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Exporting Excellence

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USD	EUR	GBP	JPY
85.57	96.93	113.64	0.60

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INTERNATIONAL NEWS

Global GDP to slow to 2.7% amid US trade tariffs: PIIE

The global economy remains on track to grow this year, but the outlook has deteriorated significantly in recent months. Real global GDP is projected to increase by just 2.7 per cent in 2025 and 2.8 per cent in 2026, down from a 3.2 per cent gain last year, according to the Peterson Institute for International Economics (PIIE).

Major policy shifts in the United States—particularly the introduction of new tariffs—are weighing on activity and fuelling a high level of uncertainty across economies. US tariffs are raising prices, disrupting supply chains, and eroding real incomes, as per the PIIE report titled 'Spring 2025 Global Economic Prospects'.

The report mentioned that these direct effects are being compounded by a volatile and unpredictable policy environment, as frequent changes to announced tariffs have made it harder for businesses to plan and invest.

Meanwhile, US economic growth is expected to stall this year, with average annualised growth projected to slow from 2.5 per cent in 2024 to just 0.1 per cent in 2025, as per PIIE's non-resident senior fellow, Karen Dynan.

Inflation in the US is projected to peak at around 4.5 per cent later this year and unemployment to rise to a bit above 5 per cent before improving in 2026. Financial markets have responded negatively to recent policy changes, although hard data on spending and employment remain relatively strong. This resilience may partly reflect a shift in timing, with households and businesses bringing forward purchases in anticipation of higher prices.

Other recent policy actions are adding to the drag on the US economy. Federal layoffs and operational disruptions tied to the new Department of Government Efficiency are reinforcing uncertainty without meaningfully improving the fiscal position. A large fiscal legislative package expected later this year also is likely to do little to reduce the Federal budget deficit relative to current policies, added the report.

Canada and Mexico are being hit hard by new US trade actions. Mexico faces added challenges from weaker economic fundamentals and anticipated revisions to the terms of the US-Mexico-Canada agreement (USMCA)—though movement of some production to Mexico from other countries may offer some offsetting benefits. In Europe and the United Kingdom, moderate growth is expected, with the euro area supported by coordinated debt issuance and increased defence spending, as per the report.

In China, economic growth is expected to fall well short of the government's 5 per cent target. Structural challenges, fragile consumer sentiment, and heightened tensions with the United States are all weighing on the outlook, while fiscal and monetary stimulus have so far had only limited effect.

Elsewhere in Asia, prospects vary widely and remain highly sensitive to further developments in trade policy. Many economies are exposed to the risk of additional US tariffs. India, however, continues to attract foreign investment and remains a regional bright spot.

There are still significant risks to the outlook. The likelihood of a US recession within the next 12 months is now estimated at 40 per cent. Several factors could exacerbate the current slowdown, including a deeper correction in the equity markets, rising interest rates due to fiscal concerns, or further monetary tightening if inflation expectations become unanchored. Any additional weakness in the US economy would have a substantial impact on global growth, especially for US trading partners.

The report concluded that the outcomes could also turn out better than currently projected if policy shifts. A meaningful reversal of recent tariff hikes would relieve some of the inflationary pressure and help restore business confidence. Coupled with continued advances in artificial intelligence, deregulation, and investment incentives, such a change could support stronger productivity growth.

Source: fibre2fashion.com– Apr 24, 2025

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Australia's economic growth slows in March due to global trade shifts

Australia's six-month annualised growth rate in the Westpac–Melbourne Institute Leading Index slowed to 0.6 per cent in March, down from 0.9 per cent in February. The index reflects the expected pace of economic activity relative to the trend three to nine months ahead.

The index continues to indicate growth above the trend, but the recent softening signifies a significant shift. The Index is only beginning to reflect the effects of the trade policy disruptions that intensified following US President Donald Trump's 'reciprocal' tariff announcement on April 2. The situation is uncertain and there are other factors at play but some further softening in the growth pulse looks likely in the months ahead, Melbourne Institute of Applied Economic and Social Research and Westpac said in a joint press release.

"At this stage, the tariff shock to the Australian economy should still be relatively small and manageable. Westpac expects growth to track a slower recovery, lifting to 1.9 per cent in 2025 revised down from a previously forecast 2.2 per cent. However, risks are to the downside. The Leading Index will continue to be an important early gauge of how momentum is shifting," said Matt Hassan, head of Australian macro forecasting at Westpac Economics.

The component detail shows the slowdown to date has been centred on financial market and sentiment developments. The Leading Index growth rate has lifted from negative 0.24 per cent in September last year to 0.63 per cent currently. Four of the eight components have driven the 0.87 percentage points (ppt) improvement: commodity prices (measured in Australian dollar terms) adding 0.42 ppts; a widening yield spread adding a further 0.34 ppts; improving US industrial production adding a further 0.15 ppts and improving consumer expectations for jobs adding another 0.12 ppts.

The commodity price component's improvement has primarily been driven by a decline in the Australian dollar, which depreciated by 6.5 cents (¢) against the US dollar between September and late March. Notably, despite a further dip of 3.5¢ at one point, the Australian dollar has since recovered and is now slightly above its March-end level. However, these gains have been partially offset by a correction in equity markets and a

slowdown in the recovery of consumer sentiment. The S&P/ASX200 has reduced the headline growth rate by 0.18 percentage points since September, while the Westpac-Melbourne Institute Consumer Expectations Index has contributed an additional 0.1 ppt decline.

Meanwhile, both drags are at risk of intensifying in the months ahead. Share markets plunged after the US tariff announcement on April 2 and are still down on March levels despite a solid rally later in the week following the announcement of a 90-day pause on tariff increases above 10 per cent for countries other than China.

Similarly, the April update on consumer sentiment showed sharply weaker reads over the course of the survey week that suggest the May survey, which will be run before the next Reserve Bank of Australia (RBA) meeting, is coming from a considerably weaker starting point, added the release.

Source: fibre2fashion.com– Apr 24, 2025

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China-UAE textile trade declines in 2025 amid investment push

China and the United Arab Emirates (UAE) are working to advance their comprehensive strategic partnership by increasing investments. However, the textiles and apparel trade has faced declines this year. In the first two months of 2025, China's apparel exports dropped by 47 per cent, and fabric exports fell by 23.5 per cent. Recently, Chinese Vice Premier Ding Xuexiang and UAE Vice President Sheikh Mansour bin Zayed Al Nahyan virtually held the inaugural meeting of a high-level committee for China-UAE investment cooperation. Ding praised the committee's role in fostering results in bilateral cooperation, stating that China will work with the UAE to implement the common understandings between the two heads of state and enhance the efficiency and scale of investment cooperation to strengthen the two countries' comprehensive strategic partnership.

