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Currency Watch			
USD	EUR	GBP	JPY
85.68	96.95	115.52	0.59

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INTERNATIONAL NEWS

Is Europe Ready for a Textile-to-Textile Recycling 'Tipping Point'?

Circ is building its first industrial-scale textile-to-textile recycling plant in France. Reju is doing the same in the Netherlands. Two decades since Teijin launched the first commercial chemical textile-recycling process in Japan—and amid the planet's growing deluge of clothing waste—is polyester recycling in Europe finally approaching a long-anticipated tipping point?

A preliminary and heavily caveated yes, according to a new report by the so-called "system change" advisory and investment company Systemiq. Despite advances in textile recycling technologies in recent years, adoption is still frustratingly embryonic, said the first-of-its-kind study, which was conducted in partnership with the likes of Arc'teryx, Eastman, Interzero, Textile Exchange and Tomra. To wit: A breakthrough in scale could happen, even ramp up the continent's depolymerisation output from textiles by nearly tenfold by 2035, but not without significant policy action that can overcome two significant—if not downright intractable—constraints, Clara Luckner, director and fashion lead at Systemiq said at a recent webinar.

The first is accessibility. While chemical recycling promises to squeeze more value out of clothing waste when reuse and mechanical recycling prove inadequate, touting virgin-equivalent outputs at a time when clothing castoffs are spiking in volume yet deteriorating in quality, access to suitable feedstock is a challenge because the current infrastructure is set up to divert textile waste in a mostly linear fashion: landfill, incineration or export to the global South. The second involves affordability. Producing recycled polyester from post-consumer textile waste in Europe costs roughly 2.6 times more than pumping out a virgin version in Asia. Even employing used PET bottles still comes out as a better deal, fiscally speaking.

The lack of incentive to change is why, despite a flurry of innovation funding rounds, demonstration projects and technology partnerships, the uptake of textile-to-textile recycling has remained recalcitrantly in the pilot stage. So, how does one break free of this incremental growth pattern? It's all a matter of gaining critical mass, Luckner said. The uptake of new technology, she said, typically follows an S curve. History suggests that once a positive tipping point is reached, the new technology will be exponentially embraced.

Take cars, for instance. In 1900, just 4,000 cars were sold in the United States. Ten years later, the number hit 400,000.

“So a tipping point had clearly been reached,” Luckner said. “A positive tipping point occurs when a clean technology meets three conditions: It’s more affordable, more attractive and more accessible than a conventional alternative, and accelerating the scale-up of clean technologies leads to lower environmental impact and earlier economic benefits for companies and regions.”

So far, only the last has been met by environmentally attractive and technologically sophisticated depolymerization technologies. And unless several things shift, the 1 percent of old clothing that goes on to be used to make new clothing will stay stuck at 1 percent, exacerbating a textile waste crisis that has already placed Europe’s collection, sorting and reuse businesses under considerable operational and financial strain.

Systemiq identified levers across four “essential” areas of intervention—improving access to appropriate feedstock, bolstering market demand, reducing production costs and closing the remaining cost gap— that can increase the European Union’s annual 30,000-metric-ton depolymerization capacity to 340,000 metric tons.

“While this would still only meet about 15 percent of Europe’s projected polyester demand in that year, it does mark a breakthrough and a sort of shift from pilot scale to a functioning, scalable recycling system,” said Leonard von Boetticher, a Systemiq associate.

The first area is within reach, he said, because the European Union requires all member states to establish separate textile waste collection systems, which can better funnel quality materials into reuse and recycling if the right standards are set. So’s the second if both brands and policymakers work together to send reliable signals that recycled polyester will be used at scale, allowing sorters and recyclers to “invest with confidence.” Even the third can be accomplished by lightening the burdens of energy and capital—perhaps through tax reliefs or lower grid fees—to make sorting and recycling in Europe more attractive than the disposal or export of textile waste. A heavy lift, but not impossible. Together, they could close 40 percent of the cost gap.

But the fourth area—narrowing the remaining 60 percent cost differential—can only be tackled through an ambitious extended producer responsibility, or EPR, scheme that is "really the linchpin" of all the levers because it can bridge some 55 percent of the affordability gap between recycled and virgin polyester, von Boetticher said. An additional "green premium" can cover the shipping costs needed to transport recycled polyester to yarn producers in Asia, where the bulk of them reside, and help bridge the final 5 percent.

"An unresolved cost gap can remain a critical threat in the scale-up because, in essence, it could reduce brand uptake to the bare minimum needed for recycled content compliance, and it could also shift away investment from Europe towards cheaper, less regulated markets," he said. "Our finding is that the EPR scheme is really essential to make the business case work."

Earlier this year, EU legislators adopted a requirement that all member states establish an EPR scheme, one that mandates that all domestic and international businesses placing textiles on their national markets shoulder the financial responsibility of collecting, sorting and recycling their products. Crunching the numbers, Systemiq proposes a 250 euro ($283) per metric ton EPR fee by 2028, increasing to 330 euros ($374) per metric ton by 2035 to cover the net costs of collection, sorting, and recycling, plus a 55 euro ($62) per metric ton "green premium," for a "cost uplift" of up to 385 euros ($436) per metric ton.

"It would actually only increase costs by 15 cents for a 400-gram jumper," said von Boetticher, using the British term for sweater. "And I think this is quite a modest price, given that it could finally enable textile-to-textile recycling at scale."

But more than a math exercise, Systemiq's report is also a call to action, Luckner said. And not just any action but collective action to address the 125 million metric tons of material that are consumed by the global textiles industry every year.

"Why do we care about this in the first place? What's the matter with recycling textile waste? It matters because the global textile system remains extremely linear, and the waste crisis is worsening as volumes grow and quality declines each year," she said. "2035 might seem a long time away, but we really need to start to see action right now."

The price of doing nothing, like the stakes themselves, is high, Luckner added.

"In the absence of policy or other mechanisms, so without targeted policy and industry action to address both affordability and accessibility barriers, depolymerisation will remain stuck in pilot purgatory, and the breakthrough to mass adoption will not happen," she said. "The linear status quo will continue to deepen Europe's and the world's textile waste crisis."

Source: sourcingjournal.com– May 27, 2025

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China's industrial profit growth accelerates in April as Beijing's policy measures cushion tariff impact

China's industrial profits rose for a second straight month in April, with their growth improving despite U.S. tariffs and persistent deflationary pressures, thanks to Beijing's measures aimed at supporting businesses.

Cumulative profits at major industrial firms climbed 3% last month compared to a year earlier, official data showed Tuesday, accelerating from a 2.6% growth in March.

In the first four months this year, industrial profits rose 1.4%, year on year, according to the National Bureau of Statistics, bolstered by stronger earnings in the equipment and high-tech manufacturing sectors.

U.S. President Donald Trump slapped eye-watering tariffs of 145% on imports from China last month, drawing Beijing to retaliate, effectively amounting to a mutual trade embargo between the world's two largest economies. That, however, did not significantly impact Chinese exports that found other markets.

Earlier this month, Washington and Beijing agreed to lower most of those levies, following a trade truce struck during a meeting between the Trump administration and Chinese leadership in Geneva, Switzerland.

