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Currency Watch			
USD	EUR	GBP	JPY
85.22	97.05	114.27	0.60

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INTERNATIONAL NEWS

73% respondents cite global trade risks as top concern: US Fed report

The US Federal Reserve's (Fed) latest biannual Financial Stability Report counts rising risks around global trade, general policy uncertainty and the sustainability of US debt among the significant potential risks to the US financial system.

Seventy-three per cent of respondents cited global trade risks as a top concern, more than twice the number reported in November; Half cited policy uncertainty in general as a top concern, up as well from the last survey.

"Concern over changes to trade policy was the top-cited risk this cycle. While many respondents viewed tariffs as the key risk, some noted that the domestic economy could weather incremental tariffs on imported goods with only modest disruption," the report stated.

"Respondents considered that the potential for an escalatory trade war could have more severe consequences," it noted.

Respondents cited "changes in government spending priorities and the extent of U.S. international engagement" as driving uncertainty.

Twenty-seven per cent of contacts worried about functioning Treasury markets, up from 17 per cent in the last survey. Foreign divestment of US assets and the value of the dollar also rose on the list of concerns.

Though the US banking system remained sound and resilient as firms maintained robust capital ratios, bank credit commitments to less regulated non-banks continued to increase, the report added.

Source: fibre2fashion.com– Apr 25, 2025

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Trump Says US Ships Should Travel Panama, Suez Canals for Free

Already having stated his desires for U.S. military and commercial ships to get free passage through the Panama Canal, President Donald Trump has expanded his wish list.

The U.S. president said in a post on Truth Social Saturday that U.S. vessels should also get free passage in another major trade artery, Egypt's Suez Canal.

"Those Canals would not exist without the United States of America," the president claimed. "I've asked Secretary of State Marco Rubio to immediately take care of, and memorialize, this situation!"

The Suez Canal connects vessels from the Indian Ocean to the Mediterranean Sea, and was the main passage for ships on the Asia-to-Europe trade lane before the Red Sea crisis began in the wake of the Israel-Hamas war.

Since December 2023, most container ships have avoided the Suez Canal due to ongoing attacks on commercial vessels by Houthi militants in Yemen. Container ships instead have been diverting their routes around southern Africa's Cape of Good Hope, tacking on one-to-two weeks of transit times to their destination.

Egypt acknowledged in 2024 that its canal revenues had plunged by around 60 percent, a loss of $7 billion, as a result of the mass diversions. The Suez Canal Authority sets the fees for all passing ships.

Multiple Egyptian lawmakers expressed their annoyance with Trump's comments.

"Egypt will not accept this cheap blackmail," said Mustafa Bakry, a member of Egypt's parliament, in a post on X. "There are international rules that must be respected, and there is Egyptian sovereignty that must not be violated."

Another parliament member, Mahmoud Badr, wrote on his X account that "the Suez Canal was built by Egyptians with their blood and is protected by the Egyptian army."

Trump did not specify whether his demand applied to U.S.-flagged ships or U.S.-owned ships, but either way, American commercial traffic through the Suez Canal is minimal.

Only one U.S.-flagged vessel has used the Suez route since January 2024, largely due to Houthi-led disruptions, according to MarineTraffic data.

The Panama Canal is a different story, with 157 U.S.-flagged ships having transited the 51-mile waterway over the past 16 months. Tankers accounted for 107 of those crossings. In total, about 32 vessels cross the canal daily.

Following Trump's social media post, Panama President José Raúl Mulino followed up with one of his own indicating that there is there is no such agreement for free passage under the neutrality agreements put into effect in 1977.

He added that any special cooperation must be established by the Panama Canal Authority (ACP) in compliance with current regulations.

Trump's eyes have been on the Panama Canal since winning the 2024 presidential election, repeatedly threatening to "take back" the canal over concerns of Chinese influence over the waterway. The U.S. completed construction of the canal in 1914 and administered it for 85 years until officially transferring ownership to Panama on Dec. 31, 1999.

Secretary Rubio has already been at the center of the Panama Canal controversy, having had to walk back previous State Department claims that the Panamanian government agreed to no longer charge fees for U.S. ships. Mulino strongly denied the State Department assertions, leading to Rubio's retreat.

At the time, the ACP said it would prioritize the transit of U.S. Navy vessels sailing through the canal. According to the authority, the U.S. has paid $25.4 million in transit fees for its military ships over the past 26 years.

Aside from the canal itself, drama continues to surround the $23 billion, 45-port deal that would put ports on both sides of the waterway into the hands of a BlackRock-led consortium. Mediterranean Shipping Company (MSC), a member of the buying group, has reportedly considered separately buying the 43 non-Panama Ports from owner Hong Kong-based CK Hutchison as the U.S.-China tensions escalate.

The acquisition is being investigated by China's top antitrust regulator. On Monday, China's foreign ministry dialed up more scrutiny of the Hutchison-BlackRock deal, saying all parties involved in the transaction mustn't circumvent the review or the regulator would pursue legal action.

