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Currency Watch			
USD	EUR	GBP	JPY
83.91	95.83	111.69	0.58

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INTERNATIONAL NEWS

Could Changes to Customs Policy Undermine Trump's De Minimis Ban?

With just days to go before China's access to the de minimis trade exception is cut off, the Trump administration has quietly changed its policy on how shipments will be processed for entry into the United States.

An April 28 Federal Register notice announced the waiving of Customs and Border Protection (CBP) rules that would require formal entry for goods classified within HTSUS Chapter 99 Subchapters III and IV, that are valued at over $250 and subject to President Donald Trump's International Emergency Economic Powers Act (IEEPA) duties.

Had these rules remained in place, shipments of this kind being imported into the U.S. would be subject to either Type 11 informal entry (for goods worth up to $250) or Type 01 formal entry (which doesn't stipulate a value cap, but does require more data from shippers on package contents and origin).

Now, CBP said it's pausing, for an unspecified period, the $250-dollar threshold for Type 11 informal entry, and allowing entries worth up to $2,500 to go through the informal entry process. Informal entry doesn't require the use of a Customs broker or the posting of a bond, or have the same stringent data requirements as formal entry. This suspension applies to all countries of origin—including China—and all modes of entry.

This is an about-face for the administration and CBP, which had previously stated in its IEEPA FAQ explainer that informal entry would not be permitted, and that formal entry would be mandated for any shipments worth more than $250 that are classified under Subchapters III and IV of Chapter 99 of the HTSUS. That rule was deleted and replaced with the new mandate.

Izzy Rosenzweig, CEO of global e-commerce shipping firm Portless, wrote in a social media post that the change would work in favor of both CBP and importers.

"This should allow for 10x the number of packages per entry, which will bring down the cost until it is negligible, but also vastly reduce the number of clearances CBP is handling," he said. "Perhaps the best news here is that it means someone at the CBP is thinking through these operational changes very clearly and wants to make sure they are as streamlined as possible, which is a really good sign."

But for those eager to see the end of the de minimis exception, the waiving of Customs rules subvert the efficacy of Trump's executive order closing the trade "loophole" on May 2.

"Absent action in the next 36 hours to reverse the customs waiver or otherwise require the needed data and accountability to accurately and thoroughly collect tariffs, the Trump administration will have undermined its promised end of the de minimis loophole," American Economic Liberties Project's Rethink Trade director, Lori Wallach, said in a statement.

"Allowing Informal Entry of goods subject to penalty tariffs valued between $250-$2500 will also undermine enforcement of all Trump tariffs because without requiring importers to provide full tariff codes, it will be almost impossible to collect proper tariffs and without requiring involvement of a U.S. entity, like a Customs Broker, it's very hard to discipline against cheating," she added.

Members of the Coalition to Close the De Minimis Loophole—a collective of law enforcement groups, industry trade organizations and brands—are none too happy about the development.

The group, which includes the National Council of Textile Organizations (NCTO), AFL-CIO, the Alliance for American Manufacturing, Families Against Fentanyl, the National Crime Prevention Council and New Balance, among others, wrote an open letter to President Trump on Wednesday urging him to stick to his guns and maintain strong Customs enforcement rules that stem the free flow of de minimis shipments into the U.S.

"We believe that robust customs rules will be crucial to end the damage and threats posed by this loophole as you terminate de minimis for imports from China and Hong Kong," they wrote. "We encourage your administration to require the necessary information to enhance duty collections and inspections so that CBP can properly screen imports and enforce the law."

"We urge CBP not to suspend—even temporarily—regulations such as those requiring formal entry for all shipments valued over $250 subject to penalty tariffs to permit the agency to enforce your directive effectively," the Coalition added.

The group noted that when Trump's previous de minimis ban on China-originating packages was implemented, express shippers were able to pivot "virtually overnight" to accommodate the new requirements, "which demonstrates their ability to comply with the president's executive orders."

But DHL, one of the express shippers in question, has been working behind the scenes to advocate for a softening of the rules—and it took a victory lap after CBP's waiver was released.

The group issued a statement saying the administration's decision "follows constructive dialogue between DHL and the U.S. government, who demonstrated a strong willingness to understand our operational and technical challenges, and who agreed that it was imperative to act quickly in the interest of U.S. consumers."

"DHL Express values the opportunity to have contributed to the development of this new regulation by the U.S. government in favor of our customers, who have been our focus," the company added. "It is our priority to effectively support your needs, and we view this development as a positive step forward in continuing the facilitation of international trade."

The shipper said customers might still experience delays as it navigates the reintroduction of the service and clears its package backlog.

Source: sourcingjournal.com– Apr 30, 2025

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Global port sector resilient amid trade tensions & slowdown: Fitch

Global port activity is facing strain amid escalating trade tensions and a slowdown in global economic growth, according to Fitch Ratings. The impact on global port sector credit is expected to be muted due to contractual and financial features that mitigate volume and revenue pressures.

Port ratings have remained resilient during previous periods of volume declines, with revenues typically outperforming volumes due to contractual revenue buffers, stable revenues and rate flexibility. However, a prolonged and intensified trade war could significantly reduce volumes, thereby exerting increased pressure on revenues and credit quality, Fitch Ratings said in a new report.

Tariff pressures on ports are compounded by declining goods demand amid an economic slowdown. In one of its earlier reports, Fitch has forecast global growth to slow to 1.9 per cent in 2025, from 2.9 per cent in 2024.