U.S. tariffs on goods imported from China are now down to 51.1% while China's levies on U.S. imports stand at 32.6%, according to think tank Peterson Institute for International Economics.

The profit growth in April was stronger than expected, said Lynn Song, chief economist for Greater China at ING, noting the "encouraging" sign that the manufacturing firms saw improved bottom-lines despite the "more challenging external environment."

The boost in industrial firms' profits was largely owed to Beijing's efforts targeted at supporting the private sector, offsetting some of the negative impacts from the U.S. tariffs.

"These trends underscore the effectiveness of various policy interventions in mitigating arrears owed to private enterprises and ensuring timely payments to small and medium-sized business," said Bruce Pang, adjunct associate professor at CUHK Business School.

Profits in the high-tech manufacturing industry from January to April climbed 9% from a year earlier, with notable improvement in the biopharmaceutical products and aircraft manufacturing.

Supported by a scheme that subsidizes consumers who trade in old electronics and appliances, the household appliances manufacturers also saw profits improve over 15% from a year ago, data showed.

Profits in the mining sector fell 26.8% year on year in the January to April period, while the manufacturing and utilities sectors — electricity, heating, gas and water supply — saw them rise 8.6% and 4.4%, respectively.

State-owned industrial firms saw their profit decline 4.4% in the January to April period compared to the same period a year ago. Private enterprises and those with foreign investments saw profits improve 4.3% and 2.5%, respectively.

Weining Yu, a statistician at the NBS, attributed the improved profitability to the industrial sectors' "resilience and ability to withstand shocks," while cautioning that "constraints such as insufficient demand and declining prices" still persist and "uncertainty in the external environment" is still high.

Certain industries also faced steeper headwinds, Song pointed out, such as the automobile sector that's caught in a severe "price competition" and the apparel sector which is likely to have seen demand shift to other markets after the rollout of new tariffs.

Auto industry profits slumped 5.1% year on year in the first four months this year, while the textile, clothing and apparel industry saw a 12.7% decline.

The profit gain in major industrial enterprises came on the back of a 6.1% expansion in industrial output in the country last month. Retail sales growth, however, slowed to 5.1% from a year earlier, underscoring the persisting supply-demand imbalance in the economy.

China's industrial profits returned to growth in the first quarter this year, rising 0.8% from a year earlier, reversing the trend of declines since the third quarter of last year.

Source: cnbc.com– May 27, 2025

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‘Chips, not shirts’: why China’s exporters put little faith in Trump’s tariff comment

Garment manufacturers across China and Vietnam breathed a small sigh of relief on Sunday, after US President Donald Trump told reporters that the United States was “not looking to make sneakers and T-shirts”.

But few plan to change their plans based on the president’s comments. After weeks of wild swings in US tariff policies, they have learned that Trump could soon change his tune once again.

Businesses in China and Vietnam – the world’s two largest clothing export hubs – are still facing huge uncertainty, with both countries midway through a 90-day pause in US tariffs and trying to strike a deal with Washington to prevent another painful rise in duties.

In that context, recent comments by US officials appear to be good news for the region’s garment exporters, as they indicate Trump’s drive to make American manufacturing great again will not extend to low-margin sectors.

“We’re not looking to make sneakers and T-shirts,” Trump said on Sunday. “We can do that very well in other locations. We are looking to do chips and computers and lots of other things, and tanks and ships.”

His statement followed earlier remarks by US Treasury Secretary Scott Bessent, who said that America should focus on reshoring precision manufacturing rather than the textile industry.

“Vietnam’s textile exporters are, for now, breathing a little easier,” said Dan Martin, an international business adviser with the consultancy Dezan Shira & Associates. “In an increasingly rare moment of industrial-policy realism, the administration seems to have accepted that not every factory needs to fly an American flag.”

However, Vietnam’s US$44 billion garment industry has already had to weather significant turbulence – and local businesses are well aware that Trump-era trade policy often favours political optics over policy consistency, Martin added.

"Until reassuring words are backed by concrete policy, they are unlikely to revise their risk assessments or their contingency plans," he said.

After the fire and fury of "Liberation Day", which saw Trump raise tariffs on dozens of countries including China and Vietnam on April 2, the US has taken steps to de-escalate its global trade war in recent weeks.
In mid-April, Washington paused most of its so-called "reciprocal" tariffs for 90 days, which saw the duties on Vietnam's imports reduce from 46 per cent to just 10 per cent.

A month later, America and China also agreed to scale back tariffs on each other's products for the next 90 days, with the US decreasing its levies on Chinese goods from a peak of 145 per cent to 30 per cent, while China reduced its duties on US goods from 125 per cent to 10 per cent.

But the future trajectory of US tariff policies remains unclear. Unless Beijing and Hanoi strike deals with Washington within the next few weeks, the tariffs will skyrocket back to their original levels once the 90-day windows expire.

Zhou, the owner of a bedding and curtains factory in eastern China's Zhejiang province, has taken little comfort from Trump's latest comments.

"US policy changes by the day, and that's the worst kind of uncertainty for doing business," said Zhou, who gave only her surname for privacy reasons.

"Today, they might say there's no need to reshore textile manufacturing, but what if they change their minds tomorrow? At this point, none of us in this industry dare to bet on the US market again."

Zhou has been supplying US clients since 2014, but she has been steadily moving to reduce her exposure to the American market for years. Trump's recent tariff hikes have accelerated that effort, she said, with the US now accounting for less than a quarter for her sales.

Winnie Lam, general secretary to the board of the Hong Kong Business Association Vietnam, told the Post that many Hong Kong and mainland investors in Vietnam were taking a similar approach.

Trump's comments only offer "temporary relief" to exporters in Vietnam, Lam said, and many companies are "taking definitive action about diversification and putting less and less weight on the US market".

"The world is their oyster, so to speak, now that they have to take the brave step towards other markets, which was on the map anyway and now is accelerating," Lam said. "The textile industry is saying the US has no way for them to return."

Last year, nearly 17 per cent of China's textile and apparel exports went to the US, while the figure for Vietnam was significantly higher, at 38 per cent.

Vietnam has been pushing hard to convince Washington to scale back its tariffs. Hanoi has already offered to slash its own duties on US imports, and cracked down on Chinese goods being transshipped through its territory to evade US tariffs aimed at China.

Last week, the Trump Organization also broke ground on a new US$1.5 billion golf course in northern Vietnam, with Vietnamese leaders stating publicly that they had expedited approval processes for the project.

Ralf Matthaes, managing director at market intelligence firm IFM Research in Ho Chi Minh City, said that Trump's recent comments on the textile industry were "not expected", but he noted that Vietnam had effectively given Trump "a blank cheque on a golf course".

Vietnam's clampdown on Chinese goods "posing" as Vietnamese products made sense, Matthaes said, as the trend had been "good for China, but bad for Vietnam" due to the way it had put Hanoi in Washington's crosshairs.

Foreign capital has been flooding into Vietnam this year, Viet Nam News reported on Monday.