Despite these efforts, the latest trade data indicates volatility in the textile and apparel trade. China's apparel exports to the UAE dropped by 47.1 per cent to $268.6 million in January-February 2025, compared to $507.539 million in the same period last year. Similarly, fabric exports to the UAE decreased by 23.5 per cent to $256.247 million in the first two months of 2025, down from $335.858 million in the corresponding period of the previous year, according to Fibre2Fashion's market insight tool TexPro.

The UAE is a key consumer of textile products, while China is the largest textile and apparel exporter globally. China's apparel exports to the UAE peaked at $2,731.199 million in 2021, reflecting a surge of 68.61 per cent. However, this growth slowed in the subsequent years. Exports decreased by 3.78 per cent to $2,627.980 million in 2022, dropped by 17.9 per cent to $2,157.500 million in 2023, and further fell by 12.3 per cent to $1,891.824 million in 2024, according to TexPro.

In terms of fabric, China's exports reached $1,494.807 million in 2021, a 91.92 per cent increase from the previous year. This figure rose by 12.46 per cent to $1,680.990 million in 2022. However, trade eased by 6.26 per cent to $1,575.830 million in 2023, before bouncing back with a 12.59 per cent increase to $1,774.276 million in 2024.

Source: fibre2fashion.com– Apr 24, 2025

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Euro area trade surplus with rest of world estimated at €24 bn in Feb

The euro area recorded a trade surplus of €24 billion (~$25.68 billion) in goods with the rest of the world in February 2025, up from €21.7 billion in February 2024, according to the initial estimate by Eurostat.

The euro area exports of goods to the rest of the world in February 2025 were €248.7 billion, an increase of 6.2 per cent compared to February 2024.

In February 2025, the euro area surplus saw a substantial increase from €0.8 billion in January 2025. Compared to the same period last year, the surplus in the chemicals sector saw a remarkable increase, from €19.2 billion to €30.3 billion. Meanwhile, sectors such as machineries and vehicles and other manufactured goods experienced a slight decrease compared to February 2024, Eurostat said in a press release.

In January to February 2025, the euro area recorded a surplus of €24.8 billion, a decrease compared with €32.3 billion in January-February 2024. The euro area exports of goods to the rest of the world rose to €480.9 billion (an increase of 4.5 per cent compared with January-February 2024), and imports rose to €456.1 billion (an increase of 6.6 per cent compared with January-February 2024).

Intra-euro area trade rose to €429.1 billion in January-February 2025, an increase of 0.2 per cent compared with January-February 2024.

In February 2025 compared with January 2025, euro area seasonally adjusted exports increased by 4.5 per cent, and imports increased by 2.0 per cent. The seasonally adjusted balance was €21.0 billion, an increase compared with the previous month of €14.4 billion.

In the last three months, seasonally adjusted exports in the euro area increased by 4.6 per cent, while imports increased by 2.0 per cent, compared with September-November 2024.

In the European Union (EU), extra-EU goods exports totalled €434.3 billion during January–February 2025, marking a 5.8 per cent rise compared to the same period in 2024, while imports grew by 9.1 per cent to €416.9 billion.

As a result, the EU recorded a surplus of €17.4 billion (~$18.62 billion), compared with €28.5 billion in January-February 2024.

Intra-EU trade remained steady at €671.8 billion during January-February 2025, showing no significant change compared to the same period in 2024.

In February 2025, the EU surplus rebounded significantly compared to January 2025, rising from a deficit of €5.6 billion to a surplus of €23.0 billion. Compared to the same period last year, the chemicals sector witnessed a remarkable increase, with its balance rising from €17.3 billion to €28.6 billion.

Meanwhile, sectors such as machineries and vehicles experienced a decrease of the balance, from €23.7 billion to €19.4 billion. Other manufactured goods shifted from a surplus of €2.6 billion to a deficit of €0.6 billion.

In February 2025, compared to January 2025, seasonally adjusted exports from the EU27 rose by 4.8 per cent, while imports grew by 1.1 per cent. The seasonally adjusted trade balance reached €19.0 billion, up by €10.6 billion compared to January.

In the last three months, seasonally adjusted exports and imports in the EU rose by 5.7 per cent and 2.7 per cent, respectively.

Source: fibre2fashion.com– Apr 25, 2025

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California Ports Brace for Sharp Tariff-Driven Volume, Traffic Drop

As tariff drama unfolds and threatens to snarl the movement of goods into the U.S., the San Pedro Bay ports of Los Angeles and Long Beach could see steeper-than-anticipated drop-offs in cargo volume to kick off the first full week of May.

According to the L.A. port's Port Optimizer, inbound cargo volume for the week of May 4-10 is forecast to plummet 32.8 percent from the year prior to 74,925 20-foot equivalent units (TEUs).

In March, Port of Los Angeles executive director Gene Seroka projected a 2025 second-half volume decline of 10 percent, before indicating earlier this month that the drop-off could start as early as May.

When including Long Beach, the full complex could see a much deeper year-over-year drop in total vessel calls, with Port of Long Beach CEO Mario Cordero citing a 44 percent decline in ships projected to enter both ports that week.

Cordero had already been more bearish than Seroka about the rest of the year, previously saying that total cargo volumes into the Long Beach port would sink 20 percent in 2025's second half.

The Port Optimizer indicates a current flood of cargo into the L.A. port ahead of the downturn, representing much of the remaining product that has been out on the ocean for weeks, ahead of President Donald Trump's "Liberation Day" announcement of country-specific "reciprocal" tariffs and a repeatedly escalating series of duties on goods out of China.

For the current week of April 20-26, TEUs are up 56 percent from the year prior to 119,784 containers. The product rush is immediately expected to subside 28.6 percent on a weekly basis next week (April 27-May 3) to 85,486 TEUs.

This would mark a 10.5 percent dip from the year prior, and be the first week the tariffs will significantly impact volume into West Coast ports.

The China tariffs in particular, which have since ran up to 145 percent, have spooked U.S. importers into cancelling or postponing shipments en masse until the situation is clearer.