This assumes that the US effective tariff rate (ETR) on China remains above 100 per cent for some time, before decreasing to 60 per cent in 2026, while the ETR on other trade partners is 15 per cent.

Global port ratings range from ‘AA to B’, with most investment grade. Highly rated ports are generally diversified across cargo types, business segments, or clients, and possess strong revenue profiles, leverage profiles, and structural debt protections, or government support.

The Port of Los Angeles and the Port of Long Beach, both rated ‘AA’/stable, are amongst the most vulnerable to US-China tariffs, but have strong financial cushions to weather a severe decline in shipping related revenue this year.

Fitch-rated Chinese ports benefit from implicit government support, insulating them from trade volatility. Other Asian ports may see increased trade and transshipment volumes as cargo is rerouted and supply chains reconfigured, added the report.

Some port volume losses due to reduced trade with the US will be compensated by increased trade with other countries. Latin America ports have diverse trading partners, and Fitch-rated European ports' trade volume exposure to the US is below 10 per cent.

Source: fibre2fashion.com– May 01, 2025

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China-to-US Air Cargo Falls Off a Cliff as Tariffs Spur Charter Cancellations

E-commerce air cargo shipments from China to the U.S. since mid-April have dropped roughly 50 percent compared to the same two-week period last year, as tariff escalation and the looming end of the duty-free de minimis provision for Chinese imports have led to the cancellation of some charter services.

Further cancellations of freighter charters are expected in the coming weeks, according to a May Asia-Pacific air freight outlook from international freight forwarder Dimerco Express Group.

“Since around April 20, charter flights from China to the U.S. have been significantly reduced—many were either cancelled or re-routed,” said Kathy Liu, vice president, global sales and marketing, Dimerco Express Group, in a statement. “A lot of that capacity has shifted to destinations like Nuevo Laredo in Mexico and other parts of Latin America, where demand has actually gone up, especially out of Mexico.”

The report said that air carriers including Air China, China Cargo Airline and China Southern Airlines are among those planning to cancel freighter services between China and the U.S. If these cancellations go through, shrinking capacity from China to the U.S. will be further reduced.

With the suspension of the de minimis exemption, retailers with China-heavy supply chains including Temu, Shein and AliExpress will have to pay taxes on all direct-to-consumer packages they ship to the U.S. that carry less than $800 in value. This has caused a current drop in air freight demand as companies figure out their tariff strategy. Temu and Shein already have had to adjust by increasing prices, but not every company can afford that luxury.

“For shipments to the U.S., a lot of shippers have hit pause. With the uncertainty around new tariffs between the U.S. and China, many are holding back on placing new orders,” Liu said. “But what’s interesting is that demand out of Southeast Asia and Taiwan has stayed relatively stable. That’s likely due to the 90-day tariff exemption granted by the U.S. government, which is giving some breathing room to shippers in those regions.”

Another air freight tracker, WorldACD, said that air cargo volumes from China and Hong Kong to the U.S. have fallen for four weeks, with the week ending April 20 dropping by 7 percent compared with a week earlier.

On an annual basis, China/Hong Kong-to-U.S. combined air cargo traffic declined 16 percent. These figures do not include charter activity, WorldACD said.

In line with Liu's comments, certain markets like Vietnam (42 percent), Taiwan (30 pecent) and Thailand (24 percent) saw volumes increase during the week as exports out of those countries accelerated.

As U.S. shippers continued to front-load imports ahead of the Trump tariffs earlier this year, air freight volumes bumped back up in March after a rare year-over-year contraction in February.

Global air cargo volumes reached their highest March peak ever, extending to nearly 24 billion cargo-tonne-kilometers (CTKs), a 4.4 percent increase from last year's demand, according to the International Air Transport Association (IATA).

"March cargo volumes were strong. It is possible that this is partly a front-loading of demand as some businesses tried to beat the well-telegraphed April 2 tariff announcement by the Trump administration," said Willie Walsh, director general of the IATA, in a statement. "The uncertainty over how much of the April 2 proposals will be implemented may eventually weigh on trade."

The IATA cautioned that March volumes typically rise after a lull in February, and this single-digit increase is in line with pre-Covid growth trends. Air shipments increased by a seasonally adjusted 3.2 percent from February to March.

In line with the pulling forward of goods out of China, Asia-Pacific airlines saw 9.6 percent year-on-year demand growth for air cargo in March, the strongest growth among the regions.

Air cargo rates spiked by 3.8 percent in March and 6.6 percent from February, ending a three-month streak of monthly yield declines that lasted through February.

Based on previously published data from WorldACD, when Asia-Pacific-to-U.S. rates jumped 10 percent on a two-week basis to end March, the trans-Pacific trade lane likely buoyed global air freight rates. Pricing on the route dropped 8 percent in the most recent week to April 20, following seven consecutive weeks of rate increases since Lunar New Year.

The March global rate increase calculated by IATA moved inverse to that of jet fuel costs, which have dropped by 17.3 percent year over year, marking nine straight months of yearly decline.

"In the meantime, the lower fuel costs—which are also a result of the same uncertainty—are a short-term positive factor for air cargo," Walsh said. "And, within the temporary pause on implementation we hope that political leaders will be able to shift trade tensions to reliable agreements that can restore confidence in global supply chains."

Source: sourcingjournal.com– May 01, 2025

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China's factory growth slows in April amid tariff impact

China's manufacturing sector lost momentum in April as the pace of expansion slowed to its weakest since January, weighed down by declining export orders and ongoing tariff-related disruptions.