"China firmly opposes using economic coercion and bullying to harm other countries' legitimate rights and interests, said spokesperson Guo Jiakun. "We hope that all parties concerned will act prudently and have thorough communication with competent Chinese authorities."

As for the Suez Canal, there is no timeline of when normalcy will return to the conflict-ridden Red Sea, preventing much shipping activity from resuming there.

On Saturday, the Houthis warned container shipping owners, operations and managers of the risks of moving goods for 15 aerospace and defense companies it had sanctioned. Boeing and Lockheed Martin are included on that list.

"The existence of any such relationship will expose your company and fleet to sanctions, and, in the event your company is listed on the sanctions list, its fleet will be prohibited from transiting the Red Sea, Bab al-Mandeb Strait, the Gulf of Aden, the Arabian Sea and the Indian Ocean," Houthi's Humanitarian Operations Coordination Center (HOCC) sent in the reported email. "Furthermore, the company's fleet will be subject to targeting wherever reachable by the Yemeni Armed Forces."

The U.S. imposed its own sanctions Monday on three vessels and their owners for delivering oil and gas products to the designated terrorist organization. The sanctions came hours after the Iran-aligned group said 68 were killed in an American airstrike that hit a prison.

American military forces have ramped up near-daily airstrikes in Yemen after the ending of the Israel-Hamas ceasefire.

Source: sourcingjournal.com– Apr 28, 2025

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Turkiye's textile trade with Italy down, apparel imports climb in 2024

Turkiye and Italy are mutually dependent on each other for the trade of apparel and textiles to meet their respective industry needs. Turkiye's bilateral trade (exports and imports) of textiles, including fabric, with Italy declined in 2024. However, its apparel imports from Italy increased during the year, while its apparel exports to Italy recorded a decline.

The Turkiye–Italy 4th Intergovernmental Summit will be held on April 29 in Rome under the leadership of President Erdogan and Italian Prime Minister Giorgia Meloni.

Turkiye's textile exports to Italy fell to $620.035 million in 2024. This included fabric exports of $355.919 million (57.40 per cent), yarn exports of $211.316 million (34.08 per cent), and fibre exports of $52.798 million (8.52 per cent). Textile exports had stood at $847.271 million in 2022 and $640.256 million in 2023. Fabric accounted for more than 50 per cent of the total textile exports, according to Fibre2Fashion's market insight tool TexPro.

Turkiye imported textiles worth $398.121 million from Italy in 2024, down 16.73 per cent from $478.487 million in 2023. The imports were $487.973 million in 2022. In 2024, fabric imports totalled $308.849 million (77.58 per cent), yarn $82.337 million (20.68 per cent), and fibre $6.933 million (1.74 per cent).

Turkiye's apparel exports to Italy also declined 19.78 per cent, reaching $450.634 million in 2024. In comparison, exports were $561.083 million in 2023 and $593.119 million in 2022, according to TexPro. After the recovery from COVID-19, international trade in garments and textiles experienced a strong rebound, and Turkiye–Italy bilateral trade was no exception.

However, the trend in Turkiye's apparel imports from Italy has been the opposite in recent years. Imports rose from $173.407 million in 2022 to $253.650 million in 2023, and further to $283.087 million in 2024, marking an 11.85 per cent increase over 2023.

Source: fibre2fashion.com– Apr 29, 2025

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Germany's economy modest in Q1 2025, to face headwinds in Q2: Report

Germany's economic output is likely to grow modestly in the first quarter (Q1) of 2025 but may face a setback in the second quarter (Q2), according to the Bundesbank's latest monthly report.

Averaged over January and February 2025, industrial output in Germany rose slightly on a quarterly basis, although developments across individual sectors were mixed. Production of consumer goods and intermediate goods recorded slight increases, whereas capital goods production remained below the previous quarter's average, said the report.

Low-capacity utilisation in industry continues to weigh on firms' willingness to invest. Meanwhile, retail sales grew further during the two months, indicating a marginal rise in private consumption, according to Bundesbank economists.

Overall, domestic and foreign demand for German industrial products remained sluggish at the beginning of the year, after showing slight signs of recovery last year. By contrast, when averaged over the first two months of the year, price-adjusted goods exports rose markedly on the quarter.

The country's inflation rate fell again in March 2025. Headline inflation, as measured by the Harmonised Index of Consumer Prices (HICP), fell to 2.3 per cent, after standing at 2.6 per cent in February. Energy prices declined markedly on the month because of lower oil prices and the appreciation of the euro against the US dollar.

The US administration's announcement of new tariffs may have played a role here, according to the Bundesbank's economists. In February, exports to the United States expanded significantly again. However, provided that no such anticipatory effects occur again in Q2 2025, exports are likely to decline.

The report stated that in view of the US administration's tariff policy, the outlook for Germany's export business and industry remains gloomy overall.

