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85.44	97.43	115.59	0.60

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INTERNATIONAL NEWS

Economists see global growth coming under strain amid uncertainty: WEF

Uncertainty is the defining theme of the global economic environment, according to the World Economic Forum's (WEF) latest Chief Economists Outlook, which said 82 per cent consider it very high now, while 56 per cent anticipate easing over the next year.

Ninety-seven per cent placed trade policy among the areas of highest uncertainty, followed by monetary policy (49 per cent) and fiscal policy (35 per cent).

Eighty-seven per cent anticipated that businesses will respond to uncertainty by delaying strategic decisions, increasing recession risks.

The growth outlook is divided, with weak prospects in North America, resilience in the Asia-Pacific and cautious optimism in Europe.

In Europe, while growth remains subdued, respondents pointed to emerging signs of improvement, driven by expansionary fiscal policy and continued monetary easing.

The respondents were largely aligned in their assessment that higher tariffs and persistent trade tensions would fuel inflation and suppress trade volumes, and persistent uncertainty would inflict significant economic damage on the global economy, including through paralysed decision-making and heightened risks of policy mis-coordination, the report's executive summary said.

Artificial intelligence (AI) is expected to drive growth, but 47 per cent anticipate related net job losses.

The economists were the most optimistic about a strong economic expansion in South Asia, with India set to be the primary engine of growth this year and the next.

They, however, warned of the overall global growth coming under strain from trade policy shocks and AI disruption.

Respondents were clear that overall growth prospects were weakening, with the shift in trajectory being most pronounced in the United States, where the majority of respondents expected weak or very weak growth for the remainder of 2025, alongside rising inflation and a weakening dollar.

China is also pursuing fiscal expansion in an effort to bolster growth, but the chief economists were divided on whether it would reach its target of 5-per cent gross domestic product (GDP) growth this year, given a range of both external and domestic economic challenges.

A majority of surveyed economists saw the current US economic policy as having a lasting global impact, with 87 per cent expecting it to delay strategic business decisions and heighten recession risks.

Although the rerouting of Chinese exports is casting a shadow over the South Asian region's economic prospects, a recently concluded trade deal between India and the United Kingdom was another source of optimism, the report said.

Globally, public debt concerns were seen mounting as defence spending rises, with 86 per cent of chief economists expecting increased government borrowing.

Seventy-nine per cent of respondents viewed the current geo-economic developments as signs of a significant structural shift for the global economy rather than a temporary disruption.

Other key risks included rising concentration of market power (47 per cent) and disruption of existing business models (44 per cent).

Source: fibre2fashion.com– June 02, 2025

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USA: Yield, Not Price, Will Determine 2025 Cotton Success

This year reminds us that what happens tomorrow is much more important than what happened today.

Even though cotton production is off to a very late and wet beginning across the Southeast and Mid-South, much of the Southwest has received very timely and beneficial rains. Better weather tomorrow offers the potential for a bigger and better crop. Yield, not price, will determine whether 2025 is a good or bad cotton year.

Prices eased lower all week but managed to regain a few points on Friday's close (May 30) as the old crop July weekly settlement was 65.06 cents. December felt the market's troubles as well, seeing prospects for a bigger crop and settled at 67.75 cents. The ongoing 63-68 cent trading range will continue to dominate trading for both the July and the December contracts, with the slight possibility of sneaking just outside that range for only very brief periods of time.

Market fundamentals continue to hold a lid over any potential breakout above the 68-69 cent mark for both the July and the December contracts.

Export sales data continue to suggest shipments may exceed the USDA projection. As welcome as such an observation is, it is akin to saying, "Well, I only have a bloody nose and a few broken bones and not a concussion." Many in the cotton industry, while suggesting that USDA underestimated the level of U.S. exports and celebrating the increased exports number, totally forget that the level of U.S. exports again fell behind that of Brazil, and that Brazil, in fact, has supplanted the U.S. as the world's primary exporter.

With 2 ½ months remaining in the marketing year, export sales and shipments to date are level with the prior year. However, outstanding sales are some 750,000 bales behind the prior year's pace. Additionally, next year's sales are 500,000 bales behind this year's slow pace. Thus, while it appears USDA has underestimated the current demand for exports, USDA's meat cleaver approach to cutting exports was only marginally too brutal.

