TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(SPONSORED BY GOVERNMENT OF INDIA)

IBTEX No. 70 of 2025 June 04, 2025

| Currency Watch | | | |
|---|---|---|---|
| USD | EUR | GBP | JPY |
| 85.98 | 97.67 | 116.16 | 0.60 |

| INTERNATIONAL NEWS | |
|---|---|
| No | Topics |
| 1 | Global Economic Growth Will Be Blunted By US Tariffs, OECD Says |
| 2 | China's blended yarn imports continue to grow in April |
| 3 | Flexport Debuts Tariff Simulator as Customers 'Need Clarity on Costs' |
| 4 | China's Luxury Crossroads: Consolidation or retreat for global giants? |
| 5 | ICAC projects steady global cotton outlook for 2025/26 season |
| 6 | Eurozone manufacturing grows for third straight month: S&P Global |
| 7 | New export orders in Vietnam's manufacturing fall markedly in May |
| 8 | Egypt's RMG exports rise 22% YoY in Jan-Apr 2025, 25% YoY in Apr: AECE |
| 9 | ICE cotton rises on short covering, weaker US dollar, rising crude oil |
| 10 | Pakistan: APTMA demands immediate removal of yarn, fabric from EFS |
| 11 | Bangladesh: Exports in May highest in 23 months |

| NATIONAL NEWS | |
|---|---|
| **No** | **Topics** |
| 1 | Secretary, Ministry of Textiles, Smt. Neelam Shami Rao, presides over the fourth meeting of the ESG Task Force |
| 2 | Goyal, Israeli economy minister discuss boosting trade, innovation ties |
| 3 | Piyush Goyal pushes for bigger India-France trade game |
| 4 | EU FTA to be comprehensive, not interim: Officials |
| 5 | US signals trade deal with India before July 9 reciprocal tariff deadline |
| 6 | India's FY26 GDP growth to drop to 6.2%: Nomura |
| 7 | India, Japan agree to deepen maritime relations |
| 8 | India's cotton crisis: A new mission takes shape to revitalise the common man's fabric |
| 9 | India to be fastest-growing big economy with 6.3-6.5% FY26 growth: SBI |
| 10 | India's quick commerce market to hit $57 billion by 2030: Morgan Stanley |

# INTERNATIONAL NEWS

## Global Economic Growth Will Be Blunted By US Tariffs, OECD Says

The world economy will take a significant hit over the next 18 months—and tariffs are a major culprit, according to newly released forecasting from the Organization for Economic Cooperation and Development (OECD).

In its June report released this week, the intergovernmental organization with 38 member countries projected that global economic growth would fall from 3.3 percent in 2024 to 2.9 percent in 2025 and 2026, though previous projections put it at 3.1 percent this year and 3 percent next year.

"Weakened economic prospects will be felt around the world, with almost no exception," wrote Álvaro Pereira, OECD's chief economist.

In the U.S., growth outlook was amended to 1.6 percent in 2025 and 1.5 percent in 2026—a notable downward revision from just several months ago. OECD predicted in March that the U.S. economy would expand by 2.2 percent this year.

"In the past few months, we have seen a significant increase in trade barriers as well as in economic and trade policy uncertainty," Pereira wrote. "This sharp rise in uncertainty has negatively impacted business and consumer confidence and is set to hold back trade and investment."

The slowdown in trade is expected to impact jobs and incomes—a perfect storm when coupled with "stubbornly sticky" service price inflation and slightly elevated product pricing.

According to OECD, trade protectionism is underscoring inflationary pressures, with countries that stand to be most impacted by President Donald Trump's tariffs facing a longer road to recovery as inflation cools to central bank target levels in 2026 across most markets.

Annual headline inflation across the G20 economies—which represent 85 percent of global GDP and 75 percent of international trade—is expected to cool, decreasing from 6.2 percent to 3.6 percent this year and moving downward to 3.2 percent in 2026. But the U.S. bucks the trend, with annual inflation projected to rise to just under 4 percent by the end of this year. It will remain above target in 2026, OECD said.