Foreign direct investment is up 40 per cent so far this year compared with the same period in 2024, with more than US$1.5 billion of the new capital coming from China – the second biggest foreign source after Singapore.

Source: scmp.com– May 27, 2025

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Retail sales decline in May as UK firms brace for tougher quarter: CBI

Retail sentiment in the UK declined at its steepest rate in five years this May, with a growing number of firms anticipating a worsening business outlook in the next quarter, according to the Confederation of British Industry (CBI).

Year-on-year (YoY) retail sales fell in May (weighted balance of -27 per cent from -8 per cent in April). Sales are expected to decline at a faster rate next month (-37 per cent). However, online sales fared better, with volumes rising in the year to May, following six consecutive months of falling or flat sales, CBI said in its latest report.

Retail sales in May were termed 'poor' for the time of year, though the assessment was less negative than in April (19 per cent compared to -31 per cent previously). Sales in June are expected to continue falling short of seasonal norms, with a projected balance of -21 per cent.

Against a backdrop of subdued demand, retailers plan to reduce investment and headcount. Retailers are expecting to significantly scale back capital expenditure in the next 12 months compared to the last 12 months.

The report stated that this cautious outlook shows only modest improvement on February's reading, which marked its weakest point since the onset of COVID-19 in 2020. The total employment fell in May compared to a year ago, with the pace of decline expected to accelerate in June.

The sentiment amongst retailers plummeted in May at the sharpest rate in five years, with a net balance of firms expecting their business situation to worsen over the coming quarter (-29 per cent from -19 per cent in February).

Retailers expect to scale back investment plans in the next 12 months (compared to the previous 12) to a significant extent (-47 per cent from -56 per cent in February).

Employment in retail declined at a broadly steady rate in the year to May, compared to the previous quarter (-15 per cent from -13 per cent in February). Headcount is expected to fall at a quicker pace next month (-20 per cent).

Retail selling price inflation picked up in the year to May but remained below the long-run average for the fifth consecutive quarterly survey (+35 per cent from +25 per cent in February; long-run average +41 per cent). Retailers anticipate selling prices to increase at an accelerated rate next month (+57 per cent).

Total distribution sales volumes (including retail, wholesale, and motor trades) declined in the year to May at the joint-fastest rate since January 2021 (-43 per cent from -26 per cent in April). Businesses anticipate another strong decline in sales for June, although at a slower pace (-38 per cent).

“This was a fairly downbeat survey and highlights some of the challenges facing the retail and wider distribution sector. In contrast to other recent retail data, this survey suggests parts of the sector are still struggling with fragile consumer demand, though online sales seem to be holding up better,” said Ben Jones, lead economist at CBI.

“Firms are also feeling the impact of higher NICs and the National Living Wage increase. Our quarterly survey suggests that retailers are cutting back on hiring, scaling back investment and expect to increase selling prices at the fastest pace for over a year.”

“With the Spending Review on the horizon, the government has an opportunity to kickstart growth and incentivise investment, whether by reforming business rates, simplifying skills investment through the Apprenticeship Levy reform or expanding the Made Smarter Programme, further enabling digital adoption,” added Jones.

The report revealed a deepening slowdown across the UK retail and distribution sectors in May. Retail orders placed with suppliers fell sharply, with a net balance of -41 per cent, down from -24 per cent in April, and are expected to continue declining at a similar pace in June (-42 per cent).

Stock levels relative to expected demand dropped below the long-run average, easing to +12 per cent in May and projected to fall further to 9 per cent next month. The online retail sales volumes showed a strong recovery, rising by +37 per cent after six months of stagnation or decline, although growth is expected to moderate in June (+17 per cent).

Meanwhile, wholesale sales volumes saw their steepest fall since June 2020 at -48 per cent, which is expected to remain weak in June.

Source: fibre2fashion.com– May 28, 2025

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Japan announces $15.5-bn package to protect SMEs from US tariffs

Japan today announced a $15.5-billion package to protect small and medium enterprises (SMEs) from the impact of US tariffs.

The package includes help with corporate financing and easing of loan conditions at a government-backed lending institution, the country's chief cabinet secretary Yoshimasa Hayashi told a press conference.

Japan faces the same 10-per cent baseline tariffs imposed on most nations, apart from steeper tariffs on cars, steel and aluminium. President Donald Trump also announced 24-per cent 'reciprocal' tariffs on Japan in early April, but later paused them along with similar measures on other countries until early July.

Japan wants all levies on its imports announced by Trump lifted.

Source: fibre2fashion.com– May 28, 2025

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Malaysia's textile exports to Vietnam surge over 61% in Jan–Feb 2025

Malaysia's textile exports to Vietnam, including fabric, yarn, and fibre, jumped 61.63 per cent to $30.034 million in January–February 2025. Of the total textile exports, fabric accounted for 79.18 per cent, yarn for 17.93 per cent, and fibre for 2.89 per cent.

During the first two months of the current year, Malaysia shipped fabric worth $23.780 million, yarn worth $5.385 million, and fibre worth $0.868 million to Vietnam. In comparison, the country's textile exports were valued at $18.581 million during the same period last year, according to Fibre2Fashion's market insight tool TexPro.

Malaysia had exported textiles worth $165.619 million in 2024, which was 21.32 per cent higher than the $136.112 million exported in 2023.

Malaysia and Vietnam are mutually dependent on raw materials for their textile industries. Therefore, Malaysia imports textiles in limited quantities. Textile imports from Vietnam were valued at $11.023 million in the first two months of this year, nearly unchanged from $11.057 million in the same period last year. Malaysia's total textile imports stood at $66.812 million in 2024, down from $76.536 million in 2023. The trade data indicates a continuation of sluggish imports of these products, according to TexPro.

Malaysia and Vietnam also share significant bilateral trade in apparel. Malaysia's apparel imports from Vietnam were valued at $31.051 million in January–February 2025, 10.21 per cent lower than the $34.585 million imported during the same period last year. In 2024, Malaysia's apparel imports totalled $199.298 million, up 16.37 per cent from $171.832 million in 2023.

Malaysia's apparel exports to Vietnam were recorded at $2.067 million in January–February 2025, slightly lower than the $2.664 million exported during the same period in 2023. The total outbound shipment to Vietnam stood at $14.407 million in 2024 and $11.070 million in 2023.

Source: fibre2fashion.com– May 28, 2025

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US tariffs not yet a disaster to worry about in Cambodia: TAFTAC

Reciprocal US tariffs have started affecting a bit production chains in Cambodia, but they are yet to turn a disaster to worry about, according to Kaing Monika, deputy secretary general of the Textile, Apparel, Footwear and Travel Goods Association in Cambodia (TAFTAC).

"There is definitely a panic, especially among the exporters here, as about 40 per cent of the Kingdom's exports go to the US," Monika said addressing a forum on 'Cambodia's economy in the context of US reciprocal tariffs' at the Cambodia-Korea Cooperation Centre in Phnom Penh recently.

Cambodian businesses are hopeful as the second round of negotiations between the two sides over reciprocal tariffs is set to start, he was cited as saying by a domestic media outlet.

Penn Sovicheat, secretary of state and spokesman of the Commerce Ministry, said diversification of export markets remains the long-term solution.