The point is clear: the U.S. continues to lose export market share. The loss of export share implies that the U.S. reduction in cotton acreage will become permanent.

Some want to blame the tariff era for slow exports. Yet, there has not been any tariff effect noted in export data. While China has reduced its demand for U.S. cotton, its reduction has been going on for three years and is in alignment with its actual reduction in total demand for cotton. On the contrary, export cancellations have been fewer than normal.

Additionally, this week's shipments were to 20 countries, noting a widespread delivery and empirical evidence that nearly all cotton consuming countries want U.S. cotton, but only in lesser amounts. Cotton consumption has notably slowed and has not shown any indication of increasing. Of course, the major consuming countries such as Vietnam, Turkey, Pakistan, and others continue to take U.S. cotton in volume.

Net sales of upland on the week were 118,700 bales and shipments were 275,400 bales. While this level may initially appear impressive, the data represents a decline in the demand for U.S. cotton.

The three-day Jim Rogers roll was completed on May 30, and the five-day Goldman Sachs roll will begin June 6. These are long only rolls (buy December, sell July) and should be easily handled by the market.

The weekly On Call report confirmed that mills are buying cotton in limited volume and that they are postponing the pricing decision – an indication that they are betting on a continuation of a decline in the level of December futures. Additionally, the level of on-call purchases suggests December has additional downside risk down to 63 cents.

Source: cottongrower.com– May 31, 2025

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Türkiye's apparel exports drop 6.16% to $5.3 bn in Jan-Apr 2025

Türkiye's apparel exports declined by 6.16 per cent year-on-year (YoY) during January–April 2025, totalling $5.300 billion compared to $5.648 billion in the same period of 2024, according to data from the Turkish Statistical Institute and the Ministry of Trade. Exports also noticed mild drop in April 2025.

Exports of knitted and crocheted clothing and accessories (HS Chapter 61) decreased by 3.6 per cent to $2,989.443 million, down from $3,100.817 million in January–April 2024. Non-knitted apparel and accessories (HS Chapter 62) experienced a 9.3 per cent decline, falling to $2,311.414 million from $2,548.528 million during the same period last year, as per the trade report on the top twenty chapters.

In April 2025, Türkiye's garment exports eased by 0.22 per cent to $1,200.171 million. Exports of knitted and crocheted clothing and accessories increased by 0.6 per cent to $693.067 million, compared to $688.665 million in April 2024. But non-knitted apparel and accessories saw a 1.4 per cent decline, falling from $514.187 million in April 2024 to $507.104 million in April 2025.

In 2024, Türkiye'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, Türkiye'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– Jun 02, 2025

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China's manufacturing PMI rises to 49.5 in May from 49 in Apr 2025

China's purchasing managers' index (PMI) in manufacturing sector was 49.5 in May—up by 0.5 percentage point (pp) from the April figure, data from the National Bureau of Statistics (NBS) showed.

The figure remained in contraction for a second consecutive month in May.

The uptick was primarily backed by a recovery in supply, with improvement in the sub-index for production, NBS statistician Zhao Qinghe explained.

The sub-index for production was 50.7 in May versus 49.8 in April, while the gauge for new orders came in at 49.8 in May—up from 49.2 in April.

Chinese manufacturers expressed optimism and confidence, with the gauge for manufacturers' expectations for production and operation standing at 52.5 in May versus 52.1 in April, state-controlled media outlets reported.

The country's official composite PMI, which encompasses both manufacturing and non-manufacturing activities, rose from 50.2 in April to 50.4 in May.

Source: fibre2fashion.com– June 02, 2025

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Turkish breed 1st cotton granted EU protected geographical indication

The European Union (EU) recently granted protected geographical indication (PGI) status to 'Soke Pamugu' cotton variety grown in the Soke district of Turkiye's Aydin province—the first cotton variety to receive this status from the EU.

The EU recognised the cotton's special characteristics tied to the region's environment and its traditional cultivation methods. The registration also aims at enhancing the product's economic value for producers, an official release said.

Soke Pamugu has a lustrous appearance and long fibres. The yarn made from this cotton is both fine and durable. The quality parameters of cotton like colour are more influenced by environmental conditions and cultivation techniques than by the genetic structure of the variety. The outstanding quality of the variety is closely linked to the soil structure and microclimate of the district.