The Caixin Purchasing Managers' Index (PMI) fell to 50.4 in April from 51.2 in March, though it remained above the neutral 50.0 threshold for the seventh consecutive month, signalling continued albeit modest growth.

New export orders recorded their first decline in three months, often linked to the adverse effects of increased US tariffs. This drag on external demand led to a more subdued rise in total new orders—marking the slowest pace of growth in seven months.

In response, output growth eased, supported largely by firms fulfilling backlogged orders, which in turn declined for the first time since September last year, according to a release from S&P Global Ratings.

With demand softening, manufacturers resumed job shedding and scaled back both input purchases and inventory levels. Business sentiment weakened, reaching its third-lowest level since data collection began in April 2012, driven by heightened concerns over trade uncertainty.

Despite a slight lengthening in supplier delivery times due to supply-side constraints, subdued demand kept input costs under pressure. Although the rate of input price deflation eased, Chinese manufacturers continued to pass on cost savings to customers, leading to a fifth straight monthly drop in output charges. Export prices also fell for a third consecutive month.

"As the market outlook is overshadowed, both business and consumer confidence are subdued, making it harder to boost domestic demand. The ripple effects of the ongoing China-US tariff standoff will gradually be felt in the second and third quarters. As such, policymakers should be wellprepared, with action taken sooner rather than later," Dr Wang Zhe, senior economist at Caixin Insight Group, said, commenting on the China General Manufacturing PMI data.

Source: fibre2fashion.com– May 01, 2025

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US' NCTO slams Bessent's dismissal of textile industry value

The National Council of Textile Organizations (NCTO) recently said its members were disheartened to hear US treasury secretary Scott Bessent say that the United States does not necessarily need a booming textile industry as this sector has been termed by President Donald Trump on a number of occasions 'critical and strategic'.

In a letter addressed to Bessent, NCTO president and chief executive officer Kimberly Glas said the US textile industry made life-saving personal protective equipment during the first Donald Trump administration in response to the COVID-19 pandemic and makes over 8,000 different products for the US military alone to ensure the country does not have to rely on foreign adversaries to make essential products.

"The US textile industry provides much-needed employment in rural areas and has functioned as a springboard for workers out of poverty into good-paying jobs for generations, including in your home state of South Carolina," the letter said. The US textile supply chain directly employed 471,000 workers last year and produced shipments of man-made fibre, yarns, fabrics, apparel and non-apparel sewn products valued at $64 billion, it said.

The United States exported $28 billion worth of textile-related goods to global markets in 2024, making it the second largest exporter of textile and apparel products in the world, the letter observed.

"This vibrant production supply chain with our closest trading partners competes directly against imports from China and other countries in Asia that often deploy unfair, predatory trade practices, such as subsidised production, dumped exports, intellectual property theft, undervalued currency, abhorrent labor abuses, and unsustainable environmental practices," Glas wrote.

NCTO requested Bessent to convene a meeting to discuss the critical nature of the US textile industry and how the administration can help this key supply chain onshore jobs.

Source: fibre2fashion.com– May 01, 2025

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ICE cotton drops further on sluggish US economic outlook

ICE cotton futures declined for the fourth consecutive trading session on Wednesday. Weaker US economic data dampened market sentiment. The US GDP contracted ahead of potential reciprocal tariffs, and falling crude oil prices added further pressure on the natural fibre.

The ICE cotton July 2025 contract settled at 66.02 cents per pound (0.453 kg), down 0.47 cent from the previous day. The contract has lost 315 points over the last four sessions.

The December contract settled at 67.79 cents, down 0.48 cent on the day. Other contracts posted changes ranging from 58 points lower to 1 point higher.

NYMEX crude oil also declined after Saudi Arabia announced plans to increase production. Crude prices have recorded their biggest monthly fall in nearly three and a half years.

The decline in crude oil makes polyester—a substitute for cotton—even cheaper, further weighing on cotton prices.

Trading volume for the session totalled 39,571 contracts, while cleared contracts from the previous day stood at 47,283. As of April 29, the ICE deliverable No. 2 cotton futures contract inventory remained unchanged at 14,478 bales.

According to the Commerce Department, US GDP contracted by 0.3 per cent year-on-year in the first quarter of this year. Economists had expected a 0.3 per cent increase, compared to the 2.4 per cent growth recorded in the fourth quarter of last year.

The contraction was partly attributed to a surge in imports by businesses attempting to avoid higher costs due to tariffs.

The GDP decline contributed to a 700-point intraday fall in the stock market, which also pressured cotton prices. Despite the intraday losses, the Dow Jones Industrial Average and the S&P 500 rebounded late on Wednesday and closed higher.

Currently, ICE cotton for July 2025 is trading at 65.73 cents per pound (down 0.29 cent), cash cotton at 64.27 cents (down 0.47 cent); the May 2025 contract at 65.77 cents (down 0.58 cent); the October 2025 contract at 68.03 cents (down 0.34 cent); the December 2025 contract at 67.53 cents (down 0.26 cent); and the March 2026 contract at 68.75 cents per pound (down 0.27 cent). A few contracts remained at their previous closing levels, with no trading activity recorded today.

Source: fibre2fashion.com– May 01, 2025

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Turkiye's apparel exports drop 7.7% to $4.1 bn in Jan-Mar 2025

Turkiye's apparel exports declined by 7.75 per cent year-on-year (YoY) during January–March 2025, totalling $4.101 billion compared to $4.446 billion in the same period of 2024, according to data from the Turkish Statistical Institute and the Ministry of Trade. Exports also fell by 10.78 per cent in March 2025.