The ripples from the cancellations and delays have manifested out on the Pacific Ocean, first with a slowdown in export activity out of major China ports including Shanghai, Ningbo and Shenzhen and a slew of blank sailings from ocean carriers on the trans-Pacific trade lane.

As much as 28 percent of weekly cargo capacity on the Asia-to-U.S. West Coast route is expecting to be blanked on the week of April 28-May 3, says Sea-Intelligence.

One of the world's largest ocean carriers, Hapag-Lloyd, said its customers have cancelled 30 percent of China-to-U.S. shipments. While the shipping firm is keeping the number of passages unchanged, it is using smaller vessels on the trans-Pacific.

For now, it appears demand is coming from elsewhere as the 145-percent tariffs remain in effect.

"There is substantial cargo from China being held back and a big increase in bookings from Southeast Asia like Thailand and Cambodia," said Nils Haupt, a spokesperson for the German container shipping liner. "This is the most unpredictable period we've ever been in."

Thailand and Cambodia are currently both subject to the 10-percent baseline tariffs Trump slapped on all countries after putting his original country-specific tariffs on pause for 90 days.

If the China tariffs are lowered, which has been hinted at by both Trump and Treasury Secretary Scott Bessent, container shipping would likely bring a sudden surge in Chinese cargo volumes back to the West Coast ports.

"This will in part be cargo which has been held back over the past three weeks, and in part an effect of U.S. importers being wary that tariffs changes tend to happen very quickly and therefore would want to get the peak season volumes moved as fast as possible lest the tariffs should suddenly rise again," said Lars Jensen, CEO of Vespucci Maritime, in his daily LinkedIn update Wednesday.

However, a positive turn of fortunes would not make supply chain operations any easier.

"Given the rash of blank sailings in recent weeks, a sudden sharp lowering of U.S. tariffs and surge in volume is likely to cause short-term hiccups in the supply chain with possible capacity shortage and resultant escalating rate levels," said Jensen.

The unpredictability out at sea is inevitably expected to cascade over to U.S. logistics industries like trucking, rail and warehousing.

Trucking companies have largely avoided the California ports in recent weeks due to the tariffs, as truck drivers anticipate fewer volumes for transportation.

On the rail, Union Pacific noted in an earnings call that the company expects decreased international intermodal volume in the second half of the year as customers diversify back to East Coast and Canadian ports. CSX, which doesn't operate on the West Coast, remained optimistic that volumes on the East Coast would possibly benefit due to the West Coast ports' high concentration of Chinese imports.

And in warehousing, Prologis has already seen a stockpiling of inventory levels and a search for overflow space, with one prominent customer increasing their warehouse utilization from 83 percent to over 90 percent.

"Even with the pause in some tariffs or a resolution of others, customers simply lack a steady backdrop upon which to plan their businesses," said Prologis chief financial officer Tim Arndt in a recent earnings call.

Source: sourcingjournal.com– Apr 24, 2025

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Tariff Ticker: Trump 'Chickening Out' on China?

President Donald Trump appears to be pulling punches when it comes to China, and the markets are heaving a sigh of relief.

After U.S. Treasury Secretary Scott Bessent intimated yesterday that a deal with China could be imminent, the Commander in Chief told reporters at the Oval Office that he plans to bring down the triple-digit duty rate on imports, acknowledging, "145 percent is very high, and it won't be that high" moving forward.

"It won't be anywhere near that high. It'll come down substantially, but it won't be zero," he added. The U.S. will set the terms of the forthcoming agreement, Trump said—"Otherwise they're not going to be able to deal in the United States. If they don't make a deal, we'll set the deal, because we're the ones that set the deal."

The president's comments were in response to questions from reporters about Bessent's earlier assertion that a tit-for-tat trade war with China can't go on indefinitely. The Treasury Secretary met with executives at a closed-door meeting for JP Morgan on Tuesday to answer questions about the administration's trade policy and its impacts on U.S. businesses.

The Wall Street Journal reported Wednesday that an unnamed White House official hinted that tariffs on China-made goods could be lowered to a rate between 50 percent and 65 percent. Bessent reiterated his perspective at an Institute of International Finance (IIF) event, saying that there could be a "big deal" in the works. "If China is serious on less dependence on export-led manufacturing growth and a rebalancing toward a domestic economy.... if they want to rebalance, let's do it together. This is an incredible opportunity," he said.

The tariffs have thus far not helped in rebalancing U.S. trade with China, with many American businesses pausing critical inventory shipments and forgoing sales as they await the next Truth Social missive from the president. The federal government isn't raking in nearly as much as Trump has repeatedly promised, either; after saying reciprocal duties are bringing in $2 billion in government revenue each day, Customs and Border Protection (CBP) released data suggesting that the number rings in closer to $250 million.

X users called out Trump's bluster, using words like "caved" and "folded" to describe the president's posture when it comes to the tariffs on China. Meanwhile, CNN reported that the phrase "Trump chickened out" was trending on Chinese social media platform Weibo, generating more than 150 million views. Following the comments from American officials, China Foreign Ministry spokesperson Guo Jiakun reiterated China's position, saying, "We have said from day one that tariff and trade wars have no winners, protectionism leads nowhere, and to decouple is to self-alienate."

"This tariff war is launched by the U.S. We have made it very clear that China does not look for a war, but neither are we afraid of it. We will fight, if fight we must," he added at a press briefing on Wednesday.

"Our doors are open, if the U.S. wants to talk. If a negotiated solution is truly what the U.S. wants, it should stop threatening and blackmailing China and seek dialogue based on equality, respect and mutual benefit," Jiakun said. "To keep asking for a deal while exerting extreme pressure is not the right way to deal with China and simply will not work."

In the wake of a possible cooling of long-simmering trade tension, the markets rallied. On Wednesday, the Nasdaq Composite jumped 3.26 percent, or 535.5 points, while the S&P 500 was up more than 2 percent, or nearly 113 points. The Dow Jones Industrial Average came up 1.4 percent, a 575.8-point gain.

Wall Street's sunnier disposition was also helped by Trump's softening stance on longtime target Jerome Powell. After lambasting the Federal Reserve chairman ruthlessly for months, Trump told reporters Tuesday that he has "no intention" of removing Powell from his post. "None whatsoever, never did," he emphasized—despite comments last week that if he "want[ed] him out of there, he'll be out real fast."