The country's employment fell marginally in February, as it had done in January. This was driven primarily by a decline in the number of self-employed persons, while the number of employees remained essentially constant overall. As seen before, there were sizeable differences across the various sectors of the economy.

For instance, some services sectors—especially long-term care, healthcare and energy suppliers—continued to hire. In industry, by contrast, there were job losses in January. Overall employment is expected to remain broadly stable, added the report.

Source: fibre2fashion.com– Apr 29, 2025

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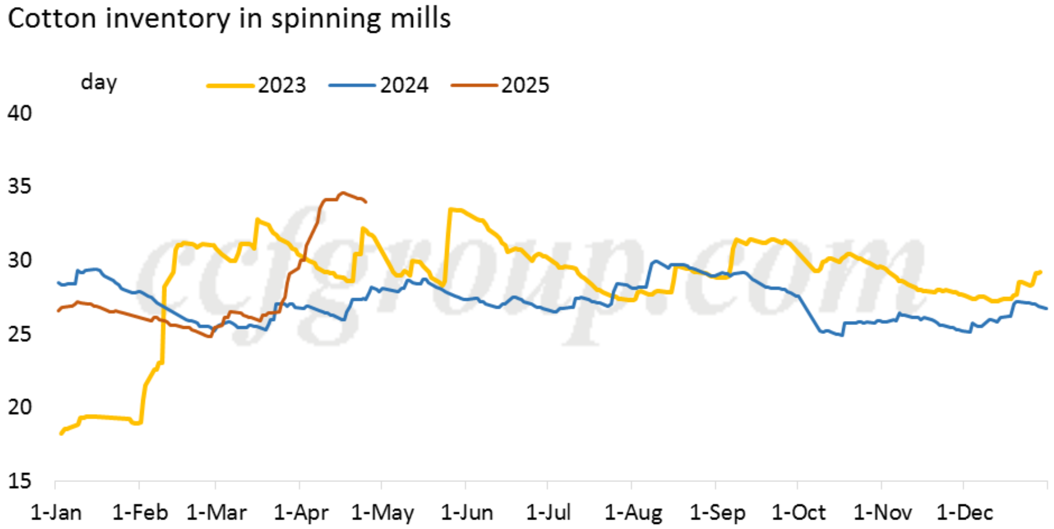
China: Spot cotton basis goes firmer with the large replenishment from spinners in Apr

From mid-March to mid-April, spinning mills replenished their cotton inventory largely, leading to a continuous strengthening of basis of spot cotton. Of course, this strengthening of basis had already shown initial signs after the Spring Festival.

Despite expectations of a substantial increase in Xinjiang cotton production for the 2024/25 season, concerns over structural shortages of high-quality cotton from North Xinjiang led large spinners and traders to continuously lock in supplies of quality North Xinjiang cotton, driving up the basis of spot cotton during March and April.

The strengthening of the basis occurred significantly earlier than in the same period last year, representing one of the few bright spots in a market characterized by macroeconomic concerns and generally weak demand.



Between mid-March and mid-April, downstream spinning mills rapidly replenished their cotton inventories. Currently, cotton inventory in spinning mills has been higher than the levels seen in recent years. However, this does not necessarily indicate strong downstream demand.

It was mainly driven by proactive restocking by mills in the latter half of March. Since March, downstream conditions have marginally improved, and cotton yarn inventory reduces gradually, which is now at relatively low levels. Furthermore, the ZCE cotton futures market has been fluctuating, hard to rise or decline. This situation gave spinners confidence to gradually increase their cotton inventory.

However, unexpectedly, the US initiated a tariff war around the Tomb-Sweeping Festival, causing a sharp decline in ZCE cotton after the holiday. This price drop forced spinners into passive restocking. Meanwhile, the restocking activity from mid-March to mid-April was primarily led by large spinning mills.

Some mills, driven by concerns about structural shortages of high-quality cotton, continuously locked in supplies of quality cotton early. However, the restocking momentum of small and medium-sized mills was significantly less than that of larger mills.

Though the total inspection volumes of Xinjiang cotton reached 6.6727 million tons by April 23, 2025, up 1.094 million tons from 5.5787 million tons from 2024, there was structural shortage of quality machine-picked cotton with better color index in North Xinjiang, so the basis of spot cotton went firmer.

Not only spinners replenished cotton, traders also continued to purchase quality cotton. Basis of North Xinjiang machine-picked grade-4129 cotton has risen from 700yuan/mt and above to 1,100yuan/mt and above on ZCE May contract, ex-Xinjiang.

Overall, although there are positive factors within the industry, such as low cotton yarn and grey fabric inventory in the downstream sector and a continuously strengthening basis of cotton, the upward potential for cotton prices remains limited due to significant macroeconomic uncertainty and persistent macroeconomic risks. Attention should be paid to whether the downstream sector will enter a seasonal slack season in May, and related risks should still be heeded as the downstream sector potentially weakens.