Exports of knitted and crocheted clothing and accessories (HS Chapter 61) decreased by 4.8 per cent to $2,297.514 million, down from $2,412.152 million in January–March 2024. Non-knitted apparel and accessories (HS Chapter 62) experienced an 11.3 per cent decline, falling to $1,804.553 million from $2,034.341 million during the same period last year, as per the trade report on the top twenty chapters.

In March 2025, Turkiye's garment exports dropped by 10.78 per cent to $1,423.329 million. Exports of knitted and crocheted clothing and accessories declined by 7.9 per cent to $799.924 million, compared to $868.292 million in March 2024. Non-knitted apparel and accessories saw a 14.3 per cent decline, falling from $727.274 million in March 2024 to $623.405 million in March 2025.

Among the top 20 product chapters imported by Turkiye, no textiles-related chapter appeared in February 2025.

In 2024, Turkiye's apparel exports fell by 4.47 per cent to $17.494 billion, compared to $18.314 billion in 2023. Shipments of knitted and crocheted clothing and accessories (HS Chapter 61) declined by 1.6 per cent to $10,109.110 million, down from $10,277.566 million in 2023. Non-knitted apparel and accessories (HS Chapter 62) experienced an 8.1 per cent decline, falling to $7,385.592 million from $8,037.378 million in 2023.

In 2023, Turkiye’s apparel exports declined by 5.86 per cent to $18.321 billion, compared to $19.463 billion in 2022, following $18.294 billion in 2021.

Source: fibre2fashion.com– May 02, 2025

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Pakistan: When tensions rise and tariffs bite

LAHORE: India will feel the greater pinch from the Trump tariff war as it is far more integrated into the US economy. Pakistan, which exports less overall to the US (mainly textiles), will also suffer as slowing global trade pressures price-sensitive buyers, potentially hurting Pakistan's textile margins.

The war hysteria created in the region would be detrimental to the economies of both countries. India recorded a merchandise trade deficit of $21.94 billion in December 2024, slightly improving from a record low of $37.84 billion in November 2024.

However, its trade deficit with China widened to a record $99.2 billion in the 2024/25 fiscal year, driven by increased imports of electronics and consumer goods. India's services sector continues to provide a significant buffer, recording a surplus of $171.69 billion between April 2024 and February 2025, up from $149.34 billion during the same period a year earlier. Combining goods and services, India's overall trade deficit stood at approximately $94.26 billion in 2024.

It is India's services sector that would suffer the most if the US imposes additional tariffs. Bilateral trade between India and the US totalled $129.2 billion, with US exports to India at $41.8 billion and imports from India at approximately $87.4 billion, resulting in a US trade deficit of about $47.7 billion with India.

Pakistan's trade deficit narrowed to $13.2 billion in the first seven months of FY2024, a 33 per cent reduction compared to the previous year. However, in December 2024, the monthly trade deficit widened to $2.4 billion as imports exceeded $5 billion for the first time in two years. Pakistan recorded a current account surplus of $699 million in the first quarter of 2025, indicating some improvement in external balances.

In 2024, total bilateral trade between the US and Pakistan stood at $7.3 billion. The US exported goods worth around $2.1 billion to Pakistan, while its imports from Pakistan were approximately $5.1 billion, resulting in a US trade deficit with Pakistan of around $3 billion. Pakistan's trade surplus with the US is primarily driven by exports of textiles and apparel, which constitute a significant portion of its export portfolio.

When tensions rise, uncertainty follows. Investors, both local and foreign, usually react badly to uncertainty. Investment slows down; people wait instead of putting money into new projects. Stock markets become volatile, and share prices can drop sharply on mere rumours or threats.

Currency pressures would be more severe for Pakistan. With thinner external reserves, the rupee could weaken further, making imports more expensive.

Although Pakistan-India trade is small compared to their total global trade (around $2-3 billion annually), informal trade and strategic commodities (such as chemicals, pharmaceuticals, and cotton) could suffer. Trump's measures would hurt Asian exporters more broadly.

As far as Pakistan and India are concerned, there will be a combined impact of tensions and tariffs. Local tensions scare investors, while global tariffs mean that even if production continues, selling abroad becomes harder. Risk premiums rise, and both countries might find it more expensive to borrow internationally.

If tensions persist, governments are likely to prioritise military budgets over development spending, leading to setbacks in education, health and infrastructure. Pakistan is relatively more vulnerable because its economy is smaller, less diversified, and its external accounts are weaker. India, while also affected -- particularly in stock markets and exports -- has a larger internal market, providing some degree of cushioning.

Source: thenews.com.pk– May 01, 2025

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NATIONAL NEWS

Commerce Ministry seeks views of exporters on proposed schemes under export promotion mission

The commerce ministry has sought views of export promotion councils (EPCs) on the different schemes which the government is framing under the export promotion mission announced in the Union Budget, an industry official said. The councils will have to submit their comments by tomorrow to the Directorate General of Foreign Trade (DGFT), the official said.

The government is framing schemes for MSME exporters to provide credit on easy terms, promote alternate financing instruments through strengthening factoring services for them and offer monetary assistance to deal with non-tariff measures imposed by other countries.

The commerce, MSME and finance ministries are working on these schemes. In the meeting, DGFT Ajay Bhadoo made a presentation on the mission to the representatives of the councils. Officials from ECGC, EXIM bank, and the RBI were also present at the meeting.