Thomas Ossowski, head of the Delegation of the EU to Turkiye, said with the PGI logo, Soke Pamugu producers will have enhanced market opportunities and, therefore, gain more economic power. The PGI logo will help protect this cotton from fraud, and consumers will know they are receiving the genuine Soke Pamugu when they see the logo, he added.

Source: fibre2fashion.com– June 01, 2025

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North America's market for woven, felt and coated textile clothing to grow to $27.5 billion by 2035

Fueled by increasing demand for these specialized textiles, the North American market for non-woven, felt, and coated textile clothing is projected to expand at a CAGR of 1.2 per cent between 2024 and 2035, reaching an estimated value of $27.5 billion by the end of 2035.

In terms of volume, the market is forecast to grow at a CAGR of 1.5 per cent during the same period, reaching an estimated $1.7 billion units by 2035-end.

In 2024, the North American market for these textile products was valued at $24 billion, representing a 7.7 per cent increase from the previous year.

The United States was the dominant consumer, accounting for approximately 99 per cent of the total volume with 1.4 billion pieces. The US also led the market in terms of value, reaching $8.4 billion.

Imports of non-woven, felt, and coated textile clothing by North America increased substantially by 358 per cent to approximately 1.4 billion units in 2024. While the value of these imports saw a slight decrease to $2.8 billion in 2024, the overall import volume experienced significant growth.

The United States was a major importer, responsible for over two-thirds of all non-woven, felt, and coated textile clothing imports. In terms of value, the U.S. was the primary market for these imported goods in North America, with imports valued at $2.4 billion. The average annual growth rate of import value in the US was 2.2 per cent between 2013 and 2024.

Source: fashionatingworld.com– May 31, 2025

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Fashion retailers, textile sector cautioned over likely greenwashing

A joint open letter by members of the International Consumer Protection and Enforcement Network (ICPEN), a worldwide network of more than 70 consumer protection authorities, recently called on the fashion retail sector and textile industry to review their commercial practices to ensure their environmental claims comply with consumer law.

The letter urges retailers to avoid using vague and general claims like describing items of clothing as ‘conscious’, ‘green’ or ‘sustainable’.

As concerns over potential greenwashing in advertising campaigns across the fashion industry grow, the fashion retail sector, which, as the letter indicates, is currently responsible for an estimated 8 per cent of global greenhouse gas emissions and 20 per cent of global wastewater, has attracted particular attention.

The letter cautions traders against overstating the significance of their environmental measures and asks them to ensure that any improvements made are marketed in a ‘proportionate’ way and not given ‘undue emphasis in’ marketing.

The letter also calls on retailers to avoid making claims based on data that is not sufficiently specific to the product, such as claiming that an item of clothing automatically has a lower environmental impact because it is made of organic cotton instead of conventional cotton.

ICPEN cautioned against using self-made labelling schemes and misuse of third-party certifications, adding that labels “should give an accurate impression of the environmental performance of the product.”

Retailers should also be specific when using sustainability filters in online stores and should focus their marketing on specific measures already being taken, rather than making unsubstantiated claims about future aspirations.

Ireland’s Competition and Consumer Protection Commission (CCPC); the Australian Competition & Consumer Commission; and the Spanish Directorate General for Consumer Affairs, were among the 20 global organisations that endorsed the letter.

In a statement accompanying the letter on ICPEN's website, the organisation said that it "does not necessarily indicate that any individual ICPEN member will prioritise enforcement action on misleading environmental claims, and some member jurisdictions may have stricter or more specific rules in place."

Source: fibre2fashion.com– June 02, 2025

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Bangladesh: Forum panel wins BGMEA election

The Forum panel has won the biennial election of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), according to the final results announced by the election commission.

The contest was held for 35 director posts, of which 26 were in the Dhaka region and 9 in Chattogram.

The Forum panel, led by Mahmud Hasan Khan, won 31 of the director posts in the election, while the Sammilito Parishad panel secured four.

The election was held simultaneously in polling centres in both the capital and the port city on May 31. Of the 31 posts won by the Forum panel, 25 were in Dhaka and six in Chattogram.