Source: ccfgroup.com– Apr 27, 2025

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Vietnam's manufacturers optimistic about Q2 despite challenges

Vietnam's manufacturing and processing companies are optimistic about business prospects in the second quarter (Q2) this year, a recent survey by the National Statistics Office (GSO) revealed.

Results show 45.8 per cent of businesses expect better business performance in Q2 2025 compared to Q1, while 39.2 per cent anticipate stability and a mere 15 per cent foresee more difficulties ahead.

Enterprises with foreign direct investment (FDI) are the most optimistic, with 87 per cent forecasting either improvements or stability in production and operations. State-owned enterprises follow with 84.7 per cent, and non-state firms at 84.1 per cent.

While 45.1 per cent of businesses expect growth in production volume in Q2 2025, 40.9 per cent expect it to hold steady, and 14 per cent anticipate a decline.

New orders are also projected to rise, with 43.3 per cent of businesses expecting more new orders, 42.8 per cent forecasting stability and 13.9 per cent foreseeing a decline.

Up to 37.8 per cent of enterprises expect an increase in export orders; 48.9 per cent expect no change and 13.3 per cent anticipate a decrease, a domestic news agency reported.

A key concern for Vietnamese manufacturers is rising inventories, which surged by 15.1 per cent year on year. High inventory levels limit cash flow, making it harder for businesses to reinvest in upcoming production cycles and potentially forcing them to cut back on output, if liquidity is not addressed promptly.

Rising demand for green, clean and high-tech production globally adds further pressure.

The survey showed 40.4 per cent of enterprises have urged banks to continue cuts in loan interest rates, while 28.3 per cent of businesses called for price stabilisation of raw materials, 25.1 per cent sought more streamlined administrative procedures and 24 per cent emphasised the need for stable material supply.

Regarding the textile and footwear sector, 47.9 per cent of enterprises proposed a reduction in lending interest rates, while 26.9 per cent requested support in streamlining loan application procedures.

Some 28.8 per cent of textile and footwear businesses called for cutting down administrative processing steps, 30.1 per cent suggested improving logistics service quality and 30.1 per cent expressed a desire to participate more deeply in production and supply chains.

The demand for lower interest rates was particularly high in key localities, with 68.8 per cent of such businesses in Ho Chi Minh City, 85.7 per cent in the Thai Binh province and 50 per cent in southern Dong Nai province expressing such demand.

Source: fibre2fashion.com– Apr 28, 2025

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Bangladesh plans 2 new exclusive economic zones for Chinese investors

Bangladesh is planning to set up two additional economic zones exclusively for Chinese investors, apart from the existing Chinese Economic and Industrial Zone in Anwara, Chattogram.

The move follows growing Chinese interest in investing in Bangladesh and a meeting of the BEZA governing board, to be chaired by Chief Adviser Muhammad Yunus, is expected to approve the proposal soon, a domestic newspaper reported citing officials from the Bangladesh Economic Zones Authority (BEZA).

State-owned Power Construction Corporation of China Ltd (PowerChina) will develop the Chandpur Economic Zone-1 in Matlab North sub-district in Chandpur district under a government-to-government agreement.

The second, the Bhola Eco-Development Economic Zone, will be located in Bhola Sadar and Daulatkhan sub-districts of Bhola district and will be developed by Leez Fashion Industries Limited, a Chinese company that has operations in the country.

The upcoming governing body meeting may also take a call to allocate land from abandoned jute and textile mills under BEZA's management to fast-track foreign investment, ensuring gas and electricity availability to make these areas investment-friendly.

The expected investment for the Chinese Economic Zone in Anwara is $1.5 billion, while the Bhola Eco-Development Economic Zone may attract $1.8 billion. The final investment amount for the Chandpur Economic Zone-1 will be determined following a technical feasibility study.

As the Chandpur Economic Zone-1 will be situated on an island in the Meghna river, lacking waterway infrastructure connecting it to the mainland, renewable energy projects and agriculture-based industries will take priority over traditional manufacturing and industrial set-ups there.

BEZA anticipates that the Bhola Eco-Development Economic Zone has strong potential to attract foreign investment in garment, textile, electronics and ceramics, which could create nearly 40,000 jobs.

Rising US tariffs on Chinese products have led several export-oriented Chinese firms to explore alternative investment destinations. Chinese firms supplying raw materials for textiles and readymade garments are increasingly considering relocating factories to Bangladesh.

Source: fibre2fashion.com– Apr 28, 2025

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Bangladesh's RMG exports to EU jump 37% in Jan-Feb

Bangladesh’s readymade garment (RMG) exports to the European Union (EU) soared to $3.69 billion during the two months from $2.69 billion during the corresponding period last year.

The EU saw a significant surge of 17.81 per cent year on year (YoY) in apparel imports during the two months, worth $16.10 billion. There was a notable 28.66-per cent YoY spike in volume and an 8.44-per cent YoY decrease in average unit prices.

