Trump had slapped India with a 26 per cent tariff, which, however, has been paused for 90 days.

The push from the US likely includes a demand for a level playing field in e-commerce. India's current regulatory framework makes US e-commerce firms act only like a marketplace where other sellers list products from toothpicks to drones for consumers of the world's most populous country.

However, the rules are different for Indian rivals who can manufacture, own and sell the products on their online portals. Washington calls this a "non-tariff barrier" while India also caps foreign direct investment in retail.

"Since 2006, the US has been trying to open up India's domestic market, and has been stymied successfully ever since," FT quoted Arvind Singhal, chair of retail consulting firm Technopak Advisors.

This comes amid US Vice President JD Vance's visit to India where he met India's Prime Minister Narendra Modi. India and the US have finalised the Terms of Reference (TOR) for a potential trade deal to guide the forthcoming negotiations.
Industry executives told the FT that the Trump administration has been working closely with US e-commerce platforms on the trade strategy.

According to the FT report, Walmart CEO Doug McMillon first raised this issue at Mar-a-Lago, during a meeting with Donald Trump. McMillon was also reportedly present at the White House earlier to discuss tariff-related concerns.

The trade issue has broader business implications. Reliance, India's largest retailer, is emerging as a strong local competitor through its growing e-commerce platforms, bringing major US retailers like McMillon and Jeff Bezos into direct competition with Mukesh Ambani.

Walmart owns India's Flipkart, while Amazon continues to expand its operations since entering the market in 2013. However, Amazon lags Flipkart in user base. Amazon had fewer than four crore daily active users in India late last year, compared to Flipkart's five crore, according to Bank of America analysts.

Notably, India's 'unfavourable market conditions' have also delayed Walmart-backed retailer's IPO to late 2025 or early 2026. In the latest, Flipkart has moved its domicile from Singapore to India to further bank on tax benefits.

But for the US retailers, troubles are not restricted to just limited access to the market but also heavy crackdown by the Bureau of Indian Standards on their warehouses for possessing non-certified products.

"The attempt to pressure India into opening its ecommerce sector wider for American giants like Amazon and Walmart reflects a broader pattern of economic diplomacy aimed at securing market dominance for its corporations," said Praveen Khandelwal, secretary-general of the Confederation of All India Traders and a BJP MP.

"While foreign investment is welcome, it must not come at the cost of distorting India's retail ecosystem or undermining the interests of its [nine crore] small traders," he added.

The US remains India's largest trading partner, and the two countries have expressed interest in doubling bilateral trade of goods and services to $500 billion.

Source: economictimes.com– Apr 22, 2025

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Tiruppur knitwear exports rise by 20 per cent, green practices pull buyers

TIRUPPUR: Tiruppur knitwear sector exported goods worth Rs 40,000 crore in the last fiscal, 2024-25, thus achieving a 20% growth over the Rs 33,400-crore mark of the previous fiscal, 2023-24. The exports surpassed the estimated 10 percent growth rate and is expected to grow 15 percent in the current financial year.

KM Subramanian, president of Tiruppur Exporter's Association, said, "Before we recovered from the impact of Covid-19 pandemic, we faced international issues, including the Ukraine-Russia war.

Due to this, our exports, which exceeded Rs 34,000 crore in the 2022-23 financial year, decreased to Rs 33,400 crore in 2023-24. In the last FY, we made various efforts to get back on the growth track."

"We are giving importance to green production (production without affecting nature). In particular, Zero Liquid Discharge (ZLD), where we recycle 13 crore liters of water per day, with 96% being reused.

In terms of renewable energy, we produce 2,000 megawatts (MW) through windmills and 250 MW via solar power. We use 350 MW for our industry and the rest is supplied to the Tamil Nadu Electricity Board.

Keeping climate change risks in mind, we have planted 2.2 million trees with a 90% survival rate. These have been key factors in attracting international buyers from various countries.

In addition, international circumstances were also favourable to us. We have received more orders from the US and European countries," he added.

Further, he said, "We expect 15% export growth in the current financial year. The central and state governments should also support us. Tiruppur's infrastructure facilities should be improved in line with export growth. It is necessary to provide bank loans with simple processes, subsidies and incentives."

A Sakthivel, Vice-Chairman of Apparel Export Promotion Council (AEPC), said, “Tirupur’s knitwear exports have recorded a remarkable growth of 20% in the FY 2024-25 compared to the previous year. This achievement highlights the sector’s sustained momentum and the robust global demand for Indian knitwear and apparels. The growth in knitwear exports is a highly encouraging sign, and this momentum will continue, despite global uncertainties. We are confident of sustaining this upward trend in the years ahead.”