Of the four director posts won by the Sammilito Parishad panel, one was in Dhaka and three in Chattogram, said Md Anwar Hossain, administrator of the BGMEA. Now, the elected directors will nominate the president, vice-presidents, and other office bearers for the 2025–27 tenure.

Earlier, the casting of votes began at 8:00am and continued until 5:00pm without any break.

In Dhaka, the polls took place at the Radisson hotel, where 1,528 out of 1,631 votes were cast, and 103 votes were declared invalid.

At the Chattogram centre, 248 out of 303 votes were cast, and six votes were found to be invalid.

The BGMEA election was held in March last year, but its president, SM Mannan Kochi, resigned in October following the fall of the Sheikh Hasina-led government in August.

In October, the government appointed Md Anwar Hossain as the BGMEA administrator to oversee the election.

Source: thedailystar.net– June 02, 2025

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NATIONAL NEWS

1st round of India-Chile CEPA negotiations concludes in New Delhi

India and Chile recently concluded the first round of negotiations for a comprehensive economic partnership agreement (CEPA) in New Delhi.

The terms of reference for the agreement were signed on May 8 this year and the negotiations commenced on May 26.

Discussions covered trade in goods and services; rules of origin; sanitary and phytosanitary measures; technical barriers to trade; customs procedures and trade facilitation; initial provisions and general definitions; core and institutional provisions; dispute settlement; economic cooperation; global value chains; investment promotion and cooperation; and intellectual property rights.

The CEPA aims to unlock the full potential of the trade and commercial relationship between India and Chile, boosting employment, bilateral trade, and economic growth.

Indian commerce secretary Sunil Barthwal said during the opening ceremony of the talks that the agreement will pave the way for a deeper economic partnership and the creation of strengthened global value chains between the two countries, an official release said.

The next round of negotiations is expected in July-August this year and will be preceded by inter-sessional discussions through virtual conferences to address outstanding issues.

During his official visit to India in April this year, President of Chile Gabriel Boric Font had said India is a priority partner for Chile and highlighted the need to explore strategies for enhanced and diversified trade between the two countries.

Both leaders had welcomed the initiation of negotiations towards a balanced, ambitious, comprehensive and mutually beneficial CEPA aimed at achieving deeper economic integration.

The Chilean negotiating team was led by Pablo Urria, director for Asia & Oceanic at the secretariat of international economic relations in the ministry of foreign affairs of Chile. The Indian delegation was headed by Vimal Anand, joint secretary in the department of commerce.

Source: fibre2fashion.com– June 01, 2025

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Rail, waterways trade between India and Bangladesh sees sharp contraction in FY25

The once-robust trade corridor between India and Bangladesh is reeling from a sharp 45 per cent year-on-year contraction in cargo movement by rail, with the average daily rake count dropping to 0.92 in FY25 (less than one rake) from 1.64 in FY24.

Another 20 per cent decline has been recorded in cargo movement throughout the India-Bangladesh Protocol Route (IBPR) waterways.

Railways officials told businessline that nearly 600 rakes transported various goods to Bangladesh in FY24. This came down to around 330 in FY25 – the fiscal was marked by political upheaval and temporary trade suspensions along certain corridors, with a lingering overhang of bilateral trade tensions.

A “rake” in Indian Railways’ parlance refers to a group of coupled freight wagons operating as a single unit. The configuration can vary by wagon type — a standard full rake might comprise 42 bogie covered wagons (BCN) with a 2,560-tonne capacity, or 58 bogie open wagons (BOXN) with a capacity of 3,828 tonnes.

Empty rakes

According to senior officials, a significant proportion of rakes are now returning empty from Bangladesh, signalling a severe demand contraction in the neighbouring market.

“The number of rakes headed to Bangladesh has fallen substantially. A demand slowdown is a reality, compounded by the overhang of trade frictions,” said an official.

Bangladesh was India’s biggest trading partner in the subcontinent. India is its second-biggest export partner, accounting for 12 per cent of the total exports to Bangladesh. The total trade turnover in FY24 touched $12.90 billion.

Trade turmoil

Amid escalating political unrest in Bangladesh, India has suspended passenger and cargo train movements since July. While passenger services remain suspended, limited cargo movement resumed in select segments a few months later.