Trump has long been calling for the Fed to slash interest rates—an action Powell has thus far declined to take as inflation has remained above the central bank's 2-percent target for four years. Last week, Powell warned of "higher inflation and slower growth" to come, citing the administration's trade policies as the key reason for consumers' growing concerns about the economy and spending.

Source: sourcingjournal.com– Apr 23, 2025

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South Asia's economic growth projected to slow in 2025: World Bank

South Asia's growth is projected to slow to 5.8 per cent in 2025, 0.4 percentage points (ppts) below the October forecast, before recovering to 6.1 per cent in 2026, according to the World Bank's latest South Asia Development Update, titled 'Taxing Times'. This outlook is vulnerable to increased risks, including a highly uncertain global environment and domestic challenges, such as limited fiscal capacity.

South Asia's growth outlook has weakened, with projections revised down for most countries in the region due to rising uncertainty in the global economy. Stepping up domestic revenue mobilisation could help the region strengthen fragile fiscal positions and increase resilience against future shocks, the World Bank said in its twice-yearly regional outlook.

For India, the growth is expected to slow from 6.5 per cent in FY24/25 to 6.3 per cent as in FY25/26 as the benefits to private investment from monetary easing and regulatory streamlining are expected to be offset by global economic weakness and policy uncertainty.

In Bangladesh, growth is expected to slow in FY24/25 to 3.3 per cent amid political uncertainty and persistent financial challenges, and the growth rebound in FY25/26 has been downgraded to 4.9 per cent.

Pakistan's economy continues to recover from a combination of natural disasters, external pressures, and inflation, and is expected grow by 2.7 per cent in FY24/25 and 3.1 per cent in FY25/26.

Meanwhile, in Sri Lanka, the government has made further progress with debt restructuring, and a projected rebound in investment and external demand is expected to lift growth in 2025 to 3.5 per cent before it returns to 3.1 per cent in 2026.

"Multiple shocks over the past decade have left South Asian countries with limited buffers to withstand an increasingly challenging global environment," said Martin Raiser, World Bank vice president for South Asia. "The region needs targeted reforms to strengthen economic resilience and unlock faster growth and job creation. Now is the time to open to trade, modernise agricultural sectors, and boost private sector dynamism."

A key component of strengthening economic resilience will be domestic revenue mobilisation. Although tax rates in South Asia are often above the average in developing economies, most tax revenues are lower. On average during 2019–23, government revenues in South Asia totalled 18 per cent of GDP—below the 24 per cent of GDP average for other developing economies. Revenue shortfalls are particularly pronounced for consumption taxes but are also sizable for corporate and personal income taxes, World Bank said in a press statement.

Tax revenues in South Asia are estimated to be 1 to 7 ppts of GDP below their potential, based on existing tax rates. Some of this shortfall is explained by the widespread informality and large agricultural sectors in the region. However, even after taking this into account, sizable tax gaps remain, highlighting the need for improved tax policy and administration.

"Low revenues are at the root of South Asia's fiscal fragility and could threaten macroeconomic stability, especially in times of elevated uncertainty," said Franziska Ohnsorge, World Bank chief economist for South Asia. "South Asian tax rates are relatively high, but collection is weak, leaving those who pay taxes with high burdens and governments with insufficient funds to improve basic services."

The report recommended a range of policies to improve tax revenues by eliminating loopholes, streamlining tax codes, tightening enforcement, and facilitating tax compliance. This includes paring back tax exemptions; simplifying and unifying the tax regime to reduce incentives to operate in the informal sector; and using digital technology to identify taxpayers and facilitate collection.

The report noted the potential of adopting pollution pricing, which could help address the high levels of air and water pollution while raising government revenues.

Source: fibre2fashion.com– Apr 25, 2025

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Turkiye & Kazakhstan sign $731 mn currency swap deal

The Central Bank of the Republic of Turkiye and the National Bank of the Republic of Kazakhstan have signed a Turkish lira-Kazakhstani tenge bilateral swap arrangement. The agreement, signed in Washington, US, by Governor Fatih Karahan, PhD, and Governor Timur Suleimenov, allows the exchange of local currencies of up to TRY 28 billion (~$731.11 million) or KZT 423 billion.

This arrangement is designed to promote bilateral trade through a swap-financed trade settlement facility and financial cooperation between the two countries. Both sides expect that this arrangement will further strengthen the collaboration between the two central banks, Central Bank of the Republic of Turkiye said in a release.

It will be effective for three years and may be extended further by mutual agreement.

Source: fibre2fashion.com– Apr 24, 2025

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Vietnamese e-com market's revenue to rise 15% QoQ in Q2 2025: Metric

Vietnam's e-commerce market's revenue is expected to reach nearly $4.6 billion in the second quarter (Q2) this year —a 15-per cent increase quarter on quarter (QoQ), and product volume is estimated at 1.112 billion items— up by 17 per cent QoQ, financial intelligence firm Metric recently projected.

This growth is expected to be driven by mid-year promotional campaigns and a steady trend in online shopping. Additionally, consumers are shifting their spending toward essential and health-related goods, along with a rising preference for high-quality, transparently sourced products.

Over 38,000 online shops on Vietnam's major e-commerce platforms reported zero orders in Q1 2025, indicating that small-scale vendors are retreating, ceding market space to larger sellers with superior operational capacity, a report by Metric revealed.

Consumers are increasingly favouring official Mall stores, which have become key growth drivers for e-commerce platforms, it observed.

Although Mall stores represent just 3 per cent of total shops, they contributed 26.7 per cent of the total revenue on Shopee and TikTok Shop, highlighting their essential role in driving sales.

Total revenue from Vietnam's top four e-commerce platforms—Shopee, TikTok, Lazada and Tiki—rose by 42.29 per cent year on year (YoY), reaching approximately $4 million. Around 950.7 million products were sold during the period.

Shops earning over $2 million increased by 95 per cent YoY in Q1 2025.

In particular, TikTok Shop recorded a 113.8 per cent surge in revenue, increasing its market share from 23 per cent to 35 per cent. This highlights the rising popularity of short-video-based shopping among Vietnamese consumers, domestic media outlets reported.

Despite maintaining a growth rate of 29.3 per cent, Shopee's market share shrank from 68 per cent to 62 per cent, indicating intensifying competition. Lazada and Tiki faced significant drops, with revenues dropping 43.5 per cent and 66.6 per cent, respectively.