Predictably, economic slowdown is concentrated in the U.S., Canada and Mexico—which have been the subject of much tariff-focused debate—with China and other global economies poised to experience more tempered downward adjustments.

The group said its forecasting assumes that mid-May tariff rates will remain in place (though the Trump administration has faced legal challenges to its authority to impose the duties in recent days).

While the only seeming certainty in the administration's trade policy is volatility, with changes occurring daily if not weekly, OECD forecasted that trade growth across the world would slow "substantially" over the course of the next two years as businesses pull back on investment due to a lack of surety. There has been a "significant front-loading" of goods ahead of the scheduled tariff increases that is not indicative of future trade volume.

"Higher bilateral tariff rates are a drag on global activity and add to trade costs, raising the price of covered imported final goods for consumers and intermediate inputs for businesses, particularly in countries where tariffs are imposed," the research said.

"The initial effect on prices is likely to be felt close to the time of the tariffs being implemented, with the full impacts on output growth taking longer to materialize."

The new duties introduced by the Trump administration up to mid-May are estimated to have raised forecasted tariff rates on U.S. merchandise imports to a whopping 15.4 percent, up from just over 2 percent last year—the highest rate since 1938. Combined with retaliatory measures imposed by other countries like China (and to a more limited extent, Canada), over 2 percent of world GDP is now facing higher duties.

The global reverberations for industry and trade could be significant, given that the U.S. is such a critical export market for many countries. Seventy-five percent of goods exports from Mexico and Canada enter the U.S. market, while Japan (19 percent), China (13 percent) and Germany (10 percent) all face significant exposure in the months ahead.

As such, Pereira said avoiding "further trade fragmentation" and the erecting of new barriers to global trade is "by far the most important policy priority."

"Agreements to ease trade tensions and lower tariffs and other trade barriers will be instrumental to revive growth and investment and avoid rising prices," he added.