In August 2024 — when Prime Minister Sheikh Hasina fled the country amid intensifying turmoil — only 17 rakes moved from India to Bangladesh, compared to 52 in the same month the previous year, officials said.

Some recovery was noted September onwards.

Trade flows between India and Bangladesh rely on three key railway corridors: Gede–Darshana; Petrapole–Benapole and Radhikapur–Birol (which resumed freight operations in February 2025).

All three land ports (Gede, Petrapole and Radhikapur) are located in West Bengal and constitute strategic nodes in bilateral logistics.
Shifting commodity preference

Trade dynamics are undergoing a marked transformation.

Construction and infrastructure activities in Bangladesh have slowed dramatically post regime change, leading to corresponding adjustments in commodity demand.

Stone loading declined by 30-40 per cent, down to about 4 rakes per day from 6. Gypsum movement registered a complete halt. Ballast consignments (used for maritime stabilisation and railway track laying) fell by nearly 80 per cent. Clay or kaolin consignments — essential for the cement industry — have ceased altogether.

De-oiled cake (by-product of oil extraction from seeds that is used as animal feed) declined by 12 per cent, yet remains one of the most heavily-transported commodities across the border. Maize movements are at zero; and that of par-boiled rice has just started.

Conversely, automobile components recorded a surge of nearly 50 per cent, while fly ash consignments (used in cement industry) increased by around 40 per cent.

At Petrapole

Officials revealed that negotiations are still being attempted to re-allow garment exports through key land ports like Petrapole.

On May 17, India issued a trade directive mandating that garment shipments from Bangladesh be routed exclusively through two designated seaports — Kolkata (Khidderpore and Haldia) and Mumbai's Nhava Sheva. All other road and rail modes were suspended.

As a result, 38 trucks carrying garments – valued at approximately ₹6 crore – were stranded at the Benapole border crossing in from Bangladesh on May 18. Most of these have since returned to Dhaka, sources said.

Petrapole Land Port handles nearly 70 per cent of India-Bangladesh bilateral EXIM (export-import) trade.

Apart from garments, the port continues to process consignments of agricultural products, FMCG goods, automobile parts, and truck chassis.

One scheduled garment shipment from Bangladesh was expected at Kolkata Port last week, but has yet to arrive, sources added.

"There's a bottleneck in the availability of container cargoes and barges at Bangladeshi ports, contributing to the delay," the source said.

Source: fibre2fashion.com– May 27, 2025

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Good news very soon on India-Oman free trade agreement: Piyush Goyal

Commerce and Industry Minister Piyush Goyal has said that negotiations between India and Oman for the proposed free trade agreement (FTA) are progressing, and some "good news" may come "very soon" on that.

The negotiations received a much-needed impetus after the visit of Goyal to Muscat in January this year.

The talks for the agreement, officially dubbed as the Comprehensive Economic Partnership Agreement (CEPA), formally began in November 2023.

"I think you will see some good news very soon on the Oman FTA," the minister told reporters here when asked whether the FTA talks with Oman can be concluded this year.

Goyal is here on an official visit to hold talks with French leaders and businesses to boost trade and investments. He will also attend a mini-ministerial meeting of the World Trade Organisation (WTO) on June 3.

In such agreements, two trading partners either significantly reduce or eliminate customs duties on a maximum number of goods traded between them. They also ease norms to promote trade in services and attract investments.

Oman is the third-largest export destination among the Gulf Cooperation Council (GCC) countries for India. India already has a similar agreement with another GCC member UAE which came into effect in May 2022.

The bilateral trade was about $10.5 billion (exports $4 billion and imports $6.54 billion) in 2024-25.

India's key imports are petroleum products and urea. These account for over 70 per cent of imports. Other key products are propylene and ethylene polymers, pet coke, gypsum, chemicals, and iron and steel.

Taking about such agreements, the minister said these FTAs not just promote trade in goods and services, but also strengthen supply chain, bring confidence in businesses of both sides about stable polices, and predictability.

"So in a way, it's a big message when you conclude an FTA," he added.

When asked if India could see further domestic reforms as a result of these agreements, the minister said FTA stands on their own footing and have no relationship to "our own" domestic efforts to make the country more attractive.

"These agreements are more towards opening markets on both sides which lead to greater competitiveness, improved productivity and efficiency in all processes," he said.