Metric attributes this shift to the rapid migration of consumers toward content-driven platforms like TikTok Shop.

Shoppers are prioritising official stores to ensure product quality and reliable service, reflecting a growing emphasis on brand credibility.

Imported products on Shopee are competing more and more with domestic sellers due to competitive pricing, diverse styles and alignment with local consumer preferences.

In Q1 2025, the imported goods segment generated around $141 million in revenue, with over 80 million items sold. This represents a 12.2 per cent increase in revenue and a 7.18 per cent rise in sales volume. Despite holding just 5.9 per cent market share, this segment continues to attract shoppers.

Source: fibre2fashion.com– Apr 25, 2025

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Bangladesh: RMG orders adequate until Christmas

Local suppliers have secured adequate work orders from US clothing retailers and brands to stay busy until Christmas at the end of this year, although the shipments are likely to be subject to Trump's reciprocal tariffs.

The factories will start manufacturing garments in full swing for the Christmas season from June, and it will continue until the end of July.

The shipment of the goods to the US will start from August so that they can be sold in November and December.

The autumn and winter seasons, Christmas, and Thanksgiving are major sales seasons for garments in the Western world.

However, a majority of local garment exporters are still waiting for Trump's final decision on tariffs, as his administration has given a 90-day pause on the reciprocal tariffs on the countries concerned.

Regarding the next summer season's work orders, both suppliers and buyers are yet to hold negotiations to confirm their values and volumes, as retailers and brands are waiting for Trump's final decision.

Like other countries, the 10 percent baseline tariff is still in place for Bangladesh, except for the 145 percent tariff on the import of Chinese goods. Although Trump on Wednesday assured he would consider a substantial reduction of tariffs on Chinese goods, he made it clear it would not be to zero.

Bangladeshi garment suppliers are now busy holding negotiations on work orders to increase export volumes to Europe and other countries because of favourable or zero tariff rates for Bangladesh.

Bangladesh may face tough competition in other markets such as the European ones, as China and Vietnam will also try to grab bigger market shares to offset the probable reduction in shipments to the US due to the high tariffs imposed on them by the Trump administration.

The booking of orders until Christmas was confirmed by Abdullah Hil Rakib, managing director of TEAM Group, which exported $560 million worth of garments last calendar year, about 25 percent of which were destined for the US.

"So, I am not worried about the next Christmas shipment," Rakib told The Daily Star over the phone.

He also said that over the last few years, he has been increasing garment exports to the US but might have to conduct reviews due to the high tariffs that have been proposed.

Rakib is hopeful that garment exports to the US from Bangladesh will increase further because of the high tariffs imposed on products from China and Vietnam.

He said that after Trump's tariffs were announced, a US-focused retailer came to his factory.

The retailer was planning to shift work orders from China to his factory as the tariff on Chinese goods is very high at 145 percent, and the effective rate on Bangladesh was 26 percent, including a previous 16 percent and a 10 percent baseline tariff.

Rakib is hopeful that US buyers will ultimately come to Bangladesh for sourcing garments as the tariff on products from China and Vietnam—two global giants in garment production—is higher than that on products from Bangladesh.

On the other hand, the tariff on Indian goods is lower than that on Bangladeshi products, but India does not have high manufacturing capacity.

Moreover, Pakistan will face lower tariffs than Bangladesh, but its product varieties are not as diversified as those of the latter, he said.

Shovon Islam, managing director of Sparrow Apparels Ltd, which annually exports garments worth $300 million, about 50 percent of which end up in the US, said some of his buyers were demanding that he bear half of the 10 percent baseline tariff.

However, in garment manufacturing, 70 percent is spent on fabrics, which the manufacturers import to make the garments.

He also said he would have to ship all the goods by mid-September to his US buyers so that the goods could be sold during the Christmas season.

He has received 10 percent fewer work orders year-on-year from his US buyers this season because of the Trump tariffs.

Syed M Tanvir, managing director of Pacific Jeans, said he was still holding negotiations with his US buyers over the Christmas shipments.

"My US buyers neither cancelled nor increased the work orders and also did not seek any discount from me," said a Rupganj-based garment exporter asking not to be named.

Some 40 percent of his yearly exports go to the USA.

But at the same time, it is also not clear what the buyers will do after August, as they are also in a wait-and-see approach now because of the 90-day pause in tariffs, he said.

By June this year, the buyers will be able to confirm work orders for the next season, the exporter also said.

Faruque Hassan, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the buyers may offer lower prices because of the high tariffs, but the exporters would have to stay positive and strong in negotiations.

Currently, more than 900 local garment factories send apparel to the US, and nearly 25 factories have a high concentration on the American markets.

Bangladesh is the third-largest garment exporter to the US after China and Vietnam, and accounts for 9.3 percent of the over $100 billion worth of garments it imports in a year.

Source: thedailystar.net– Apr 25, 2025

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EuroCham in Bangladesh concerned over planned trade concessions to US

The European Union Chamber of Commerce (EuroCham) in Bangladesh recently requested the interim government to avoid discriminating against European Union (EU) companies by mulling over offering substantial trade concessions to the United States.

The EU accounts for half of Bangladesh's exports and has been offering the latter duty- and quota-free preferential access under the 'Everything But Arms' scheme since 2001.

Bangladesh enjoys a notably higher trade surplus with the EU compared to its other trading partners.

Out of a total €22-billion trade in 2024, EU exports accounted for only €2 billion, resulting in a trade balance strongly in favour of Bangladesh, the chamber said in a statement.

High tariffs and non-tariff barriers hinder EU companies' efforts to engage in business with and export to Bangladesh, it was cited as saying by domestic media reports.

EuroCham encouraged Dhaka to reaffirm its commitment to a rules-based trading system and to pursue essential trade policy and customs reforms, while ensuring fair and equitable treatment for all trading partners, the statement added.

Source: fibre2fashion.com– Apr 25, 2025

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Bangladesh signs pacts with 2 Japanese firms for deep sea port upgrade

Bangladesh's Chattogram Port Authority (CPA) recently signed an agreement with two Japanese firms, Penta-Ocean Construction Co Ltd and TOA Corporation, to upgrade infrastructure at the Matarbari Deep Sea Port, the country's only deep sea port.

The project will be jointly financed by CPA and the Japan International Cooperation Agency.