Regarding the origin of goods, Sovicheat said goods produced in Cambodia have sufficient added value to be considered Cambodian products, even if the raw materials are sourced from other countries.

The principle of sufficient value-added is applied by the European Union and the United Kingdom to Cambodian goods and falls under the ASEAN cumulation principle, which considers goods as domestic if they use raw materials from countries of the Association of Southeast Asian Nations (ASEAN) and are fully produced with local labour, he added.

Source: fibre2fashion.com– May 23, 2025

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Denim Premiere Vision concludes with strong impact on global denim industry in Milan

Denim Premiere Vision returned to Milan for its fourth consecutive edition, delivering two days of inspiring insights, innovative products, and valuable networking for the denim industry. Organized by GL events fashion division, the event attracted nearly 2,100 international professionals representing over 1,000 companies, alongside more than 80 exhibitors and 16 brands. Attendees eagerly explored the Fall-Winter 26-27 trends, discovering the latest advancements in denim manufacturing and sustainability.

Global industry leaders gather to showcase excellence

Fabio Adami Dalla Val, Show Manager of Denim Premiere Vision, highlighted the event's growing prestige: "This edition brought together major players from the denim industry and offered an exceptionally high-quality selection, showcasing the best manufacturers from Italy, Japan, Turkey, and Morocco. The show's success confirms our ambition to make it a premium and demanding event, centered around business development opportunities for the community."

Exhibitors came from across the globe, including Italy, Turkey, Japan, Morocco, the United States, China, and France, displaying the newest denim innovations. Sixteen brands presented finished products within Milan's Fashion District, offering a direct glimpse into upcoming seasonal trends. A dedicated Trend Forum focused on 'Hybrid Denim,' reflecting evolving consumer preferences and fabric technology.

The event also featured a rich program of eight expert-led conferences and a pitch stage with 12 presentations from exhibitors. Over 450 participants attended these sessions, gaining valuable knowledge on market dynamics, sustainability, and cutting-edge textile technologies.

Innovation and sustainability at the forefront

Denim Première Vision placed strong emphasis on innovation with a dedicated pitch stage spotlighting future-focused technologies. Among the highlights were DyeMate's new responsible dyeing methods, which aim to reduce environmental impact, and RUDOLF's breakthrough in dry denim washing using a fully biodegradable bio-abrasive made from food waste, setting new standards for eco-friendly processes in denim production.

For the first time, the Moroccan Association of Textile and Apparel Industries (AMITH) showcased Morocco's textile modernization efforts. With a skilled and integrated workforce, proximity to Europe, and a strong commitment to sustainability, Morocco is positioning itself as a strategic and cost-effective sourcing destination for international brands.

Additionally, the Leonardo da Vinci Museum of Science and Technology hosted a fashion show featuring Bangladeshi Pioneer Denim, returning for the third consecutive year and recognized as a key player in the global denim market. A networking cocktail event with industry veteran Adriano Goldschmied fostered meaningful business exchanges among participants.

Around 60 percent of visitors hailed from Italy, underscoring Denim Première Vision's strong roots and partnerships within the country. Beyond the main venue at Superstudio Più, the event extended its influence by collaborating closely with Italian stakeholders to promote excellence across the denim supply chain.

In partnership with Officina39, a leader in sustainable textile innovation, Denim Premiere Vision offered an exclusive media experience featuring a guided tour of Officina39's showroom and lab in Biella. This was followed by a lunch and a private visit to Cittadellarte - Fondazione Pistoletto, fostering a deep appreciation for Italy's sustainable fashion efforts.

In April, the Rudolf Hub 1922 hosted the F U T U R E dinner, a special event co-created with Premiere Vision. This gathering brought together top industry leaders, innovative brands, and academic experts for an evening of inspiring dialogue, blending industrial innovation with artistic vision and sustainable development challenges.

Denim Premiere Vision's 2025 edition reinforced the importance of collaboration, innovation, and sustainability in shaping the future of denim, confirming its status as a must-attend event for professionals committed to advancing the global denim industry.

Source: fashionatingworld.com– May 27, 2025

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Bangladesh RMG exports to decline in 2025: Bloomberg Economics

Facing significant challenges, Bangladesh's RMG exports are projected to decline to $2 billion in 2025, according to a forecast by Bloomberg Economics. The report highlights increased tariffs in the United States, a potential decrease in exports to India, and ongoing domestic energy shortages as key contributing factors.

Accounting for 80 per cent of its total export earnings, RMG exports are a critical component of Bangladesh's economy. In 2024, the country generated $38.48 billion from RMG exports, according to data compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Bloomberg Economics warns, any substantial decline in these earnings could severely impact Bangladesh's foreign exchange reserves.

Forecasts suggests, the ‘damage could get even worse’ if competitors like India secure more favorable trade deals with the US, potentially allowing them to capture market share.

Source: fashionatingworld.com– May 27, 2025

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NATIONAL NEWS

Union Minister of Textiles Shri Giriraj Singh Chairs Textile Advisory Group (TAG) meeting on Cotton and MMF

Union Minister of Textiles, Shri Giriraj Singh, chaired the Textile Advisory Group (TAG) meeting on Cotton and MMF to review the progress of initiatives aimed at strengthening the entire textile value chain. The said meeting held in Vigyan Bhawan, New Delhi was graced by Shri Pabitra Margherita, Minister of State for Textiles and Smt. Neelam Shami Rao, Secretary, Textiles.

In his address, Shri Giriraj Singh highlighted the Mission for Cotton Productivity, and underscored the critical need to enhance cotton productivity and quality to match the 5F vision of Hon'ble Prime Minister. He emphasized that innovation and collaboration will be centric to boosting farm productivity and ensuring benefits are received at all levels of the value chain. The Union Minister also suggested that data mapping will ensure a more targeted and data-driven approach to policy interventions. In his address, the union Minister of Textiles, also called upon all stakeholders to conduct a comprehensive gap analysis across the demand-supply spectrum of the industry.

The Minister of State, Shri Pabitra Margherita appealed to all industry stakeholders to work together to achieve Vision 2030 in a cohesive manner, enhance value returns to farmers by adopting sustainability in farming and augment supply of good quality cotton to the industry by adopting best of technology and processing practices.

Secretary, Textiles emphasized that all stakeholders should work together to strengthen the entire textile value chain and urged industry leaders for a concerted effort to develop a comprehensive roadmap, including integration across the value chain and adoption of advanced technologies.

Industry leaders welcomed the Minister's vision, appreciating the Government's proactive approach in fostering technology adoption, promoting sustainable fibres, and strengthening farmer-industry partnerships.

Senior officials from the Ministries of Textiles, Agriculture & Farmers' Welfare, Commerce and Industry, O/o Textile Commissioner, Textiles Committee, Research Institutes, and Industry Associations were present at the meeting. The whole textile value chain was represented in the consultations in the meeting.