Source: sourcingjournal.com– June 03, 2025

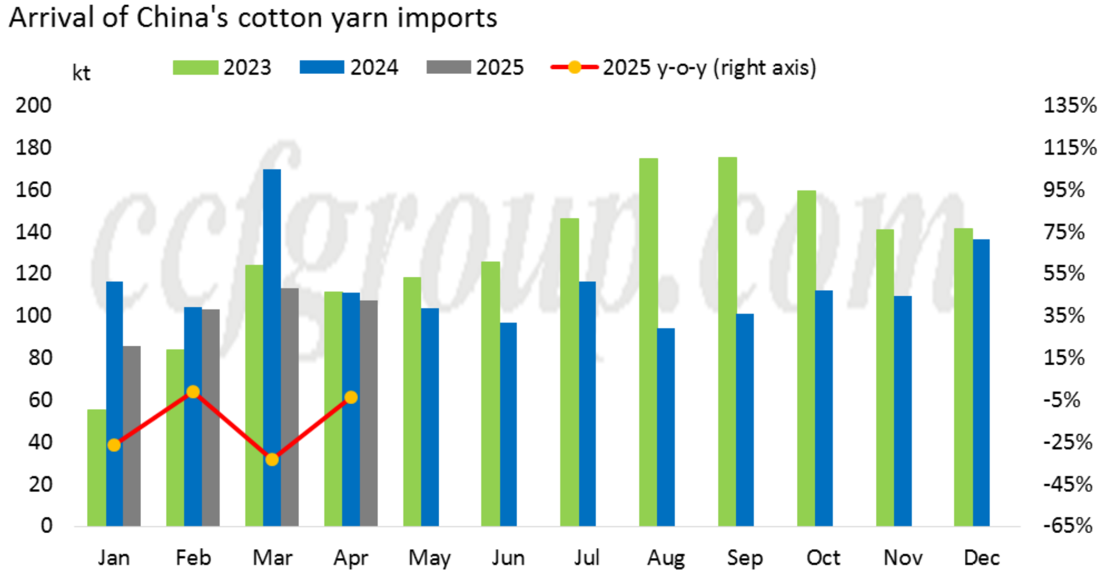
HOME

*****************

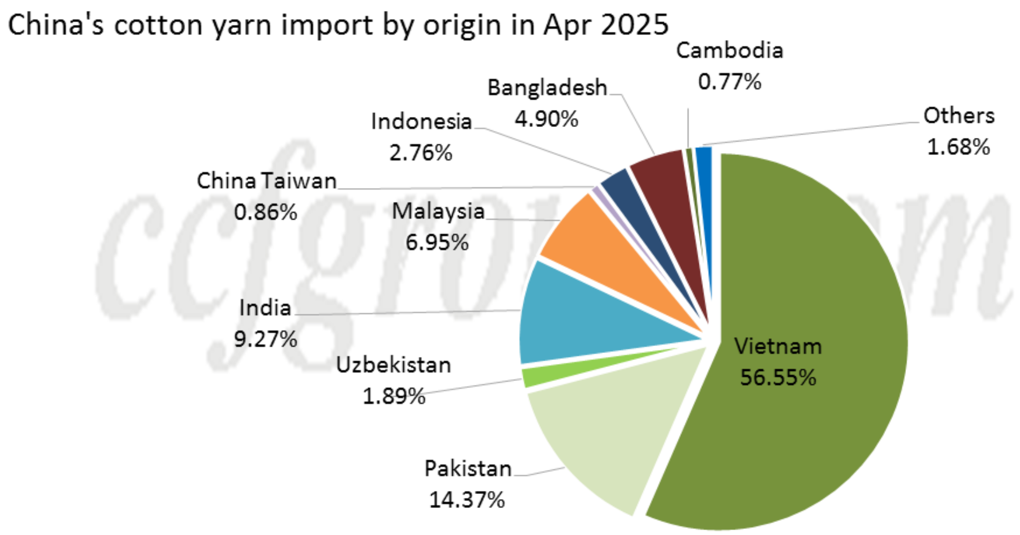
# China's blended yarn imports continue to grow in April

## I. China's cotton yarn imports totaled 107.1kt in Apr

In Apr 2025, China's cotton yarn imports were around 107.1kt, a decrease of around 6.1kt compared with Mar, and a year-on-year decrease of 3.8kt compared to March 2024. From Jan-Apr 2025, China's total import of cotton yarn reached 409.2kt. Due to the impact of U.S.-China tariffs, traceable yarn sales have declined significantly since April, making it highly likely that actual cotton yarn arrivals in May-June will maintain a downward trend.