Brig. Gen. (retd) M Sakhawat Hossain, the country's adviser on shipping and labour and employment, Affairs, said the upgrade would significantly enhance the nation's capacity to handle large vessels while reducing congestion at existing ports.

"It will streamline the supply chain and provide direct access to the emerging industrial belt in Cox's Bazar and Moheshkhali. Ultimately, this will position Bangladesh as a key energy and transshipment hub in the region," he was quoted as saying by domestic media reports.

Under 'package 1' of the project, the development will include a 300-metre-long multipurpose berth for ships up to 200 metres in length, a 460-metre-long container berth for vessels up to 350 metres, and construction and installation of terminals, buildings and pavement.

It will also include sea walls, retaining walls, boundary walls, land development, dredging, land reclamation, utilities, emergency power systems, solar energy components, and other supporting infrastructure.

Once operational, the port will feature approximately 5,100 ground slots for container storage. It will be capable of accommodating container ships with a draft of 14.5 metres and lengths of up to 300 metres, handling around 8,200 TEUs per ship.

By 2029, the port is expected to handle 0.6-1.1 million TEUs annually, with capacity projected to reach 2.2-2.6 million TEUs by 2041.

Source: fibre2fashion.com– Apr 24, 2025

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Tanzania Cotton Board, Karachi Cotton Association explore new export opportunities

Led by Marco Charles Mtunga, Director General, a delegation from the Tanzania Cotton Board recently visited the Karachi Cotton Association to promote their shared interests and explore more opportunities for exporting cotton from Tanzania.

During the meeting, KCA officials expressed concerns about the quality of cotton being imported from Tanzania and the packaging of the cotton bales. Furthermore, they pointed out to challenges related to tracking the origin and ensuring sustainable practices, which local importers faced when buying raw cotton from Tanzania.

Mtunga assured the KCA members of addressing these issues with the Tanzanian Government to resolve them in the best interest of Pakistani cotton importers.

He explained, Cotton production in Tanzania was mainly driven by small-scale farmers, with the Shinyanga and Mwanza regions being the largest cotton-growing areas. On average, the country cultivates cotton on about a 400,000 acre farm every year. However, the amount of cotton produced per acre is lower compared to the global average, Mtunga added.

Dependent mostly on rainfall, this cotton cultivation is affected by weather conditions, the prices farmers receive, and the availability of farming supplies, agricultural advice, and new technologies.

Jahangir Moghul, Vice Chairman, KCA notes, after reaching a high of 14.26 million bales in 2004-05, Pakistan's cotton production gradually decreased each year. As a result, the local textile industry is forced to import raw cotton to meet its increasing needs.

Source: fashionatingworld.com– Apr 25, 2025

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NATIONAL NEWS

US' nod to ToRs for trade pact with India sets the stage for trade talks in Washington

With the US finally giving its official approval to the Terms of Reference for the India-US bilateral trade agreement (BTA), the stage is now set for officials from the two sides, who are meeting this week in Washington DC, to flesh out details of the areas and issues to be covered in the negotiations.

The going, however, is likely to be tough for India, with US Trade Representative Office reinforcing on Wednesday the need for tariff cuts in agricultural products, an economically and politically sensitive area for India.

"The US has one of the lowest average applied tariff rates on agricultural products. But many of our trading partners maintain prohibitive tariff rates that constrain export opportunities for American farmers and ranchers," said USTR in a social media post.

USTRFarm trade

Unfair and non-reciprocal practices have undermined US competitiveness and led to large and persistent trade deficits with many trading partners, he added. "This year the US agricultural trade deficit is projected to grow to $49 billion—a record high!," Greer pointed out.

Apart from the scope of tariffs cuts, a decision on inclusion of other areas such as intellectual property, digital trade, government procurement, social security and work visas will also now be thrashed out between trade officials from the two sides, sources said.

"The US nod for the ToRs, announced by US Vice-President JD Vance after his meeting with Prime Minister Narendra Modi on Monday, has come just in time to give direction to top officials from the two countries, who are meeting in Washington DC this week, on the coverage of the BTA," a source tracking the matter told businessline.

ToRs outline the specific goals of a trade agreement, such as reducing tariff barriers, non-tariff barriers, regulatory concerns and customs facilitation or address specific trade-related issues such as lowering of trade deficits.

On the table

“Trade officials will now discuss, among other things, what the scope of tariff cuts should be, what all would qualify as non-tariff barriers and how should they be treated and what regulatory matters need to be put on the table. Determining the scope for agriculture will be particularly difficult as it is a sensitive area,” the official said.

The officials will also try to schedule the talks in a way that a part-outcome is reached within the 90-day pause period for the US reciprocal tariffs.

On April 2, US President Donald Trump announced reciprocal tariffs on most countries that have trade surpluses with the US, including India which got slapped with 26 per cent levies, but he paused them for 90 days to give time for trade deals.

Source: thehindubusinessline.com– Apr 23, 2025

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US Treasury Secy says India likely to be first to sign trade deal with Washington

US Treasury Secretary Scott Bessent has said he expects India to strike the first bilateral trade deal to avoid President Donald Trump's reciprocal tariffs, according to the New York Post. A 26 per cent 'reciprocal' tariff on Indian exports to the US is currently on a 90-day pause, set to expire on July 8. However, like other countries, India is presently subject to a 10 per cent tariff under the existing policy.

According to the New York Post, Bessent told a roundtable of about a dozen reporters on Wednesday that trade talks with India are "very close" to reaching a successful conclusion because the world's most populous nation doesn't have "so many high tariffs."

"India also has fewer non-tariff trade barriers, obviously, no currency manipulation, very, very little government subsidies, so that reaching a deal with the Indians is much easier," Bessent said at the DC event on the sidelines of the annual World Bank and International Monetary Fund meetings.

President Trump has demanded that other countries break down their tariffs and non-tariff barriers to American goods, as well as eliminate US trade deficits, the New York Post said.

Earlier on Tuesday, US Vice President JD Vance in Jaipur urged India to drop non-tariff barriers, give greater access to its markets and buy more American energy and military hardware as he laid out a broader roadmap of deeper ties between the two nations for a "prosperous and peaceful" 21st century.

The New York Post quoted data from Census Bureau to say that India accounted for nearly 3 per cent of imported goods to the US as of February. The US had a USD 45.7 billion trade deficit with India in 2024, according to the Office of the US Trade Representative.