Source: pib.gov.in– May 27, 2025

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Government Restores RoDTEP Benefits for AA, SEZ, and EOU Exports

The Government of India has announced the restoration of benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for exports made by Advance Authorization (AA) holders, Export-Oriented Units (EOUs), and units operating in Special Economic Zones (SEZs). The benefits will be applicable for all eligible exports made from 1st June 2025 onwards.

The decision comes as part of the government's sustained efforts to boost India's export competitiveness in global markets. The benefits under RoDTEP for these categories were previously available until 5th February 2025, and their reinstatement is expected to provide a level playing field for exporters across sectors.

Operational since 1st January 2021, the RoDTEP scheme is designed to reimburse exporters for embedded duties, taxes, and levies that are not otherwise refunded under any other existing scheme. It is compliant with World Trade Organization (WTO) norms and is implemented via a comprehensive end-to-end digital platform to ensure transparency and efficiency.

As of 31st March 2025, total disbursements under the RoDTEP scheme have crossed Rs. 57,976.78 crore, underscoring its significant role in supporting India's merchandise exports.

For the Financial Year 2025–26, the Government has allocated Rs. 18,233 crore under the scheme. The support will cover 10,780 HS lines for Domestic Tariff Area (DTA) exports and 10,795 HS lines for AA/EOU/SEZ exports, ensuring broad-based coverage for diverse sectors of the economy.

The reinstatement of RoDTEP benefits for special export categories reflects the government's continued commitment to creating a conducive, competitive, and compliant export ecosystem that drives India's long-term trade growth.

Source: pib.gov.in– May 27, 2025

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India Records USD 81.04 Billion FDI Inflow in FY 2024–25

The Government has put in place an investor-friendly Foreign Direct Investment (FDI) policy, under which most sectors are open for 100% FDI through the automatic route. This policy is reviewed on an ongoing basis to ensure that India remains an attractive and competitive investment destination. As a result, FDI inflows have seen a steady rise—from USD 36.05 billion in FY 2013–14 to USD 81.04 billion (provisional) in FY 2024–25, marking a 14% increase from USD 71.28 billion in FY 2023–24.

The services sector emerged as the top recipient of FDI equity in FY 2024–25, attracting 19% of total inflows, followed by computer software and hardware (16%) and trading (8%). FDI into the services sector rose by 40.77% to USD 9.35 billion from USD 6.64 billion in the previous year.

India is also becoming a hub for manufacturing FDI, which grew by 18% in FY 2024–25, reaching USD 19.04 billion compared to USD 16.12 billion in FY 2023–24.

Maharashtra accounted for the highest share (39%) of total FDI equity inflows in FY 2024–25, followed by Karnataka (13%) and Delhi (12%). Among source countries, Singapore led with 30% share, followed by Mauritius (17%) and the United States (11%).

Over the last eleven financial years (2014–25), India attracted FDI worth USD 748.78 billion, reflecting a 143% increase over the previous eleven years (2003–14), which saw USD 308.38 billion in inflows. This constitutes nearly 70% of the total USD 1,072.36 billion in FDI received over the past 25 years.

Additionally, the number of source countries for FDI increased from 89 in FY 2013–14 to 112 in FY 2024–25, underscoring India's growing global appeal as an investment destination.

In the regulatory domain, the Government has undertaken transformative reforms across multiple sectors to liberalize FDI norms. Between 2014 and 2019, significant reforms included increased FDI caps in Defence, Insurance, and Pension sectors, and liberalized policies for Construction, Civil Aviation, and Single Brand Retail Trading.

From 2019 to 2024, notable measures included allowing 100% FDI under the automatic route in coal mining, contract manufacturing, and insurance intermediaries. In 2025, the Union Budget proposed increasing the FDI limit from 74% to 100% for companies investing their entire premium within India.

These trends reaffirm India's position as a preferred global investment hub, enabled by a proactive policy framework, an evolving business ecosystem, and rising international confidence in India's economic resilience.

Source: pib.gov.in– May 27, 2025

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Carbon tax not part of India-UK FTA, to be discussed outside

The UK has clarified that the country's carbon board adjustment mechanism (CBAM) regulation is outside the realm of the free trade agreement (FTA) signed with India and all discussions on the matter between the two countries would happen "outside this space".

Prime Minister Narendra Modi and his UK counterpart Keir Starmer are expected to meet soon to officially sign the India-UK FTA, which has the potential to increase bilateral trade by over £25 billion annually, an UK official said on Tuesday.

In the area of mobility, the UK has not touched its immigration system at all or created extra visa categories for India, and concessions are largely centred around creation of 1,800 visa slots annually for professionals like chefs, musicians, and yoga instructors, he pointed out.

"The carbon tax is not part of the FTA. So that's actually got nothing to do with what we're talking about on this particular FTA. Essentially, that conversation happens outside of this space..," the official said in an interaction.

The CBAM, to be implemented in January 2027, will place a carbon tax on specified goods in the aluminium, cement, fertilizer, hydrogen, and iron and steel sectors.

India had been negotiating for flexibilities under CBAM as part of the FTA as carbon taxes could nullify the other market access benefits of the pact for the country.

Following the announcement of the finalisation of the FTA earlier this month, Indian officials had said that the country reserved the rights to appeal against CBAM taxes, if levied, and discussions on the matter were still on.

While discussions on CBAM is likely to continue between India and the UK, it would happen separately. "It is not part of the FTA and these sort of mechanisms," the official added.

The FTA, which will need three months of legal scrubbing and a year to be approved by UK Parliament, will lead to tariff elimination for India on about 99 per cent of the tariff lines by the UK. The UK will gain tariff-free access to India for 85 per cent of its tariff lines spread over 10 years.

"We already have £43 billion worth of trade between the two nations, and this deal will actually increase that trade by over £25 billion in the long run, and obviously that will lead to lots of creation of jobs on both sides of the border, and effectively go to enhancing both economies," the official said.

Tariffs will be slashed for UK exports not only in sectors that made headlines, such as whiskey and cars, but also others such as advanced machineries, medical devices and cosmetics.

Opportunities will be unlocked for India in sectors such as textiles & clothing and footwear, the official added.

Source: thehindubusinessline.com– May 27, 2025

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Goyal meets exporters to discuss emerging global opportunities

Commerce and Industry Minister Piyush Goyal discussed global opportunities for exporters, including ones flowing from the free trade agreement (FTA) finalised with the UK and the pacts being negotiated with the US and the EU, in a meeting with export promotion councils on Tuesday, sources said.

“Met representatives of all export promotion councils (EPCs) & industry associations and discussed emerging global opportunities for India,” Goyal posted on social media platform ‘X’ following the meeting.

Also, encouraged them to create a facility that makes Indian exporters easily discoverable by overseas buyers to further boost our country’s exports, he added.

The Minister is just back from the US where he met his counterparts, US Commerce Secretary Howard Lutnick and US Trade Representative Jamieson Greer, on the proposed India-US bilateral trade deal and the interim trade pact.

While the first tranche of the “mutually beneficial” BTA is to be delivered by Fall of 2025 (September-October), the two are aiming to strike an early deal in limited areas before July 7, when the 90-day reciprocal tariff pause period ends.