Certain exporters have suggested to the ministry that funds under MAI (Market Access Initiative) should be given only to the EPCs and not to private associations. The meeting was chaired by Commerce Secretary Sunil Barthwal.

The government on February 1 announced the setting up of an Export Promotion Mission with an outlay of Rs 2,250 crore to promote the country's outbound shipments. Finance Minister Nirmala Sitharaman has said that through the mission, the government will facilitate exporters to get easy access to credit, cross-border factoring support, and support MSMEs to tackle non-tariff measures in overseas markets.

Earlier, the ministry was getting funds under the Market Access Initiative and Interest Equalisation Scheme (IES). It was clubbed under export promotion schemes. Now, these schemes are bundled under the export promotion mission. Though the IES ended on December 31, 2024, the exporting community has been pitching hard for its extension.

The modalities for the new scheme of offering credit on favourable terms would include a mechanism to facilitate MSMEs to raise export credit without collateral and average collateral cover with a cap on individual exporters.

At present, MSMEs require collateral while availing export credit. As per different surveys, 4 out of 5 MSMEs face the issue of collateral.

In supporting these enterprises to overcome non-tariff measures (NTMs), there are plans to provide reimbursement for additional costs incurred by them on account of compliances relating to registration, testing, certification and inspection.

NTMs are far more trade restrictive than tariffs, or customs duties, and negatively affect export market diversification overall and the agricultural sector in particular. A trade assistance programme (TAP) scheme for risky markets is also under consideration.

The ministry is also looking to promote factoring services, as it would help reduce the dependence of exporters on banks.
Export factoring services, a widely used financing instrument globally, have low adoption in India due to high factoring costs involving higher rates of interest, higher risk premiums and lack of parity with subvention schemes.

The cross-border factoring should attain a certain scale to reach about 3 per cent of merchandise exports, in line with the global average, the industry official said, adding that interest subvention can be provided to factoring companies.

The global cross-border factoring is estimated at USD 758 billion but in India, it is only USD 1 billion.

Source: economictimes.indiatimes.com– May 01, 2025

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Comm Min's export promotion mission may have 12-point plan to push exports, help MSME exporters

The commerce ministry's Export Promotion Mission (EPM) is expected to feature up to 12 components, including easy credit schemes for MSME, e-commerce exporters, facilitation of overseas warehousing, and global branding initiatives, to tap emerging export opportunities and strengthen trade tools for small businesses, an industry official said. The Directorate General of Foreign Trade (DGFT) showed a presentation on this mission to the representatives of export promotion councils and other key stakeholders on April 30.

The DGFT has also sought the views of the councils on this before finalising the schemes under this mission.

The EPM is divided into two broad categories - Providing Trade Finance Support (NIRYAT PROTSAHAN); and Driving International Holistic Market Access (NIRYAT DISHA) Initiative.

Under NIRYAT PROTSAHAN, six sub-schemes are under consideration; the Niryat Rin Vikas (NIRVIK) Sub-Scheme for MSMEs and new exporters; Support for Emerging Export Opportunities; Support for Trade Instruments for MSMEs; Collateral Support for Export Credit for MSME exporters; E-commerce Export Credit Card Sub-Scheme; and BharatTradeNET, the official said.

Similarly in the NIRYAT DISHA initiative, there are also six elements. These are Technical Regulations and Compliance Enablement (TRACE); Focussed Market Access Initiative (FMAI); Facilitating Export Logistics and Overseas Warehousing (FLOW); Global Outreach for Branding Exports (GLOBE); Export Planning and Development for Districts and Clusters (EXPAND); R&D Support Sub-Scheme for India Centre for Lab Grown Diamond (InCent-LGD) at IIT Madras, Chennai.

The official added that these sub-schemes will be implemented through a digitally enabled application and monitoring system, anchored around an online 'intent to claim' process.

The objective of the NIRVIK sub-schemes is to establish a dynamic and responsive interest equalisation support framework that enables MSMEs to access export credit in rupee (INR) at globally competitive rates.

"This will be achieved through the periodic notification of NIRVIK rates, which will be benchmarked against prevailing interest rates offered to exporters in countries that compete with India in international trade," the official added.

It would be applicable to MSME exporters availing export credit, subject to a specified cap limit for interest subvention. However, this cap shall be reviewed periodically based on the actual uptake.

Further, a negative list of export items would be maintained under the scheme and no interest subvention shall be provided for items included in this negative list.

The negative list is prepared based on criteria such as low-value addition and high outgo, raw materials and primary products, high-value and potential items for misuse, and other sensitive Items.

"There will be an annual notification of NIRVIK rates, which will be benchmarked against prevailing interest rates offered to exporters in countries that compete with India in international trade," another official said.

The collateral support for export credit for MSME exporters sub-scheme's objective is to provide back-up collateral upwards of 80 per cent or as decided by the collateral support agency to MSMEs and e-commerce exporters, based on the composite track record of the exporter.

The government on February 1 announced the setting up of an Export Promotion Mission with an outlay of Rs 2,250 crore to promote the country's outbound shipments.

Finance Minister Nirmala Sitharaman has said that through the mission, the government will facilitate exporters to get easy access to credit, cross-border factoring support, and support MSMEs to tackle non-tariff measures in overseas markets.

Source: economictimes.com– May 01, 2025

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India-EU aim for commercially meaningful deal: EU trade commissioner

Days ahead of the next round of negotiation, India and the European Union (EU) are working together to firm up a 'commercially meaningful' trade deal, which will open up markets for goods and services, Maroš Šefčovič, commissioner of the European Commission for Trade and Economic Security, said on Thursday.