Goyal said the National Manufacturing Mission, announced in the Budget, may come up soon.

It will further bring an "orderly shape" to how states and the Centre work together in the direction of promoting manufacturing in India, he added.

Source: business-standard.com – June 02, 2025

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India-EU free trade pact could be concluded before year end: Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Sunday said that negotiations for the proposed comprehensive free trade agreement (FTA) between India and the European Union (EU) are progressing at a rapid pace and the deal could be concluded before the year end.

He also said that India will raise its concerns over certain EU's regulations such as carbon tax and deforestation rules in the trade talks.

"We have certain concerns about EU practices and regulations, likewise they have certain areas which they would like to discuss. All issues are on the table and we will negotiate a fair, balanced and equitable FTA," Goyal told reporters here.

He added that all of these issues will come up for discussions, so that both sides can come up with a robust agreement that will support market access and promote easier trade.

The minister is here for a two-day visit. He will meet French leaders and business representatives to promote trade and investments between the two countries.

When asked about the expected timeline for conclusion of talks on the FTA, he said: "We never had a deadlines for a FTA, but looking at the rapid progress that we (India and the EU) are making, my sense is that we could do it faster than the year end".

He said that there are not too many issues where both sides have divergence of opinions.

"We have both complimentary economies. In most cases what is of offensive interest to India does not hurt the EU economy, likewise goods and services that Europe would like to provide to India only support our growth story," he said.

However, the minister added that in any trading relationship, there are certain sensitive issues on both sides, "which is what we have to resolve amicably".

Further, he said that India does not shy away from discussing issues pertaining to gender and sustainability in such trade pacts.

"We will off course have a comprehensive FTA covering all subjects of mutual interest... Subject like gender, India bats on the front foot, and when it comes to subjects like sustainability, India is right at the fore front. India does not shy from any subject for discussions," Goyal said.

Goyal will hold a bilateral meeting with EU Commissioner for Trade and Economic Security Marcos Sefcovic on June 2 on the agreement.

There are discussions for an early harvest or an interim trade agreement between the two sides that could include issues like intellectual property rights (IPRs), government procurement, tariffs, and non-tariff barriers.

Besides demanding significant duty cuts in automobiles and medical devices, the EU wants tax reduction in products like wines, spirits, meat, poultry and a strong intellectual property regime.

Indian goods exports to the EU, such as ready-made garments, pharmaceuticals, steel, petroleum products, and electrical machinery, can become more competitive if the pact is concluded successfully.

In June 2022, India and the 27-nation EU bloc resumed negotiations for a comprehensive free trade agreement, an investment protection agreement and a pact on geographical indications (GIs) after a gap of over eight years.

The negotiations stalled in 2013 due to differences over the level of opening up of the markets.

On February 28, Prime Minister Narendra Modi and the European Commission President agreed to seal a much-awaited free trade deal by the end of this year.

The India-EU trade pact negotiations cover 23 policy areas or chapters, including Trade in Goods, Trade in Services, Investment, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Trade Remedies, Rules of Origin, Customs and Trade Facilitation, Competition, Trade Defence, Government Procurement, Dispute Settlement, Intellectual Property Rights, Geographical Indications, and Sustainable Development.

India's bilateral trade in goods with the EU was $137.41 billion in 2023-24 (exports worth $75.92 billion and imports worth $61.48 billion), making it the largest trading partner for goods.

The EU market accounts for about 17 per cent of India's total exports, while the EU's exports to India make up 9 per cent of its total overseas shipments. In addition, the bilateral trade in services, in 2023, between India and the EU was estimated at $51.45 billion.

Dispute settlement system

Commerce and Industry Minister Piyush Goyal on Sunday said that finalising and restoring a dispute resolution mechanism of the World Trade Organisation (WTO) quickly is important to maintain the core philosophy of the Geneva-based multi-lateral body.

He said that a mini-ministerial meeting of the WTO will be held on June 3 where trade ministers of all the major economies would discuss ways to strengthen the multilateral trading systems, WTO reforms, and work towards open and expansive international trade.

"It is very important that we finalise and restore a dispute resolution mechanism quickly so that the principles of the WTO can be adjudicated upon and justice can be delivered," he told reporters here.

Total Energies investment

Commerce and Industry Minister Piyush Goyal on Sunday held a meeting with Total Energies CEO Patrick Pouyanne and discussed the company's investment plans for India.