Source: economictimes.com– Apr 24, 2025

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India, South Africa discuss preferential trade pact through SACU bloc

India and South Africa have held talks on a preferential trade agreement (PTA) or a limited trade deal via the five-member South African Customs Union (SACU) to expand trade ties, the commerce department said on Thursday.

SACU nations include South Africa, Namibia, Botswana, Lesotho and Eswatini and is the world's oldest customs union -- over a century old.

Of the five nations, as much as 95 per cent of trade is with South Africa.

A nine-member delegation held the Joint Working Group on Trade and Investment meeting with the South African side in Pretoria, South Africa on 22nd-23rd April, the commerce department said in a statement.

Both sides also explored potential areas of collaboration such as pharmaceuticals, healthcare, agriculture, MSMEs. They also discussed revival of the CEO Forum, investment cooperation, market access issues with regard to agricultural products, local currency settlement system, among others.

South Africa is the largest trading partner of India in the Africa region.

Bilateral trade between India and South Africa stood at $19.25 billion in the financial year 2023-24 (FY24). In the past India and SACU nations were in talks for finalising a preferential trade agreement. The 1st round of technical discussions for India-SACU PTA took place in Pretoria in October, 2007, which was followed by four more rounds till 2010.

Source: business-standard.com– Apr 25, 2025

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As India halts trade, Pakistan may seek Indian goods via third countries at higher prices: GTRI

Following the recent terror attack in Pahalgam, India has officially halted all trade with Pakistan, further escalating tensions between the two countries.

However, according to the Global Trade Research Initiative (GTRI), this border closure is expected to stop only formal trade, not demand. Pakistan is likely to try to continue sourcing Indian goods indirectly through third countries, though at a higher cost.

GTRI mentioned that trade relations between India and Pakistan have remained strained since the Pulwama attack in February 2019. At the time, India revoked Pakistan's Most Favoured Nation (MFN) status and imposed a steep 200 per cent duty on its imports. It said, "In short, border closures halt formal trade--but not demand. Pakistan will continue sourcing Indian goods, just at a higher cost and through third countries." In response, Pakistan suspended all bilateral trade with India by August 2019. Since then, formal trade has largely been suspended, with only a few exports from India--mainly medicines--allowed on humanitarian grounds.

Despite the official trade freeze, India exported goods worth $447.7 million to Pakistan in the current fiscal year (April 2024 to January 2025), as per official data. These exports primarily included essential items such as pharmaceuticals (over $110.1 million), active pharmaceutical ingredients (APIS) worth $129.6 million, sugar valued at $85.2 million, auto parts worth $12.8 million, and fertilizers worth $6 million. In contrast, India's imports from Pakistan were negligible, amounting to just $0.42 million. These imports included niche agricultural items, such as figs worth $78,000, and herbs like basil and rosemary, valued at $18,856.

Although formal trade channels are now completely closed, Pakistan will try to continue the imports through informal routes via third countries. GTRI estimates that nearly $10 billion worth of trade still takes place through re-export routes, mainly via the United Arab Emirates and Singapore. Pakistan reportedly imports several Indian products through these third countries, including pharmaceuticals, chemicals, cotton, tea, coffee, dyes, onions, tomatoes, iron, steel, sugar, salt, and auto parts.

On the other hand, India may receive goods like Himalayan pink salt and dry fruits such as dates, apricots, and almonds from Pakistan through similar indirect routes. The current move is expected to raise the cost of such goods in Pakistan while also complicating supply chains.

Source: thehindubusinessline.com– Apr 25, 2025

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Indian firms should avoid re-routing of goods from China to US: GTRI

Domestic exporters should not use India as a destination for re-routing goods originating from high-tariff countries like China to the US, economic think tank GTRI said on Thursday. Instead of re-routing, Indian exporters should build genuine value addition, supply chain transparency, and adhere to US customs rules, the Global Trade Research Initiative (GTRI) said.

Cautioning against "shortcuts", GTRI Founder Ajay Srivastava said Indian firms need to build on genuine value addition, supply chain transparency, and comply with US customs rules. For countries like India, the opportunity is real, but only if exporters play by the rules.

He added that exporters often misunderstood US non-preferential rules of origin (RoO), which determine a product's true origin. If a product contains high Chinese content and fails to meet the substantial transformation test, it may still be classified as Chinese, regardless of where it was assembled and subjected to punitive tariffs.

The US has imposed tariffs as high as 245 per cent on China, while most other countries continue to enjoy just 10 per cent duties. This disruption is prompting companies to rethink sourcing strategies, giving rise to three distinct trade models, each with different implications for exporters.

It also said that as Chinese exports to the US decline, manufacturers in China may try to offload their surplus in other markets at deeply discounted prices.

This could distort prices and hurt domestic industries in countries like India.

Already, the Directorate General of Trade Remedies (DGTR) is keeping a close watch on import trends, especially in sensitive sectors such as steel, toys, chemicals, and synthetic textiles, it added.

"Quick deployment of anti-dumping measures will be essential to protect Indian industry from injury," it said.

To ensure compliance with US RoO, firms must map and audit the supply chain to identify foreign content; redesign manufacturing processes to ensure domestic transformation of key inputs; and maintain meticulous documentation, including invoices, production steps, and origin declarations.

Further, it said India, with its robust and cost-effective API (active pharmaceutical ingredient) manufacturing ecosystem, is well-positioned to absorb a large portion of redirected demand in the chemicals sector.

In 2024, the US imported USD 165.5 billion worth of chemicals, including APIs and other pharmaceutical raw materials, with China supplying 9.7 per cent.

To navigate the tariff shock, several countries are poised to step in.

Similar opportunities are there for Indian firms in sectors such as machinery, electrical and electronic products, textiles, garments, leather and footwear, ceramic and cement products, and plastics, furniture, toys and medical devices.

Source: economictimes.com – Apr 24, 2025

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High US tariff on China, provides opportunity for India, but only if exporters play by rules: GTRI

Exporters eyeing new opportunities in the US market amid high tariffs of up to 245 per cent on China must proceed with caution, warns a new report by the Global Trade Research Initiative (GTRI).

The sharp rise in US tariffs on Chinese goods--up to 245 per cent--has opened a window for other countries like India, which has a much lesser tariff of 10 per cent at least till July 8, but the path is not without traps.