China's apparel exports to the EU reached $4.54 billion during the period—up from $3.63 billion the same two months last year. However, Turkiye faced a 3.64-per cent YoY decrease in apparel exports to the EU during the period, amounting to $1.61 billion, while Vietnam recorded a 16.58-per cent YoY export growth, reaching $759 million.

India, Pakistan and Cambodia garnered $865 million, $711 million and $775 million respectively in the two-month period from the EU apparel market.

Meanwhile, Bangladesh's global apparel exports in the first two months this year grew by 36.99 per cent YoY in value, backed by a 39.02-per cent increase in volume. But a 1.46-per cent YoY drop in unit price is a challenge to maintain profitability, according to domestic media outlets.

Source: fibre2fashion.com– Apr 28, 2025

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Bangladesh, Pakistan RMG exporters keen to boost trade

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) yesterday signed a memorandum of understanding (MoU) to strengthen bilateral trade between the two countries.

Anwar Hossain, administrator of the BGMEA, and Aamir Reyaz Chottani, vice-chairman of the PRGMEA, signed the agreement on behalf of their respective organisations during the inauguration of the Pakistan-Bangladesh Business Forum in Dhaka.

Speaking at the event, Commerce Adviser Sk Bashir Uddin said the forum would play a vital role in deepening economic cooperation between Bangladesh and Pakistan, according to a commerce ministry statement.

He added that the platform could be used to bolster connectivity among trade bodies, promote business expansion, and attract investment for both sides.

The adviser also said that the two nations would explore ways to reduce tariff and non-tariff barriers to further facilitate trade.

Source: thedailystar.net– Apr 29, 2025

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NATIONAL NEWS

India's Index of industrial production records growth of 3% in March 2025

As per the revised calendar, the Quick Estimate of Index of Industrial Production (IIP) will now be released on 28th of every month (or next working day if 28th is a holiday). The index is compiled with data received from source agencies, which in turn receive the data from the producing factories/ establishments. These Quick Estimates will undergo revision in subsequent releases as per the revision policy of IIP.

2. Key Highlights:

- The IIP growth rate for the month of March 2025 is 3.0 percent which was 2.9 percent (Quick Estimate) in the month of February 2025.
- The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of March 2025 are 0.4 percent, 3.0 percent and 6.3 percent respectively.
- The Quick Estimates of IIP stands at 164.8 against 160.0 in March 2024. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of March 2025 stand at 156.8, 160.9 and 217.1 respectively.
- Within the manufacturing sector, 13 out of 23 industry groups at NIC 2 digit-level have recorded a positive growth in March 2025 over March 2024. The top three positive contributors for the month of March 2025 are – “Manufacture of basic metals” (6.9%), “Manufacture of motor vehicles, trailers and semi-trailers” (10.3%) and “Manufacture of electrical equipment” (15.7%).
- In the industry group “Manufacture of basic metals”, item groups “Flat products of Alloy Steel “, “Pipes and tubes of Steel”, “Bars and Rods of Mild steel” have shown significant contribution in growth.
- In the industry group “Manufacture of motor vehicles, trailers and semi-trailers”, item groups “Auto components/ spares and accessories”, “Axle”, “Bodies of trucks, lorries and trailers” have shown significant contribution in growth.

- In the industry group “Manufacture of electrical equipment” item groups “Electric heaters”, “Transformers (Small)”, “End facing connector for optical fibres and cables” have shown significant contribution in growth.
- As per the use base classification, the indices stand at 168.2 for Primary Goods, 134.8 for Capital Goods, 173.1 for Intermediate Goods and 212.3 for Infrastructure/ Construction Goods for the month of March 2025. Further, the indices for Consumer durables and Consumer non-durables stand at 138.5 and 147.9 respectively.
- The corresponding growth rates of IIP as per Use-based classification in March 2025 over March 2024 are 3.1 percent in Primary goods, 2.4 percent in Capital goods, 2.3 percent in Intermediate goods, 8.8 percent in Infrastructure/ Construction Goods, 6.6 percent in Consumer durables and (-)4.7 percent in Consumer non-durables (Statement III). Based on use-based classification, top three positive contributors to the growth of IIP for the month of March 2025 are – Infrastructure/ construction goods, Primary goods, Consumer durables.
- Monthly Indices and Growth Rate (in %) of IIP for the last 13 months

Click here for more details

Source: pib.gov.in– Apr 28, 2025

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Textile sector eyes solutions for yarn export to Bangladesh

With Bangladesh closing its land ports for yarn exported by India, textile mills in India are examining alternative modes of transport while also urging the government to take up the issue with Bangladesh. Almost 30% of India's yarn, mainly dyed and special yarn, exported to Bangladesh was being transported via land ports.

At a recent meeting, the yarn exporters explored various alternative options such as shipping in containers, using inland water ways, etc. They also had meetings with buyers in Bangladesh.

Lead time issue

"The problem in sending the goods in containers by sea is the lead time," said Dr. Siddhartha Rajagopal, Executive Director of the Cotton Textiles Export Promotion Council. "Even now, 70% of the Indian yarn to Bangladesh goes by sea. Those who exported through land ports will also use the sea now. There are smaller ships that go from Kolkata.