The 11th round of negotiation of the India-EU trade deal is scheduled to begin in New Delhi on May 12, as both sides have agreed to accelerate efforts to advance the negotiations.

"Glad to host Minister — and my friend — Piyush Goyal. In today's uncertain times, our businesses are looking for opportunity, access, and predictability. And that's exactly what we're working to deliver: a commercially meaningful deal, opening up markets for goods and services," Šefčovič said on X.

Earlier this year, both sides decided to set an ambitious deadline to sign the long-pending free trade agreement (FTA) by end-2025.

Commerce and industry minister Piyush Goyal is currently on a five-day visit to the European cities of London, Oslo, and Brussels to boost trade and investment ties with the nations.

One of the key areas of discussion in the three visits has been on FTAs. During Monday–Tuesday, Goyal met his British counterpart to fix pending FTA issues and give a final push to the long-pending trade deal between India and the United Kingdom (UK).

One of the key areas of discussion during Goyal's visit to Oslo, Norway, was also regarding the implementation of the trade deal with European Free Trade Association (EFTA) nations. EFTA nations include Iceland, Liechtenstein, Norway, and Switzerland. The pact, also known as the Trade and Economic Partnership Agreement (TEPA), was signed in March last year.

Source: business-standard.com– May 01, 2025

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GST mop-up rises 12.6% to record ₹2.37 trillion in April: Govt data

Goods and Services Tax (GST) collection rose 12.6 per cent Y-o-Y to an all-time high of about Rs 2.37 lakh crore in April, reflecting strong economic activity and March-end reconciliation of books by businesses.

The GST mop-up was Rs 2.10 lakh crore in April 2024 -- the second highest collection ever since GST was rolled out on July 1, 2017. In March 2025, the collection was Rs 1.96 lakh crore.

According to the latest government data released on Thursday, GST revenue from domestic transactions rose 10.7 per cent to about Rs 1.9 lakh crore, while revenue from imported goods was up 20.8 per cent to Rs 46,913 crore.

Refunds issuance rose 48.3 per cent to Rs 27,341 crore during April.

After adjusting refunds, net GST collection rose 9.1 per cent to over Rs 2.09 lakh crore in April.

Deloitte India Partner M S Mani said the net GST collections crossing Rs 2 lakh crore in the first month of the current fiscal year indicates a strong economic performance in the last month of the previous fiscal year as these relate to transactions in goods and services in March 2025.

"The GST collections during the month have been uniformly high in all the major producing/consuming states and have been in the range of 11 per cent to 16 per cent, unlike previous months where there were some large states having lower growth.

Central GST collection from domestic transactions stood at Rs 48,634 crore in April, while state GST mop-up was Rs 59,372 crore. Integrated GST and cess collection were Rs 69,504 crore and Rs 12,293 crore, respectively, from domestic transactions.

EY Tax Partner Saurabh Agarwal said the record GST collections underscore the Indian economy's underlying strength in the face of global economic uncertainties.

"The government's proactive measures to accelerate export and other GST refunds have eased the working capital burden on industries, a benefit likely to translate to consumers over the medium to long term," Agarwal said.

While a potential moderation in absolute GST collections is anticipated next month due to the current global economic climate, the overall outlook for the Indian economy remains optimistic, he added.

KPMG, Indirect Tax Head & Partner Abhishek Jain said the all-time high GST collections are a strong indicator of robust economic activity.

"While this reflects ongoing recovery and growth, a significant contributor is also the year-end reconciliation process, which typically results in additional tax payments by businesses to align their returns during the year," jain added.

Source: business-standard.com– May 01, 2025

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Manufacturing to lead India's $5 trillion economic growth: Report

India's manufacturing gross value added (GVA) is projected to grow from $459 billion in FY24 to $1.6 trillion by FY2034, according to a report by 3one4 Capital's 'Future of Production Report 2025'. This manufacturing renaissance is driven by significant capital expenditure, strategic government policies such as the Production Linked Incentive (PLI) scheme, and even global supply chain shifts.

The industrial sector currently contributes 27.6 per cent to the GDP, with manufacturing alone accounting for 14.2 per cent. Employing 67.7 million people, manufacturing also delivers a GVA per worker of ₹5.22 lakh – three times more productive than agriculture. In FY24, India exported over $435 billion in goods, led by sectors like electronics, chemicals, and machinery.

Electronics and automobile see exponential growth

According to the report, electronics production reached $115 billion in FY24. Mobile phone exports exceeded $15 billion as giants like Apple scaled their operations across the country.

This boost in domestic production is driven by the PLI scheme which has seen a $30 billion investment across 14 key sectors. "Electronics manufacturing and IT hardware have shown tremendous response to the scheme and so have semiconductors and displays," said Anurag Ramdasan, Partner at 3one4 Capital.

In the automotive sector, India has become the third-largest market. Exports of auto components surged to $20 billion in FY24 making the country a key supplier to global Original Equipment Manufacturers (OEMs). This growth is also attributed to rising demand in smart mobility, EV supply chains, rapid charging, and component digitisation.

Chemicals and aerospace sectors gain ground

The report found that the chemicals sector, currently contributing to 6 per cent of the market share is expected to double to 12 per cent by 2029. This growth is driven by exports of biosimilars (complex generics) and CRAMS (Contract Research and Manufacturing Services) coupled with PLI schemes and PCPIR (Petroleum, Chemicals, and Petrochemicals Investment Regions) clusters that support investments in these segments.