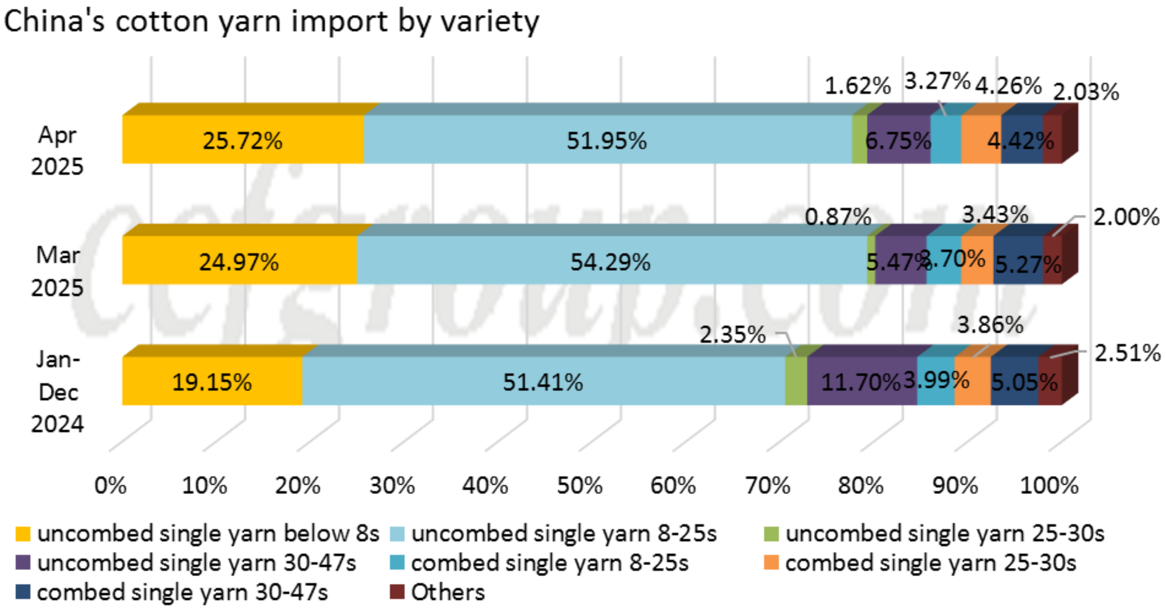



## II China's cotton yarn imports by origin in Apr 2025



In Apr 2025, Vietnamese yarn accounted for 56.55% of China's cotton yarn imports, totaling 60.6kt. Pakistani cotton yarn imports reached 15.4kt, a decrease of approximately 2kt compared to March. Indian cotton yarn imports rose to 9.9kt, with its share increasing to 9.27%. Bangladeshi yarn arrivals slightly declined to 5.2kt, while Malaysian cotton yarn imports grew to 7.44kt, representing about 6.95% of the total.