"The possibility of sending in those ships needs to 'If Bangladesh exports are hit, the yarn will go toward domestic use thus bringing down price' be explored," he said. According to K. Selvaraju, secretary general of the Southern India Mills' Association, nearly 45% of India's yarn exports are to Bangladesh. India used to totally export over 100 million kg of yarn a month. Now, it is just about 90 million kg.

Main markets

China and Bangladesh were main markets for Indian yarn. In recent years, China's imports of Indian yarn reduced substantially.

If the 30% exports to Bangladesh are affected, the yarn will be supplied domestically, which could bring down its price. The domestic textile value chain will be impacted, added Mr. Selvaraju. Currently, textile mills in the northern States are affected because of the closure of the land ports. However, if the situation does not improve, the entire textile spinning sector will be affected, he said.

Source: thehindu.com– Apr 28, 2025

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Piyush Goyal, UK counterpart Reynolds meet to advance FTA talks

Commerce & Industry Minister Piyush Goyal and UK Secretary of State for Business and Trade Jonathan Reynolds discussed ways to advance the ongoing bilateral Free Trade Agreement (FTA) negotiations in a meeting in London on Monday.

"Arrived in London for two days of engaging discussions aimed at strengthening bilateral trade and investment relations. In my first engagement, held a productive meeting with the UK Secretary of State for Business and Trade Jonathan Reynolds to advance Free Trade Agreement negotiations, reinforcing our commitment to deepening India-UK economic ties," Goyal posted on social media platform `X' on Monday.

India-UK FTA talks, which resumed after a gap of eight months in February this year after Britain's Labour Party, led by Prime Minister Keir Starmer, swept to power in the July 4, 2024 elections, is in the final stages of conclusion, sources have indicated.

However, some tricky issues remain. The UK has made ambitious demands for tariff cuts in goods such as scotch whisky, electric cars, lamb meat, chocolates, and financial services. India, on the other hand, wants increased access for students and professionals in the UK labor market, as well as duty-free access for some key goods.

In the Bilateral Investment Treaty, being simultaneously negotiated with the FTA, some contentious areas, especially in dispute resolution mechanism, remain to be ironed out.

Goyal is also likely to hold talks with UK Chancellor Rachel Reeves and some other senior officials in London.

Source: thehindubusinessline.com– Apr 28, 2025

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No relief from QCO for inputs imported under advance authorisation scheme

For deemed exports supplies to EOU, we are obtaining advance authorisation under the notification 21/2013-Cus dated 1st April 2023. Can we import under the advance authorisation, the inputs subject to quality control orders (QCO)?

No. DGFT notification no.71/2023 dated 11th March 2024 says that the exemption from QCO will be available for physical exports only and such exemption will not be allowed for deemed exports for advance authorisation holders.

We have imported certain inputs under advance authorisation. Our customer has cancelled the orders because of higher tariffs in the US and uncertainties ahead. Now, the imported raw materials cannot be used for making other goods. Our supplier has refused to take them back and we cannot find other buyers abroad to take them either. So, we cannot export the raw materials but we have found an EOU who needs the raw materials. Instead of importing, the EOU is ready to buy from us. If we supply the duty free raw materials to the EOU, will it be considered as deemed export and will the supply discharge our export obligation? If this is not possible, what options can you suggest?

First of all, please note that as per Para 4.16(i) of the FTP, 'advance authorisation and/or material imported under advance authorisation shall be subject to 'actual user' condition.

The same shall not be transferable even after completion of export obligation.

However, authorisation holders will have option to dispose of products manufactured out of duty free input once export obligation is completed'. Secondly, please note that as per Para 7.01 of the FTP, 'supply of goods as specified in Paragraph 7.02 below shall be regarded as "deemed exports" provided goods are manufactured in India'.

So, your only option is to take the permission of the authority that issued the advance authorisation, in accordance with Para 2.46(a) of the HBP.

During our foreign travels recently, many of our relatives gave some currency notes as gifts to our 6 year old daughter. Instead of converting these into rupees, can we hold such foreign currency notes for use later? Alternatively, can we open a foreign currency account where we can deposit such notes for use later?

Regulation 3(iii)(c) of the Foreign Exchange Management (Possession and Retention of Foreign Currency) Regulations, 2015.allows you to retain currency notes acquired by way of gifts while on a visit abroad upto a limit of US$ 2000/-.. Para 3.3(1)(d) of the RBI Master Direction no.14/2015-16 dated January 1, 2016 (as amended) allows a resident individual to open an RFC(D) account to retain in a bank account in India the foreign exchange acquired in the form of currency notes, bank notes and travelers cheques as gifts from relatives. Para 3.3(3) says that the sum total of the accruals in the account during a calendar month must be converted into rupees on or before the last day of the succeeding calendar month after adjusting for utilisation of the balances for approved purposes or forward commitments.