Goyal is here for a three-day visit.

"Met Mr. Patrick Pouyanne, Chairman & CEO of @TotalEnergies. Discussed the company's investment plans for India and avenues for deeper collaboration in the renewable energy sector," Goyal said in a post on X.

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

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Asean and our neighbouring countries now drifting closer to China

Last Tuesday, the leaders of the Association of Southeast Asian Nations (Asean), the Gulf Cooperation Council (GCC), and China gathered in Kuala Lumpur, Malaysia, with a view to enhance economic co-operation. The joint announcement after the Asean-GCC-China summit talked of, besides many other issues, promoting free trade, negotiations for a Asean-China Free Trade Area 3.0 Upgrade and a China-GCC free trade agreement. Such conferences and announcements are not uncommon. However, it is remarkable that the smaller member countries of Asean prioritize the benefits of interdependence, keeping aside many differences between them.

Asean is a grouping of Brunei, Indonesia, Thailand, Malaysia, Singapore, Philippines, Laos, Cambodia, Myanmar and Vietnam with a combined population of about 685 million, combined nominal GDP of about $4.3 trillion and average per capita GDP of about $6,300. Some like Myanmar, Cambodia and Laos are quite poor. Yet, Asean has not hesitated to push for and join the Regional Comprehensive Economic Partnership agreement that includes China, Japan, South Korea, Australia and New Zealand. In fact, Vietnam, Brunei, Singapore and Malaysia have become part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership also, which strives for free trade between 11 countries in the Asia-Pacific region.

The Asean countries have different forms of government and they live under the shadow of a powerful China but some like Philippines and Thailand have military alliances with the United States while some like Vietnam rely heavily on exports to the United States. Some Asean countries like Vietnam, Philippines, Cambodia, Brunei and Indonesia are wary of Chinese territorial claims on certain islands in and around the South China Sea but they have put such disagreements on the backburner in the interest of economic gains.

Deepseek says that in 2023 Asean countries exported goods worth $416 billion to China and imported goods worth $495.7 billion from them. Countries like Malaysia, Vietnam, Myanmar etc. are part of China's Belt and Road Initiative. Some territorial disputes amongst the Asean countries, say between Philippines and Thailand, Cambodia and Vietnam, have also not been allowed to come in the way of greater cooperation and collaboration for all round economic benefit. The intra-Asean merchandise trade is estimated at about $450 billion. The Asean countries have become important links in many global supply chains. It is not easy to break the links.

India has a free trade agreement with Asean.

Despite the efforts of our Customs to stifle imports under the agreement, in 2024-25 the imports from Asean amounted to $84 billion, an increase of 5.65 per cent over the previous year, whereas our exports to Asean totaled to around $39 billion, a decrease of 5.45 per cent. The agreement is due for a review this year to address non-tariff barriers and prevention of misuse of the tariff concessions.

Asean's merchandise exports in 2024 are estimated at about $1.9 trillion and imports at about $1.8 trillion. About 21.5 per cent of its exports go to China and only 4.5 per cent to India. Only 2.1 per cent of its imports are sourced from India and about 23 per cent from China.

Evidently, Asean is getting much closer to China than India. Even our neighbours are drifting towards China. Government should face the facts and take suitable action. Merely talking of 'act east policy' is not enough.

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

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Inter-ministerial group setup to assess Quality Control Orders

New Delhi: The government has setup an Inter Ministerial Group (IMG) to assess the Quality Control Orders (QCO) proposed by various ministries and examine the possibility of graded standards or exempting Indian manufacturers who meet a de minimis standard from the requirement of obtaining BIS licenses or third party certification. Ministries and departments need to obtain the recommendations of the IMG before notifying any QCO.

The group comprises senior officials of the ministries of finance, commerce and industry, consumer affairs, and Bureau of Indian Standards (BIS), among others.

The group has been formed amid differences of views on the content and need for QCOs and aims to promote a
“Whole of Government” approach, the Cabinet Secretariat said in an office memorandum.

In cases of unfair trade practices, the IMG may assess whether the problem is generic and cross-cutting or country specific.

“Implementation of such QCOs often has consequences for sectors handled by other ministries. There are also instances of differences of views on the content of/need for QCOs,” the Cabinet Secretariat said.