III China's cotton yarn imports by structure in Apr 2025

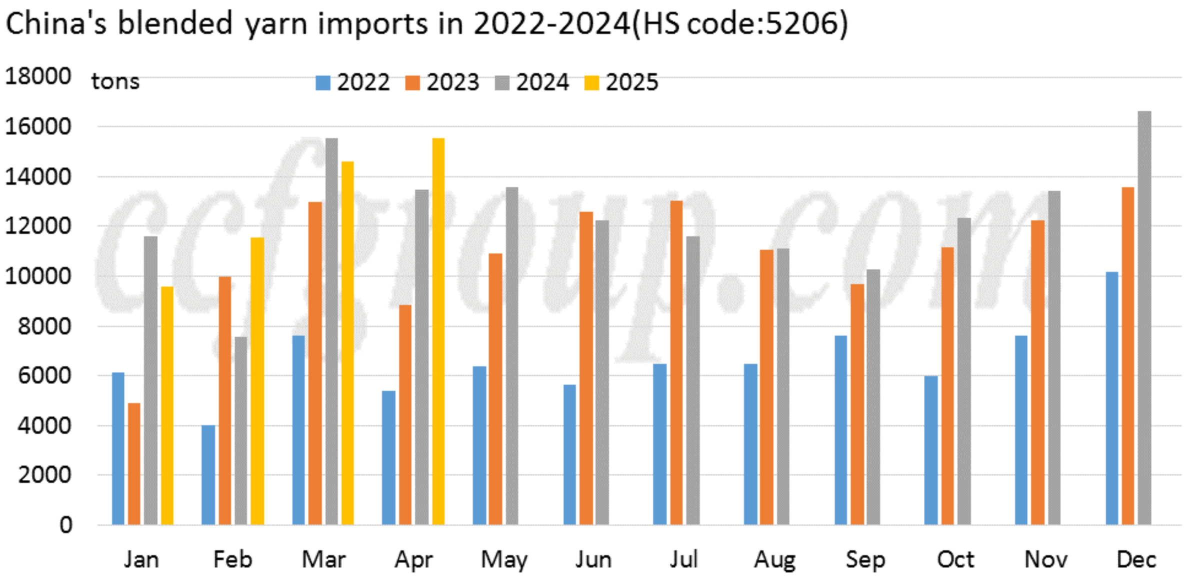



| Region | Amount of carded yarn below 8s (kg) | Region | Amount of carded yarn 8-25s (kg) |
|---|---|---|---|
| Vietnam | 16865748 | Vietnam | 29170731 |
| Pakistan | 7592285 | Pakistan | 7744438 |
| Bangladesh | 1135057 | India | 6251811 |
| India | 624016 | Malaysia | 4180822 |
| Malaysia | 583200 | Bangladesh | 4109978 |
| Cambodia | 269025 | Indonesia | 1154798 |
| Indonesia | 213112 | Uzbekistan | 1038418 |
| Ethiopia | 139500 | Taiwan, China | 805005 |
| Taiwan, China | 120204 | Cambodia | 551445 |
| Thailand | 1289 | Tajikistan | 364750 |

In Apr, the share of carded single yarn below 8s continued to increase to 25.72% of imports (around 27.5kt), while carded single cotton yarn 8-25s, accounted for about 51.95% (around 55.6kt). The import share of carded single yarn 30-47s edged up to about 6.75% (around 7.232kt); while imports of combed yarn 8-47s reached approximately 12.8kt.

IV. China's blended cotton yarn imports in Apr 2025

China's imports of blended cotton yarn reached 15.5kt in Apr 2025, representing a month-on-month increase of about 0.92kt compared to Mar. Among the imported blended cotton yarn, carded single yarn 8-25s still accounted for 56.28% of total imports, with a total of 8.75kt arriving. Imports of carded single yarn below 8s reached 1.926kt, accounting for 12.4%; while combed single yarn 30-47s totaled 1.643kt, accounting for 10.57%. Vietnam remains the dominant source, with stable overseas export prices. The current price spread between domestic and overseas imported blended yarn maintains at 500yuan/mt, and the import window opens in the short-term.




Source: ccfgroup.com– June 02, 2025

HOME

*****************

# Flexport Debuts Tariff Simulator as Customers 'Need Clarity on Costs'

Flexport wants to help businesses better estimate how much extra they're paying in tariffs when they're importing goods into the U.S.

The digital freight forwarder launched the Flexport Tariff Simulator Monday as importers continue to navigate the stop-and-start environment. The simulator is accessible to the general public.

With the Flexport Tariff Simulator, importers shipping to the U.S. can now estimate tariff and landed cost scenarios based on key shipment details, including: the Harmonized Tariff Schedule (HTS) code; shipment value; entry date; country of origin; and product-specific details such as material composition.

For example, a business importing a men's T-shirt from China can either search their specific product category or enter the relevant HTS code and select an entry date to receive an estimated, detailed duty calculation with landed cost. The calculation also breaks out how much is owed for each individual duty that applies to the product's country of origin.

Additionally, the tool also allows shippers to include potential exclusion codes to determine how much they would save if applied.

Within the simulator, there is an interactive map that allows users to see trade data around the world including the total value of imports from a given country, the current average duty rate and the percentage of total U.S. imports coming from that country. The map also can break down total imports by individual HTS codes, and enables users to see the top trade partners for each individual product category.

The simulator is built to enable dynamic scenario planning and cost forecasting as importers explore alternative trade lanes, manufacturing options and import timelines. According to Flexport, the user interface is updated in real time as tariff policies change.

"Our customers have been telling us loud and clear: they need clarity on costs," said Ryan Petersen, founder and CEO of Flexport, in a statement. "Our engineering team built The Flexport Tariff Simulator in response to meet that need in the face of all the uncertainty caused by rapid policy changes. We want to help merchants avoid expensive surprises."

Petersen has been vocal about the tariffs in recent months and how they could impact the Flexport business and its many customers. He told Fortune in a recent interview that the duties push back profitability projections for Flexport by six months to a year. And in a separate interview with The Wall Street Journal, he called the tariffs "an extinction-level, asteroid-wiping-out-the-dinosaurs kind of event" for small businesses.

In a LinkedIn post on Monday, Petersen called the tariff simulator "the number one thing customers have asked for."