Source: business-standard.com– Apr 28, 2025

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Vietnam and India eye mutual gains amidst global trade shifts

At a time of evolving trade policies and geopolitical uncertainties, Vietnam and India are looking to deepen their cooperation in the textile and garment sector, recognizing the significant mutual benefits that can be unlocked. A recent statement by Bùi Trung Thướng, Trade Counselor at the Vietnam Trade Office in India, highlighted the strategic imperative for both countries to strengthen their ties, particularly in light of the US's new reciprocal tax policy.

Complementary strengths, shared opportunities

Vietnam, a global garment export powerhouse with exports reaching an estimated $44 billion in 2024, is seeking to diversify its supply chains and reduce its reliance on China, which currently provides 65 per cent of its textile inputs. India, a leading raw materials supplier, especially cotton and yarn, and a country with a rich textile heritage, presents a compelling alternative.

"The synergy between Vietnam's manufacturing prowess and India's raw material abundance is undeniable," states Thướng. "By leveraging the ASEAN-India Free Trade Agreement (AIFTA), Vietnam can significantly reduce material costs, enhancing its competitiveness."

India's strengths extend beyond raw materials. It boasts of a diverse textile industry, encompassing natural fibers like cotton, jute, silk, and wool, as well as synthetic fibers such as polyester and nylon. Its capacity to produce a wide range of blended and technical textiles positions it as a vital partner for Vietnam.

Regional cooperation the way forward

The US' new reciprocal tariff poses a significant challenge to both Vietnam and India, potentially increasing export costs. This necessitates a shift towards regional cooperation and diversification into other FTA markets, including the EU, Japan, and South Korea.

To solidify this partnership, Thướng has proposed several initiatives: First proposal is the setting up of a $500 million 'Joint Investment Fund' to establish spinning mills in southern India and northern Vietnam, along with smart fabric research centers in Ho Chi Minh City and Bangalore. Another proposal is a bilateral preferential tax agreement reducing import-export costs and enhancing competitiveness. Thướng propose setting up of a 'Vietnam-India Textile Innovation Fund' supporting joint research on green technologies, technical textiles, and recycled materials. Vietnam can import shuttleless looms from India, which are 30-40 percent cheaper than European imports.

The ASEAN-India Free Trade Agreement (AIFTA), signed in 2009 and implemented in 2010, plays a crucial role in facilitating trade between the two nations. It has led to significant reductions in tariffs, boosting bilateral trade. The AIFTA has provisions that allows for preferential tariff rates on numerous goods, including many textile products. This directly assists in the reduction of costs, that Thuong spoke of.

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Source: fashionatingworld.com – Apr 28, 2025

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Govt sets up panel to draft plan for new National Manufacturing Mission

The government has formed an inter-ministerial committee to design the main plan for new national manufacturing mission, an official said. The mission was first announced in the Budget on February 1 to boost the Make in India initiative.

The committee is led by Niti Aayog CEO B V R Subrahmanyam and is holding several meetings with important stakeholders. "Stakeholders' consultations are on, including with states and domestic industry. The committee will look at the framework of the mission," an official said.

The mission will focus on five key areas: making it easier and cheaper to do business, preparing a future-ready workforce, strengthening the MSME sector, providing better technology, and ensuring high-quality products. It will cover small, medium, and large industries.

Currently, manufacturing makes up about 16-17 per cent of India's GDP. The government wants to raise this share through the new mission. The mission will also offer policy support and create a governance and monitoring system for both central ministries and state governments.

An industry expert said the mission is expected to "enhance competitiveness, increase efficiency, foster innovation, integrate domestic manufacturing into global value chains and make India a globally competitive manufacturing hub."

India's ambitious Make in India project

'Make in India' is a government programme started in 2014 to encourage companies to manufacture their products in India and boost investment in the country. Its goals were to create more jobs, raise the share of manufacturing in India's economy, and make India a global manufacturing hub.

The programme focuses on important sectors like automobiles, electronics, textiles, pharmaceuticals, and food processing. It also aims to improve ease of doing business, attract foreign investment, and support innovation and skill development through projects like Skill India and

Startup India. Many reforms have been made to simplify rules, develop better infrastructure, and offer incentives for manufacturing.

Since its launch, India has seen a rise in foreign investments, and sectors like mobile phone manufacturing have grown strongly. However, challenges like regulatory issues, infrastructure gaps, and the need for a more skilled workforce still exist.

To support 'Make in India' further, the government has launched new initiatives like the Production-Linked Incentive (PLI) scheme and Atmanirbhar Bharat Abhiyan, which focus on strengthening local industries and making India more self-reliant. Overall, Make in India has helped build India's reputation as a rising manufacturing and investment destination.