The report said "With Chinese exports facing tariffs as high as 245 per cent, while most other countries continue to enjoy just 10 per cent duties, this sharp tariff gap as a major disruptor of global trade flows. This disruption is prompting companies to rethink sourcing strategies, giving rise to three distinct trade models, each with different implications for exporters".

The report highlighted that simply rerouting Chinese goods through countries like India or Vietnam to avoid tariffs is risky and illegal. Such practices violate US sourcing rules and can lead to heavy penalties.

US Customs checks whether a product has truly changed during manufacturing. If not, even goods assembled outside China can still be taxed like Chinese products.

To benefit from the tariff gap--where most other countries face only a 10 per cent duty-- the report mentioned that the exporters must ensure that their products undergo "substantial transformation."

GTRI also added that this means real value addition, such as integration, design, or programming. Basic assembly or repackaging is not enough.
It said, "Simply assembling goods is not enough--true manufacturing transformation must occur".

The most sustainable model, according to GTRI, is to build manufacturing hubs outside China. Countries like India, Vietnam, Mexico, and others are seeing interest from global companies looking to shift supply chains. These shifts are especially strong in sectors like garments, pharmaceuticals, toys, electronics, and chemicals.

India, in particular, stands to gain in APIs, textiles, leather, and home goods--if it follows the rules. The report advised the exporters to track their supply chains closely, document each step, and even apply for a binding ruling from US Customs to avoid surprises.

The report concluded that the export opportunity is real and significant--but shortcuts won't work. Long-term gains will come only to those who invest in genuine manufacturing, understand U.S. rules, and build transparent, compliant supply chains.

Source: economictimes.com – Apr 24, 2025

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RBI provides export relaxations through warehouses in Bharat Mart in UAE

The Reserve Bank on Wednesday relaxed norms to facilitate export through warehouses in 'Bharat Mart', a multimodal logistics network-based marketplace in the United Arab Emirates, that will provide Indian traders, exporters, and manufacturers access to the markets around the world.

In a circular, the RBI said banks may allow exporters to realise and repatriate full export value of goods exported to 'Bharat Mart' within nine months from the date of sale of the goods from the warehouse.

Further, banks have been asked to allow opening/hiring of a warehouse in 'Bharat Mart' by an Indian exporter with a valid importer exporter code without any pre-conditions, after verifying the reasonableness of the same.

It also apply on remittances by the Indian exporter for initial as well as recurring expenses for setup and continuing business operations of its offices.

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

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India reimposes MIP on 4 synthetic knitted fabric codes

India has reimposed a minimum import price (MIP) on four HSN codes under Chapter 60, which covers synthetic knitted fabrics. The MIP initially ended on March 31 this year. The Directorate General of Foreign Trade (DGFT), under the Ministry of Commerce and Industry, issued a notification on April 23 in this regard. As a result, there was a 22-day period without the MIP, during which industry experts anticipate a significant increase in imports of the product.

According to the notification, DGFT has reimposed an MIP of $3.5 per kg on HSN codes 60019200, 60053600, 60053790, and 60053900 for synthetic knitted fabric. These codes cover products made from man-made or synthetic fibres (unbleached or bleached). Synthetic knitted fabrics attract a 20 per cent duty on their value. Following the imposition of the MIP, the duty will be based on the determined minimum import value or the actual import value (whichever is higher).

The MIP was initially imposed on March 16, 2024, and extended over time, ending on March 31, 2025. Industry sources stated that the latest notification caused a 22-day blackout period when the MIP was not effective, creating a strong possibility of significant imports of synthetic knitted fabrics during that time.

The import of synthetic knitted fabrics under ITC (HS) codes 60019200, 60053600, 60053790, and 60053900 is 'restricted' until March 31, 2026, according to the notification. However, imports are 'free' if the CIF value is $3.5 per kilogram or higher. Additionally, inputs imported by Advance Authorization holders, Export Oriented Units (EOUs), and units in Special Economic Zones (SEZs) will be exempt from the MIP condition.

It is worth noting that the MIP on synthetic knitted fabric under nine other codes (60041000, 60049000, 60062200, 60063100, 60063200, 60063300, 60063400, 60064200, and 60069000) ended on March 31, 2025. However, the government had imposed a fixed basic customs duty of ₹115 per kg in the Union Budget for FY 2025-26. This means that imports of synthetic knitted yarn under these codes will attract a duty of either 20 per cent or ₹115 per kg (whichever is higher). This change came into effect immediately following the government's announcement on February 1, 2025.

However, more than three dozen codes for synthetic knitted fabrics remain unrestricted. Industry stakeholders are concerned that imports may be diverted under non-MIP and non-BCD codes. There are 55 codes under Chapter 60, of which 45 are active, according to industry sources.

Source: fibre2fashion.com– Apr 24, 2025

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UP to promote manufacturing, preparing policy for Rs 5 trn annual exports

The Uttar Pradesh (UP) government is preparing a new export policy that will give incentives to manufacturers for promoting industrial growth and "boosting shipments", a senior government officer has said.

The state is promoting manufacturing to attain its target of Rs 5 trillion in annual exports in four to five years. It made exports worth Rs 1.71 trillion in FY24. The state aims to increase its share in India's export basket from 4.71 per cent to 7.5 per cent over the years.

The new export policy will attract domestic and global investments. "It will offer incentives to manufacturers for promoting industrial growth and boosting shipments," said the officer.

The policy will "catalyse" the state's ambition of becoming a $1 trillion economy in four to five years and bolster the Brand UP theme. It is expected to provide Rs 10 crore as capital subsidy to investors to strengthen export infrastructure, said the officer.

A dedicated fund will be instituted to support businesses to participate in global marketing and export events. It will provide subsidies for air and port freights, and international certification.
Financial assistance to export units will be hiked from Rs 16 lakh to Rs 25 lakh per annum.

The state is developing its 75 districts as potential export hubs, setting up a network of warehouses, cargo terminals and trucking hubs. These infrastructure projects will be developed in industrial pockets and near expressways for fueling the local economy and creating jobs.

Under the UP Warehousing & Logistics Policy, the government offers various financial incentives for attracting private investments.

Various places in Uttar Pradesh are famous for traditional products: Varanasi for Banarasi silk sari, Bhadohi for carpets, Lucknow for chikan and Kanpur for leather goods.

Source: business-standard.com– Apr 24, 2025

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