India is also gaining momentum in aerospace manufacturing with start-ups like ideaForge and Aereo building India's leadership in drones, aerial intelligence, and autonomous systems. The textile sector is benefiting from diversification away from traditional supply bases like China, Vietnam and Bangladesh.

As exports remain central to this growth, "India is actively working on expanding free trade agreement and is expected to lower tariffs and continue to remain competitive. India today is a preferred alternative globally and we expect that to continue," said Ramdasan.

State backing

Additionally, State incentives power regional growth. "States like Gujarat, Uttar Pradesh, Odisha, and Assam offer substantial capital subsidies alongside benefits such as land rebates, interest subsidies, and tax exemptions. States like Maharashtra, Tamil Nadu, and Karnataka, which have established industrial ecosystems, are now pivotal in manufacturing advanced electronic components, pharmaceuticals, and automotive products. Meanwhile, emerging regions like Uttar Pradesh and Gujarat are making strides in white goods and specialty steel, demonstrating the extensive scope of India's manufacturing transformation," Ramdasan added.

According to the report, VCs are also eyeing India's emerging manufacturing sectors, drawn by their scale-up potential. Over $10 billion has been committed to semiconductors and advanced materials, while India's GreenTech firms like Waaree Energy are gaining global traction. Biomanufacturing has also shown growth potential, backed by over 200,000 biosciences professionals and PLI schemes, alongside momentum in full-stack platforms and robotics.

Source: thehindubusinessline.com– May 01, 2025

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Piyush Goyal holds trade talks with EU Commissioner, India-EU reaffirm to conclude FTA by end of 2025

In a social media post on 'X', Goyal said, "Redefining the India-EU Partnership, In my highly productive dialogue with EU Commissioner for Trade and Economic Security @MarosSefcovic today, we reaffirmed our shared commitment to concluding the India-EU Free Trade Agreement negotiations by the end of 2025"

Union Minister of Commerce and Industry, Piyush Goyal, held a key meeting with European Union Commissioner for Trade and Economic Security, Maros Sefcovic, in Brussels to discuss the progress of the India-EU Free Trade Agreement (FTA).

Both sides reaffirmed their commitment to concluding the long-awaited trade deal by the end of 2025.

Goyal described the dialogue as "highly productive," saying that it helped redefine the India-EU partnership.

The meeting focused on enhancing market access for businesses in both regions and strengthening trusted, diversified supply chains.

The discussions aimed to ensure that the FTA would not only be strategic but also mutually beneficial for the sustainable development of both economies.

In a social media post on 'X', Goyal said, "Redefining the India-EU Partnership, In my highly productive dialogue with EU Commissioner for Trade and Economic Security @MarosSefcovic today, we reaffirmed our shared commitment to concluding the India-EU Free Trade Agreement negotiations by the end of 2025"

He emphasized that the agreement would boost innovation, improve competitiveness, and support future-ready investments and mobility between India and the EU.

Both parties underlined the importance of a fair and comprehensive agreement that supports shared prosperity.

They also highlighted the role of leadership from Prime Minister Narendra Modi and European Commission President Ursula von der Leyen in moving the talks forward.

The minister said, "Both India and EU, under the leadership of PM @NarendraModiji and EU President @VonderLeyen, remain committed to working towards a mutually beneficial and strategic agreement for shared prosperity and sustainable development of our regions".

The India-EU FTA has been under negotiation for several years. If concluded, it would be one of India's most significant trade pacts, opening up major opportunities for exporters, investors, and workers from both regions.

The meeting in Brussels signals a renewed push from both sides to overcome remaining challenges and finalize the agreement within the proposed timeline.

Source: economictimes.com– May 02, 2025

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India's total exports jump to record $825 bn in FY25 as services shipments rise over 13%

India's exports of goods and services hit an all-time high of USD 825 billion in 2024-25, driven by a record surge in the shipments of services that reached USD 386.5 billion in the last fiscal despite global trade headwinds, according to the commerce ministry data.

Following the release of March services exports data by the RBI, the country's overall exports for 2024-25 have been revised to USD 824.9 billion from the earlier estimate of USD 820.93 billion, announced on April 15. Total exports were worth USD 778.13 billion in 2023-24.

The data showed that services exports jumped to a record high of USD 387.5 billion in 2024-25, registering a robust 13.6 per cent growth over USD 341.1 billion in 2023-24.

In March, services shipments rose by 18.6 per cent to USD 35.6 billion compared to USD 30 billion in March 2024. The main sectors which contributed to the growth in exports included telecommunication, computer and information services; transport; travel; and financial services.

"According to the latest release, India's total exports touched a historic USD 824.9 billion in 2024-25, growing by 6.01 per cent over the previous year's USD 778.1 billion," a ministry release stated.

Commenting on the data, Federation of Indian Export Organisations (FIEO) SC Ralhan the data shows the resilience of exporters..

However, he said that "as of today, the inflow of orders is not goods from the US and Europe. The US importers are waiting for the trade agreement and this can affect our exports, he said adding the government should immediately announce an interest subvention scheme for exporters.

Ralhan said that interest rates are high in the country and to become competitive in the global markets, "we need a minimum 5 per cent subvention".

Source: economictimes.com – May 01, 2025

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Commercial operations begin at Multi Modal Logistics Park in Nagpur

With the aim to provide seamless and efficient connectivity for the movement of people, goods and services across various modes of transport, thereby enhancing last-mile connectivity and reducing travel time, the Multi Modal Logistics Park Limited, Nagpur (MMLP Nagpur) at Sindi, near Wardha commenced its commercial operations with a goal to establish a faster link.