As per the memorandum, any proposal for a QCO would have to be referred to the IMG of to assess and evaluate the proposal, apart from the consultation with BIS.

The Terms of Reference of the IMG include evaluation of QCOs and making recommendations, examining requests from ministries and departments for reconsideration, review or modification of existing QCOs.

“In cases of unfair trade practices, it may assess whether the problem is generic and cross-cutting or country specific,” it said., adding that the IMG may use quantitative criteria such as a scoring methodology of restrictiveness, and qualitative criteria based on relative merits/demerits.

Besides having special regard for the interests of Indian MSMEs, the IMG may explore or examine the possibility of graded standards, specifying different quality levels for the same product, alternate ways of implementing QCOs such as exempting Indian manufacturers who meet a 'de minimis' standard from the requirement of obtaining BIS licenses, self certification and third party certification etc.

Further, in case the QCO imposes standards that are not aligned with international standards, there should be a strong justification which should be recorded, keeping in mind the costs which may arise to exporters and others from such differential.

Source: business-standard.com – May 30, 2025

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Apparel exporters urged to expand production capacities

Bilateral trade negotiations between India and the US are progressing positively, said Union Commerce Minister Piyush Goyal to A. Sakthivel, vice chairman of the AEPC, recently.

A press release said Mr. Sakthivel met the Minister in New Delhi and briefed him on the current status and challenges faced by the apparel industry. He also thanked the Minister for the India - UK Free Trade Agreement.

Regarding the progress of the ongoing negotiations with the US, Mr. Goyal said the discussions were progressing positively and were expected to conclude with a mutually beneficial agreement that would be an encouraging development for Indian exporters, the release said.

Mr. Sakthivel said the scope for apparel export growth was promising and the exporters should now gear up for large business opportunities. They should look at expanding the production capacities, he said in the release.

Source: thehindu.com – June 01, 2025

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India's GST collections cross ₹2 lakh crore for the second consecutive month in May

India's Goods and Services Tax (GST) collections soared past the ₹2 lakh crore mark for the second consecutive month in May, reaching ₹2.01 lakh crore. This robust performance, reported by the government on Sunday, marks only the third time in the GST history that collections have surpassed this milestone.

The May collection, which reflects goods consumed and services availed in April, demonstrated a substantial 16 per cent increase compared to May of last year. While typically April sets a record for the highest collection due to year-end financial activities, this May's collection still exceeded ₹2 lakh crore, despite being approximately 15 per cent lower than April's record.

This positive trend follows an unprecedented surge in E-Way Bill generation in April, which reached its second all-time high of 11.93 crore, a 23 per cent increase year-on-year. Analysis of the May data indicates that the higher collection is primarily driven by import-related GST. Growth in GST from imports stood at over 25 per cent, significantly outpacing the roughly 14 per cent growth in domestic GST. A similar pattern has been observed in the year-to-date figures.

Vivek Jalan, Partner at Tax Connect, commented on this trend, stating, "This, coupled with the fact that export refunds are not growing correspondingly, reflects that import growth far outstrips export growth. This may be a result of 'Trump 2.0' in as much that countries are dumping their goods in India as they are selling less in the USA."

Saurabh Agarwal, Tax Partner at EY India, suggested that while April's high collections likely included year-end business-to-business sales, May's slight decrease might indicate a shift in consumer spending, possibly due to global uncertainties. However, he highlighted a positive aspect, "GST collections have consistently increased in states and union territories like Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Tripura, Meghalaya, Assam, Lakshadweep, and Andaman & Nicobar, indicating broader development across the country." He expressed optimism for similar or slightly increased GST collection numbers in June, despite ongoing geopolitical tensions.

Experts believe the current collection trend could pave the way for rate rationalisation.

“This increase should further pave the way for the government towards rate rationalisation that it is already working on,” said Harsh Shah, Partner at Economic Laws Practice. He also noted significant variations in state-level collections, indicating uneven growth across states. For instance, Maharashtra and Karnataka reported higher growth compared to Telangana and Punjab. Shah suggested that this non-uniformity could be due to sector-based or seasonal GST collections, warranting a deeper analysis.

Source: thehindubusinessline.com– Jun 01, 2025

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