Source: business-standard.com – Apr 28, 2025

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High US tariffs pushing Chinese exporters to tap Indian firms for shipments to America: FIEO

American sourcing firms and exporters in China are approaching Indian companies to supply goods to the US as high tariffs imposed by Washington are making it difficult for them to ship directly to America, apex exporters' body FIEO said on Monday. The US has imposed 145 per cent tariffs on Chinese goods entering the American market. For India, the duty is just 10 per cent.

Federation of Indian Exporter Organisations (FIEO) Director General Ajay Sahai said US sourcing firms in China are in touch with domestic manufacturers through diplomatic channels to buy goods from India and export to America to bypass the high tariffs.

"We also held an online meeting with a big US firm. Huge export opportunities are there for Indian exporters due to high import duties imposed by the US on China," he said.

Besides, he said, Chinese manufacturer exporters from various sectors like electronics, hand tools and home appliances are also reaching out to Indian traders.

"Chinese firms are willing to pass on the export orders they receive to Indian firms so that shipments can continue and their business relationships with the US remain intact," Sahai said, adding that in return, Chinese companies are seeking a commission fee facilitating the orders.

A significant number of firms from the neighbouring country are approaching the domestic exporters with these business prepositions, he added.

Sahai said a lot of these Beijing-based units have approached them at the ongoing Canton Fair in Guangzhou, which is the world's biggest trade fair. A Mumbai-based exporter and Technocraft Industries Ltd Founder Chairman SK Saraf said this will be a "great" opportunity for Indian exporters.

"The domestic players should look into increasing their capacities to tap into these opportunities. Going ahead, they can make direct relationships with those US buyers," Saraf said.

An industry expert said it would not be easy for Chinese companies to come to India as New Delhi has imposed certain restrictions on investments coming from Beijing.

As per a government order, investments coming from countries sharing land borders with India have to mandatorily take approval from the government.

Source: economictimes.com – Apr 28, 2025

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India's retail sales up 6% in March amid steady demand: RAI

Retail sales in India grew 6 per cent in March 2025 compared to the same month last year, according to the 60th Retail Business Survey by the Retailers Association of India (RAI).

Apparel and clothing experienced a 6 per cent year-over-year (YoY) increase and footwear posted relatively lower growth figures at 2 per cent YoY in March 2025. Furniture and furnishing recorded a 5 per cent growth, while sports goods saw a modest 4 per cent rise compared to March 2024.

Regional data shows that north and west India recorded the highest year-on-year growth at 8 per cent each. East and south India followed with a 5 per cent rise.

The figures point to steady domestic demand at a time when global trade conditions remain unsettled, the RAI said in a press release.

Kumar Rajagopalan, CEO of RAI, said: "Retail businesses in India reflects growth. However, double digit growth is still eluding the sector. Customers are spending cautiously but are willing to spend on aspirational and innovative products. Discretionary spending keeps shifting from one category to another and hence no category has been witnessing steady growth month on month."

The survey also highlights a cautious but steady outlook among retailers, with no significant drops in consumer spending. While concerns remain about the wider impact of global trade tensions, current trends suggest that domestic consumption is largely unaffected.

Source: fibre2fashion.com – Apr 28, 2025

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UP aims to triple exports to Rs 5 trn in five years with help of new policy

Uttar Pradesh is working on a policy to promote exports and triple the outbound shipment from the state to over Rs 5 lakh crore in the next five years by tapping new markets and products.

To achieve the target, the state government is working on a new export policy for 2025-30 which is expected to be approved soon.

The thrust of the new policy would be to increase exports three times by 2030 from Rs 1.7 lakh crore in 2023-24 through host of measures including capital subsidy and sops for exporters, UP Minister for Industrial Development and Export Promotion Nand Gopal Gupta Nandi said.

"We have extensively studied export policies of various governments across the country and have incorporated best practices in the draft policy. Our aim is to increase UP's contribution in the country's overall exports substantially and the proposed policy will be a step in that direction," he said.

The new policy also seeks to provide sops like capital subsidy to investors for developing export infrastructure and proposes setting up a one-stop digital information hub which may provide all relevant information to exporters.

For example, he said, the proposed policy seeks to provide up to Rs 10 crore as capital subsidy to investors to build export infrastructure.

A dedicated export promotion fund will be set up, which will be used for promoting Brand UP at global conferences and will also provide aid of up to Rs 5 lakh to exporters towards payment of yearly premium under Export Credit Guarantee Corporation of India (ECGC), he said.

It also plans to increase aid to each exporting unit to Rs 25 lakh every year as against Rs 16 lakh in the current policy.

The new policy is expected to incentivise exporters by up to Rs 30 lakh every year towards transport of goods to gateway port.

During 2023-24, UP's share in the country's total export was 4.71 per cent. Exports from Uttar Pradesh stood at Rs 1.70 lakh crore. In the first half of last financial year exports from the state were Rs 87,151 crore.

Some of the major exports from the state include electrical machinery, meat, apparel, footwear, pearls and precious stones, carpets, furniture, aluminium products, leather products, organic chemicals, plastic and cereals, among others.

Source: business-standard.com – Apr 28, 2025

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