As all countries, including competitors such as Vietnam and Bangladesh, have been hit by US reciprocal tariffs, which are to be fully implemented on July 8, India is hopeful that a timely interim deal could give it an advantage over others.

“Exporters are hopeful that an early trade pact will be reached before July 8 and the reciprocal tariffs on India will be withdrawn. If competing countries fail to reach a deal with the US and have their tariffs rolled back, India will have a definite advantage,” an industry source said.

Source: thehindubusinessline.com– May 27, 2025

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$4tn To $30tn, Fast

A fortnight after Op Sindoor, economic data is buttressing the point that India and Pakistan can no longer be hyphenated. India's set to become 4th largest economy by year-end, on course to becoming the 3rd largest in three years. Maharashtra's economy is larger than Pakistan's; Tamil Nadu's is the same size. India's $4tn economy is over 10x that of Pakistan. BSE and NSE's capitalisation is 200x that of Pakistan Stock Exchange.

Companies like HCL and Axis Bank command a market capitalisation equivalent to Pakistan's entire stock exchange. LIC's assets under management ($640bn) are nearly 2.5x of Pakistan's national debt. Pakistan's forex reserves: $16bn, India's: $680bn.As PM said post-Op Sindoor, the path to peace goes through power.

And history shows economic power – not just military might – elevates nations on the global stage. If a $4tn economy gives India so much heft, imagine what a $30tn+ economy could do. So, now is the time to place ourselves among the most powerful economies with transformative, not incremental, reforms. Less regulation | Because overregulation increases the cost of doing business by raising compliance costs, we must address regulatory overreach. Excessive licensing, sector-specific controls, and proliferation of circulars and NOCs need to be eliminated. We must institutionalise self-certification and certification by third-party professionals.

All approvals must be digital with no human intervention. Regulators shouldn't see themselves as instruments of control and overreach. Rationalise GST | GST has enabled formalisation and encouraged ease of doing business. It's time to rationalise GST rates and slabs, and simplify processes to reduce the compliance burden for small enterprises. In the spirit of cooperative federalism, GST Council should work towards developing a roadmap for incorporating petroleum products, electricity, and real estate into the GST regime.

Ease of borrowing | We must liberate financial markets to ensure adequate and reasonable business borrowing rates. RBI must create a roadmap to phase out the statutory liquidity ratio (SLR), which compels commercial banks to buy govt bonds. While this enables govt to finance the fiscal deficit, it curbs the availability of finance for MSMEs and impacts the development of a commercial bond market.

Freeing up the SLR requirement will help reduce borrowing costs for private businesses. It's also important to make the cost of public sector borrowing as high as that of the private sector. Make for world | Our tariffs on intermediate goods and inputs are too high and must be brought down to push manufacturing in India.

High tariffs on critical inputs, particularly in electronics, automobiles and machinery, blunt PLI scheme's effectiveness. They also keep Indian companies out of global value chains.

Non-tariff barriers, such as quality control orders (QCOs), must be rationalised. In textiles, QCOs have killed our ability to expand in manmade fibres and create jobs. We must engage with firms in China and Southeast Asia and handhold to shift their operations to India. Our approach with Apple in mobile manufacturing provides a template.

At the same time, we must pursue more bilateral and regional trade agreements. Need for speed | We're a major importer of batteries, solar cells and modules, motors, controllers and wind turbines in the clean tech sector. If we don't 'Make in India', we'll never become energy-independent.

So, speedy implementation of the Clean Tech Manufacturing Mission is critical. Thrust on infra must continue. High-speed rail and dedicated freight corridor projects must be sped up. Public-private partnerships must be rekindled, bringing more private investment in infra.

Labour laws and Factories Act are outdated and need a complete overhaul. State govts must implement labour laws that Parliament has already passed to increase the size and scale of manufacturing. Brain gain | To propel India to the forefront of R&D, we need to attract top-tier scientific minds.

We should aim to attract 500 distinguished academics from top 100 global universities over five years, requiring them to spend at least six months annually at an Indian host institution.

We must create 1,000 research sabbaticals for academics from the top 200 global universities. Speedy implementation of India AI Mission will ensure we build sovereign frontier models.

We must also build multilingual and multimodal foundation models, given our 22 recognised languages. Incredible India | Lastly, tourism offers India a huge opportunity. Tourists do not face any tariffs and the sector is not subject to retaliatory duties. It can provide India foreign exchange at scale.

We have the finest hotels and the best airlines. India must roll out a global 'Incredible India' campaign inviting tourists from across the world, and demonstrate that there is no destination like India. This is India's soft power. The writer is India's G20 Sherpa & former CEO Niti Aayog

Source: timesofindia.com– May 26, 2025

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India's exports set to cross $1 trillion in FY26 on robust global demand, says FIEO

India's total goods and services exports are projected to surge over 21% year-on-year to touch $1 trillion in the fiscal year 2025-26, according to the Federation of Indian Export Organisations (FIEO). In 2024-25, the country's exports stood at $824.9 billion. FIEO President S C Ralhan attributed the projected growth to global buyers looking to diversify their sourcing strategies amid ongoing geopolitical and economic uncertainties.

"The free trade agreements, which India is finalising, would also help in pushing the country's outbound shipments," he noted. For FY26, merchandise exports are expected to rise by 12% to $525-535 billion, up from $437 billion in FY25. Services exports are projected to grow about 20% year-on-year to $465-475 billion, compared to $387 billion last fiscal, PTI reported.

Ralhan said that all major sectors are likely to witness robust growth, including electronics, engineering, chemicals, textiles and clothing, pharmaceuticals, and agriculture. Petroleum and gems and jewellery exports are also expected to rebound into positive territory.

Export estimates for 2025-26 include $60 billion from electronics and electricals, $40 billion from machinery, $40 billion from chemicals, $30 billion from pharmaceuticals, $70 billion from petroleum products, $23–25 billion from apparel and made-ups, $30–35 billion from gems and jewellery, and $55 billion from agriculture.

A key growth driver for the electronics segment will be the Production Linked Incentive (PLI) scheme. Ralhan also pointed to rising trade diversification as a catalyst, especially with U.S. buyers increasingly looking beyond China. As evidence of the shift, Apple supplier Foxconn invested $1.48 billion (around Rs 12,800 crore) in its India unit during May 14–19, according to regulatory filings. "It is not just Apple—many other companies are also looking at India.

Trade diversion from China will bring at least an additional $5 billion worth of opportunity," said Ajay Sahai, Director General and CEO of FIEO. India's ongoing negotiations for free trade agreements with the UK, the European Free Trade Association (EFTA), and the European Union (EU) are expected to further support export growth. Additionally, an interim trade deal with the U.S., which may exempt India from reciprocal tariffs, could give Indian exporters a competitive edge, Sahai said. In FY25, the gems and jewellery sector saw exports of $29.8 billion, but the sector has experienced a decline over the past two years due to weakening demand and challenges in sourcing natural diamonds.

While the outlook remains strong, Sahai cautioned about emerging headwinds, particularly from non-tariff and technical barriers. A major upcoming challenge is the EU's implementation of the Digital Product Passport (DPP) from January 1, 2026. Initially covering electronics, batteries, textiles, and construction materials, the regulation is set for broader rollout by 2030.