The MMLP Nagpur established by National Highway Logistics Management Limited (NHLML), a 100 per cent owned company of National Highways Authority of India (NHAI) received its first rake of 123 Maruti Cars from Ex-Farukhnagar on April 28 marking a major achievement for the facility.

NHLML has signed an agreement with a private developer for the Multi Modal Logistics Park (MMLP) in an area of 150 acres in three phases under public-private partnership model with concession period of 45 years, at an estimated cost of ₹673 crore (~$79.42 million). Phase-I will be developed with an investment of ₹137 crore.

An Authority SPV, Maharashtra MMLP Pvt Ltd, is formed between National Highways Logistics Management Limited (NHLML) and Jawaharlal Nehru Port Authority (JNPA). The Authority SPV has to provide land, external rail and road connectivity as well as water and power supply for development of MMLP, the Ministry of Road Transport and Highways said in a press release.

The MMLP will provide facilities such as warehouses, cold storages, intermodal transfers, handling facilities for container terminals, bulk/break-bulk cargo terminals along with value added services such as sorting/grading and aggregation/desegregation areas, bonded warehouse and customs facilities as well as support logistics facilities such as offices for freight forwarders and transporters and truck terminals.

Development of MMLP Nagpur will help improve the country's freight logistics sector by enabling efficient intermodal freight movement to lower overall freight costs and time; providing efficient warehousing, improved tracking and traceability of consignments, thereby enhancing efficiency of the Indian logistics sector. It will further create employment opportunities and bring in economic development in the region.

Source: fibre2fashion.com – May 01, 2025

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Weak demand, labour crunch hit north Indian cotton yarn; prices stable

North India's cotton yarn markets witnessed thin trade due to sluggish demand, cautious buying, and a labour shortage. There was no significant movement in cotton yarn prices in Delhi and Ludhiana. The labour shortage has forced fabric and garment manufacturing units to scale down production. Workers from Uttar Pradesh and Bihar have returned to their native villages for agricultural and social commitments. Additionally, International Labour Day also disrupted manufacturing activities across the textile value chain. In Panipat, recycled yarn and raw materials were traded steady amid weak demand.

In Delhi, trade remained muted amid slow buying activity, partly due to the Labour Day holiday. However, cotton yarn prices held steady. Manufacturing activities across the downstream industry were affected. A trader from the Delhi market told Fibre2Fashion, "The market is facing headwinds both domestically and internationally. Garment export orders are not very encouraging."

In Delhi, 30 count combed knitting yarn was traded at ₹260-261 (approximately $3.06-3.07) per kg (GST extra), 40 count combed at ₹285-286 (approximately $3.35-3.37) per kg, 30 count carded at ₹234-236 (approximately $2.75-2.78) per kg, and 40 count carded at ₹259-261 (approximately $3.05-3.07) per kg today.

The Ludhiana market also saw stability in cotton yarn prices. Mills are not witnessing encouraging demand from either the domestic or export markets. Market sources said that spinning mills are attempting to pass on increased production costs following the rise in cotton prices. However, they are unable to raise yarn prices, which is putting pressure on their margins. Market dynamics are unlikely to improve in the near term.

In Ludhiana, 30 count cotton combed yarn was sold at ₹258-268 (approximately $3.05-3.17) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹248-258 (approximately $2.93-3.05) per kg and ₹253-263 (approximately $2.99-3.11) per kg, respectively; and carded yarn of 30 count was noted at ₹238-243 (approximately $2.81-2.87) per kg today, according to trade sources.

India’s home textile hub Panipat is grappling with a widespread labour shortage across the textile value chain. Recycled yarn demand remained subdued due to weak downstream manufacturing activity. Trade sources said that demand for finished products was also weak, except for a few items in seasonal demand. The labour shortage has further weakened demand for intermediary products in the home furnishing value chain. Raw materials such as cotton comber and recycled polyester fibre were not traded steadily.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹75-78 (approximately $0.89-0.92) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹52-55 (approximately $0.61-0.65) per kg, 20s recycled PC yarn (Grey) at ₹95-99 (approximately $1.12-1.17) per kg and 30s recycled PC yarn (Grey) at ₹128-134 (approximately $1.51-1.58) per kg. Cotton comber prices were noted at ₹108-110 (approximately $1.28-1.30) per kg and recycled polyester fibre (PET bottle fibre) at ₹77-79 (approximately $0.91-0.93) per kg today.

In north India, cotton prices declined further due to weak demand and falling ICE cotton rates. Prices dropped by ₹10–20 per maund (37.2 kg). Trade sources noted that the downward trend in ICE cotton has dampened local market sentiment. Spinning mills are sourcing cotton from the open market at comfortable price levels, with no urgency to buy since the Cotton Corporation of India (CCI) remains a key supplier this season.

Cotton arrivals in north India stood at 1,350 bales (170 kg each), including 50 bales in Punjab, 600 in Haryana, 500 in upper Rajasthan, and 200 in lower Rajasthan. In Punjab, cotton was priced at ₹5,740–5,750 (approximately $67.84–67.96) per maund; in Haryana, ₹5,640–5,680 (approximately $66.66–67.13); in upper Rajasthan, ₹5,760–5,780 (approximately $68.08–68.31); and in lower Rajasthan, ₹54,400–55,700 (approximately $642.94–658.30) per candy (356 kg).

Source: fibre2fashion.com – May 01, 2025

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