Further, he said, “India’s readymade garment (RMG) sector also maintained its upward trajectory, registering a 10% growth in exports during the FY 2024-25. Total RMG exports in 2024-25 stood at USD 16 billion out of which 49% of exports were from the knit sector, marking a significant increase from the previous year.”

S Vijayakumar, an exporter, said, “Tiruppur knitwear sector has been on a growth path for over a year now. In particular, large orders are coming in a lot. Large companies benefit the most from this. Big US brands are now looking to India instead of China.”

“At the same time, the hands of our competitors like Bangladesh and Vietnam are full already with orders. We get orders only after them due to the cost difference. Therefore, raw material prices in India should come down,” he added.

Source: newindianexpress.com– Apr 21, 2025

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Made In India? Oh Yeah?

US has imposed high tariffs — up to 245% — on Chinese goods while keeping a lower 10% duty on imports from other countries. This big tariff gap gives Indian exporters a short-term chance to grow sales to US, even if their products are 15-25% costlier than China's. But not all goods will qualify for the lower rate. Simply routing Chinese products through India and labelling them as "Indian" violates US Customs rules and can lead to heavy penalties.

To benefit from lower tariffs, exporters must prove their goods are genuinely made in India — something that's not always straightforward. For example, if a smartphone is assembled in India using parts from various countries, how much of the work must be done in India to qualify? This is where US non-preferential Rules of Origin (RoO) matter. These rules decide a product's origin when there's no trade deal in place between US and the supplier country. If a product has too many Chinese inputs and doesn't meet RoO standards, it could be labelled as Chinese and face higher tariffs.

With US now applying country-specific tariffs, non-preferential RoO will become the key test for all imports. Indian businesses aiming to export to US without delays, penalties or tariff shocks will need to understand and comply with these rules.

Two types of origin rules

RoOs aim to answer a simple but crucial question: where is a product really made, as against where it's shipped from. It's about establishing where the product was actually transformed into something new.

There are two types of origin rules: preferential and non-preferential. Preferential RoOs apply under free trade agreements (FTAs) to ensure that only goods genuinely made in a partner country get lower tariffs. For example, under the India-Japan FTA, India allows most Japanese goods to be duty-free, but only if they meet rules proving they were made in Japan.

Non-preferential rules apply to goods outside FTAs. They are essential for tracking export values and enforcing country-specific trade rules, especially when high tariffs or restrictions apply.

US Customs and Border Protection (CBP) agency uses two main tests to determine a product's country of origin. First, it considers a product to be wholly obtained if it is grown, mined, or produced in one country — like fruits harvested or minerals extracted.

Second, complex products like chemicals or machinery must meet the "substantial transformation test". A product is made in the country where it gets a new name, purpose, or function through substantial transformation. Simple steps like assembling, packaging, or labelling don't count.

Often, it's not clear what counts as a substantial transformation. CBP makes the final call. Here are a few examples of what CBP considers a substantial transformation.

* In textiles and apparel, CBP considers the country where the fabric is made as the origin country. For example, if yarn from country A is turned into fabric in country B, then country B is the origin. Simply cutting or sewing the fabric doesn't count. Will this hurt garments made using imported fabric?

* For smartphones and laptops, the origin depends on where key parts like motherboards or logic boards are assembled and programmed. Will this hurt export of most high-end smartphones? The same applies to laptops – programming the motherboard, like installing the BIOS, decides the origin.

* Substantial transformation in pharmaceuticals and chemicals usually means a chemical reaction or change in the molecule. Turning an API into a tablet or capsule isn't enough if the chemical makeup stays the same.

* Processes like roasting, fermenting or cooking count as substantial transformation for food and farm products. But simple steps like freezing, peeling or repackaging are not enough.

* The solar cell is the most essential part of solar panels. So, even if the panel is assembled in another country, its origin is based on where the cell was made. In a ruling, US Customs decided that panels assembled in country B using cells from country A were still considered to be from country A. Most solar panels made in India fail this test.

Build, don't just assemble

Indian exporters must closely review their production processes. There must be real manufacturing or transformation of inputs, like making key parts, programming or chemical changes. Products must clearly qualify as "Made in India", backed by strong documentation. If there's any doubt, exporters can request a binding ruling from US Customs for clarity and legal certainty.

In an FTA, such rules are discussed at the product level. Expect origin rules to become more trade limiting under the trade agreement with US. These rules weren't used much before, but with Trump's country-specific tariffs, they've become the primary test for all imports.

India has discussed introducing non-preferential RoOs, but could not finalise them. It should do so now because US non-preferential RoOs could be a more effective tool than tariffs in limiting Chinese inputs in exports from other countries. If this becomes clear to US, it might scale back its aggressive tariff strategy.

Source: timesofindia.com– Apr 22, 2025

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