The DPP will require detailed digital documentation of a product's life cycle—from raw material sourcing to recycling and disposal—which could significantly increase compliance costs, especially for Micro, Small, and Medium Enterprises (MSMEs).“These are clearly protectionist measures,” Sahai said, warning that failure to comply could lead to shipment rejections or competitiveness loss in the EU market, which is increasingly focused on sustainability.

The DPP follows a series of EU regulations including the Carbon Border Adjustment Mechanism, anti-deforestation rules, and the Eco Design Sustainable Product Regulation, all coming into effect from January 1, 2026.On a positive note, Sahai mentioned that geopolitical disruptions in key trade routes like the Red Sea have subsided, with shipping operations gradually resuming despite recent conflicts in the Russia-Ukraine and Israel-Hamas regions.

Source: timesofindia.com– May 27, 2025

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Indian export consignments gradually resuming through Red Sea route: Exporters

New Delhi: Indian export consignments have gradually started moving through the Red Sea route again, exporters body FIEO said on Tuesday. The gradual movement signals a cautious recovery in shipments after months of disruptions on the route caused by regional tensions.

Last year, the situation around the Bab-el-Mandeb Strait, a crucial shipping route connecting the Red Sea and the Mediterranean Sea to the Indian Ocean, escalated due to attacks by Yemen-based Houthi militants.

Due to attacks, the shippers were taking consignments through the Cape of Good Hope, encircling the African continent, resulting in delays of almost 14-20 days and higher freight and insurance costs.

"Consignments are gradually going through this important sea route. It will cut transportation time," Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said.

He also said freight rates have stabilised because of a dip in ship demands from China.

Around 80 per cent of India's merchandise trade with Europe passes through the Red Sea and substantial trade with the US also takes this route. Both these geographies account for 34 per cent of the country's total exports.

The Red Sea strait is vital for 30 per cent of global container traffic and 12 per cent of world trade. About 95 per cent of the vessels had rerouted around Cape of Good Hope adding 4,000-6,000 nautical miles and 14-20 days to journeys.

Source: economictimes.com – May 27, 2025

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Govt allocates Rs 18,233 cr under RoDTEP scheme for exporters for 2025-26

New Delhi: The government has allocated Rs 18,233 crore under the export benefit scheme RoDTEP in the current financial year for over 10,750 product categories, an official statement said on Tuesday. As of March 31, 2025, total disbursements under the RoDTEP scheme have crossed Rs 57,976.78 crore.

The government also said that the benefits under the scheme for exports of goods manufactured in special economic zones and export-oriented units are restored from June 1 this year.

Under the Remission of Duties and Taxes on Exported Products (RoDTEP), various central and state duties, taxes, and levies imposed on input products, among others, are refunded to exporters. The current RoDTEP rates are in the range of 0.3-4.3 per cent.

"For the Financial Year 2025-26, the government has allocated Rs 18,233 crore under the scheme. The support will cover 10,780 HS lines (or product categories) for Domestic Tariff Area exports and 10,795 HS lines for Advance Authorization (AA) holders, Export-Oriented Units (EOUs), and units operating in Special Economic Zones (SEZs) exports, ensuring broad-based coverage for diverse sectors of the economy," the commerce ministry said.

Operational since January 1, 2021, the scheme is designed to reimburse exporters for embedded duties, taxes, and levies that are not otherwise refunded under any other existing scheme.

It is compliant with World Trade Organization (WTO) norms and implemented via a comprehensive end-to-end digital platform to ensure transparency and efficiency.

"The reinstatement of RoDTEP benefits for special export categories reflects the government's continued commitment to creating a conducive, competitive, and compliant export ecosystem that drives India's long-term trade growth," it said.

Commenting on the move, economic think tank GTRI said the government did not allow RODTEP benefits for these groups for exports made between February 5 and May 31, 2025.

"The government's stop-and-start approach to RoDTEP undermines the scheme's purpose," Global Trade Research Initiative (GTRI) founder Ajay Srivastava said.

Although RoDTEP is a WTO-compliant way to refund embedded duties paid by exporters, its repeated withdrawal for AA holders, EOUs, and SEZs creates serious uncertainty, he said.

"Exporters struggle to price products or plan long-term deals when they cannot rely on steady refunds. While the reinstatement of benefits is welcome, it raises a bigger issue: why were they cut off mid-cycle at all? To position India as a stable and competitive export hub, the government must ensure uninterrupted RoDTEP coverage for at least five years," he said.

Source: economictimes.com – May 27, 2025

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India highlights textile and handicraft capabilities at INDEX Dubai 2025 amid rising UAE demand

India has made a significant impact at INDEX Dubai 2025, the Middle East and North Africa's leading interior design and furniture exhibition, with 55 companies showcasing their products to tap into the region's expanding $25 billion interior design market, projected to grow to $35 billion by 2031.

The three-day exhibition, held at the Dubai World Trade Centre from May 27 to 29, has long served as a vital platform connecting international brands with buyers from across the Middle East. This year's Indian presence was coordinated by key export promotion councils, including the Cotton Textiles Export Promotion Council (Texprocil), which brought 10 companies; the Export Promotion Council for Handicrafts (EPCH), which facilitated 12 participants under The Hotel Show segment; and Gram Vikas Seva Sansthan, representing 11 companies.

The 250-square-meter India Pavilion was established to spotlight India's diverse offerings in home textiles and handicrafts—ranging from bed linen, towels, and bathrobes to rugs, kitchen linen, and decorative items. The pavilion was inaugurated by Satish Kumar Sivan, Consul General of India in Dubai, who interacted with exhibitors and emphasized India's growing role in the region's interior and hospitality supply chains.

The Hotel Show, running parallel to INDEX, attracted buyers from across the GCC including Saudi Arabia, Oman, Qatar, and Jordan. Indian participants received encouraging feedback and strong interest in products such as duvets, curtains, and pillows, driven by rising demand from the UAE's expanding residential, hospitality, and healthcare sectors.

India's robust participation is supported by the India-UAE Comprehensive Economic Partnership Agreement ,which came into effect in May 2022. The agreement provides Indian textile exporters, especially in the cotton segment, with zero-duty market access to the UAE, enhancing competitiveness.

Textiles and clothing imports into the UAE stand at around $2.5 billion annually. Notably, the textile share has increased to 40%– up from a previous average of 20–25% with cotton textiles alone accounting for

$95–110 million annually over the past three years. Indian companies noted that UAE hotels generally source through wholesalers due to smaller order sizes, creating specific opportunities for Indian SMEs offering bundled solutions in smaller quantities.

INDEX Dubai 2025 features over 530 exhibitors and expects more than 30,000 trade visitors, including architects, designers, developers, and retailers. The event also hosts the “INDEX Design Talks” conference series, where industry leaders explore trends such as sustainable design, AI integration, client engagement, and redefining luxury. Nearly half of the speakers are making their INDEX debut, reflecting the show’s focus on innovation and fresh perspectives.

Running alongside The Hotel Show and WORKSPACE, INDEX Dubai continues to strengthen Dubai’s role as a global center for interior design, with the city’s dynamic real estate and hospitality sectors driving demand for high-quality, sustainable interior solutions. For Indian exporters, the exhibition reaffirms the growing potential of the UAE market, particularly under the CEPA framework.

Source: ddnews.gov.in– May 27, 2025

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Tracking consumption: Clothing, footwear spends shrank 7.1% in FY24

Indian households' spending on 'clothing and footwear' plunged to a three-year low and a tad under pre-pandemic levels in 2023-24, as per disaggregated national accounts numbers released by the National Statistical Office.

This marked the second straight year of contraction in such spending after a 1.4 per cent drop recorded through 2022-23 (FY23), and economists termed it a reflection of consumers cutting back on discretionary demand amid a period of high inflation and stagnating wages.

Expenditure on the 'clothing and footwear' segment fell by over 7 per cent to just under ₹4.53 trillion in FY24 from ₹4.87 trillion in FY23. Those spends were 0.1 per cent lower than 2019-20, when Indians purchased clothing and footwear worth a little over ₹4.53 trillion. The Covid-19 pandemic that scuppered economic activity, had dragged clothing and footwear spends down 15 per cent in 2020-21.

"Inflation in the 'clothing & footwear segment' stood at around 9 per cent in FY23 and 7.2 per cent in FY24. In a way, people prioritised other essential expenditures like food, health over lifestyle expenditure," averred Paras Jasrai, associate director, India Ratings.

Within the segment, while footwear purchases dropped nearly 2 per cent ₹99,500 crore in FY24 from ₹1.01 trillion in FY23, expenditure on 'clothing' declined by a sharper 8.5 per cent to ₹3.53 trillion from ₹3.86 trillion in the previous year.

Madan Sabnavis, chief economist, Bank of Baroda says that apart from high inflation during this time period, rural demand continued to lag, with wages suffering most in the wake of the Covid pandemic-induced lockdowns.

"Poor consumption demand has been reflected by other macro- indicators as well, particularly the consumer non- durable segment. Wages have been more or less stagnant in the past few years. All of this then affects the consumption of discretionary items, which is what is happening with the clothing & footwear segment," he added.

Sudarshan Jain, president, Knitwear and Apparel Manufacturers Association of Ludhiana, said the clothing industry is still facing an uphill task in reviving the demand, while cheap imports from countries like Bangladesh and Vietnam flooded the Indian market and squeezed domestic players' margins.

"Even the turnover recorded at the end of FY 25 by the clothing industry isn't able to surpass the turnover levels recorded in the pre-covid year. This points to the precarious state of the sector in the country. Income stagnation, especially for salaried workers is a real issue, which should be looked at and measures undertaken to revive the demand," he added.

Source: business-standard.com– May 26, 2025

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Ludhiana: Textile industry protests imports from Turkey, Bangladesh, China

Against the huge imports of textile, garment from countries such as China, Turkey and Bangladesh, the industries under the banner of Knitwear Club on Tuesday held a protest. About 100 representatives from the affected textile and garment industries participated in the protest, held outside Knitwear Club near Fountain Chowk here.

Vinod Thapar, president of Knitwear Club, said: "Despite sending letters and memoranda, meeting VVIPs and ministers, the imports from these countries have not stopped by any government, the reason is best known to them.

The government should realise that these countries openly supported Pakistan during the recent conflicts between India and Pakistan. If they are coming up openly against India, why are we promoting them at the cost of our own economy," he asked.

Sudershan Jain, another bizmen, said India imports stocks worth Rs 1.2 billion from Bangladesh, which was putting a dent in the Ludhiana textile and garment industry. "Clusters in Tirpur, Mumbai or Delhi are not that affected as the industry in Ludhiana is affected.

We cannot compete with these nations as they have got huge labour force. Bangladesh gets support from China and raw material is also cheaper there. These imports should either be banned or huge import duty should be imposed on them to give a relief to the local industry, "he said.

Meanwhile, industrialists also burnt garments made by China, Bangladesh and Turkey on the occasion and raised slogans against these nations for not supporting India.

Source: tribuneindia.com – May 28, 2025

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Cotton yarn demand stays weak in south India; Tiruppur prices dip

South Indian markets continued to witness muted demand and weak sentiment due to several negative factors. Cotton yarn prices eased by ₹1–2 per kg in the Tiruppur market, as spinning mills faced pressure to find potential buyers. Meanwhile, although cotton yarn prices remained stable in the Mumbai market, demand was very poor due to heavy rains.

The Mumbai market saw stability in cotton yarn prices amid thin trade. The natural calamity has disrupted normal life and business activities. A trader from Mumbai told Fibre2Fashion, "Heavy rains in Mumbai and other areas brought normal life and economic activities to a standstill. However, the rains have improved prospects for higher cotton yarn demand as workers return to power looms and auto looms following the first spell of rain. Increased worker attendance is expected to boost cotton yarn consumption."

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,380-1,430 (~$16.17-16.75) and ₹1,340-1,390 per 5 kg (~$15.70-16.28) (excluding GST), respectively. Other prices include 60 combed warp at ₹315-321 (~$3.69-3.76) per kg, 80 carded weft at ₹1,385-1,450 (~$16.22-16.99) per 4.5 kg, 44/46 carded warp at ₹265-272 (~$3.10-3.19) per kg, 40/41 carded warp at ₹248-255 (~$2.91-2.99) per kg and 40/41 combed warp at ₹268-272 (~$3.14-3.19) per kg, according to trade sources.

The Tiruppur market continued to experience weak demand for cotton yarn despite rainfall in the region. Sluggish demand pushed yarn prices down by ₹1–2 per kg. Market sources reported that spinning mills are under pressure due to slow demand and are being forced to lower their prices, affecting their profit margins. Current market conditions are especially challenging for small spinning mills, most of which produce carded cotton yarn.

In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹255-263 (~$2.99-3.08) per kg (excluding GST), 34 count combed cotton yarn at ₹266-273 (~$3.12-3.20) per kg, 40 count combed cotton yarn at ₹278-291 (~$3.26-3.41) per kg, 30 count carded cotton yarn at ₹236-241 (~$2.76-2.82) per kg, 34 count carded cotton yarn at ₹241-246 (~$2.82-2.88) per kg and 40 count carded cotton yarn at ₹249-253 (~$2.92-2.96) per kg.

In Gujarat, cotton prices remained stable amid slow lifting by spinning mills. They have scaled back purchases of raw cotton due to sufficient yarn demand. Traders noted that although ICE cotton prices were higher, local bearish sentiment dominated the market. The Cotton Association of India has reported slow consumption and abundant cotton availability this season. Traders expect a continued sluggish trend in cotton prices during the current marketing season, which will end in September.

Cotton arrivals were estimated at 3,000–4,000 bales of 170 kg in Gujarat and 22,000–26,000 bales across the country. The benchmark Shankar-6 cotton was quoted at ₹54,000–54,300 (~$632.59–636.10) per candy of 356 kg, while southern mills were bidding at ₹55,000–55,500 (~$644.31–$650.16) per candy.

Source: fibre2fashion.com – May 27, 2025

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