Retailers and brands alike of all sizes have had to endure a flurry of on-the-fly changes to U.S. tariff policy since April 2, when President Donald Trump's "Liberation Day" announcements unveiled a slew of country-specific "reciprocal" tariffs on dozens of American trade partners.

A week later, on the day those duties initially went into effect, Trump put a 90-day pause on the country-specific tariffs, paring them back to a 10-percent baseline.

Much of the attention is now on China, where plenty of Flexport customers still manufacture and source many of their products. China has seen the most tariff fluctuations of any U.S. trade partner as the White House continues its trade war against the country, likely creating confusion among those business leaders needing to stay abreast of the immediate impacts.

On top of already existing Section 301 tariffs, China's "Liberation Day" duties, including the 20-percent fentanyl-related tax, totaled 54 percent. These tariffs were then escalated to 145 percent as the remaining country-specific tariffs were scaled back, before being put largely on pause in May for 90 days. Chinese imports into the U.S. now have a duty rate of 30 percent.

President Trump and China's President Xi Jinping could hold direct talks on the tariffs as soon as this week, according to the White House.

Flexport's launch came the same day a Reuters report indicated that the White House wants its "best offers" from U.S. trade partners by a Wednesday deadline.

The official deadline for most countries to negotiate new deals with the Trump administration is July 9, before the 90-day pause expires and the original April 2 duties would go into effect. For China, the target date is Aug. 14.

Alongside the tariff simulator launch, the freight tech company also is debuting a new, searchable catalog of HTS code content. Each entry is designed to provide detailed, easy-to-understand information to help businesses better navigate classification requirements, special duty rates and implications for their customs clearance process.

Source: sourcingjournal.com– June 03, 2025

HOME

*****************

# China's Luxury Crossroads: Consolidation or retreat for global giants?

For years, China has been the undisputed El Dorado for global fashion and luxury brands. A growing middle class, with its aspirations, desires and ever increasing purchasing power, makes the Chinese market a cornerstone of their global strategies. However, the market is evolving while a complete retreat is far from reality, there is a shift in approach due to realignments in consumer behavior, and emerging policy considerations.

The era of unfettered expansion

The past decade saw a gold rush of international brands establishing and expanding their presence across China. Flagship stores in cities like Shanghai and Beijing, while brands ventured into rapidly developing Tier II, III cities, eager to capture every segment of the booming luxury market. WealthBriefing stats show, while Tier I cities remain dominant, luxury spending in Tier II cities grew 22 per cent in 2024 . This growth was underpinned by several factors.

One major factor was China's remarkable economic growth that created a vast pool of affluent consumers with a penchant for luxury goods as status symbols and expressions of their newfound wealth. Also, the rapid adoption of digital technologies in China created unprecedented opportunities for brands to connect with consumers online through e-commerce platforms and social media. Chinese consumers, while embracing modernity, also developed a strong appreciation for the heritage and craftsmanship associated with established international luxury brands.

The winds of change

While China remains a critical market, several factors are now prompting global brands to re-evaluate their strategies, moving towards a more consolidated and strategic presence rather than relentless expansion. Topmost factor is China's economic growth has decelerated, accompanied by a real estate crisis and rising youth unemployment. As per Bain & Company, the Chinese mainland luxury market saw 18-20 per cent dip in 2024, reverting to 2020 levels. This has led to lower consumer confidence and a more cautious approach to discretionary spending, impacting the luxury market.

Meanwhile, the profile of the Chinese luxury consumer is evolving. Younger generations, particularly Gen Z, are displaying a preference for "quiet luxury" – subtle, high-quality items over logo-heavy designs. They also prioritize experiences, sustainability, and local brands that resonate with their cultural identity. And with the resurgence of international travel post-pandemic, a significant portion of Chinese luxury spending is shifting back to overseas markets due to favorable exchange rates and tax-free shopping. In the first half of 2024, almost 52 per cent of affluent Chinese consumers made luxury purchases abroad, a 16 per cent increase year-on-year.

Local Chinese luxury brands too are gaining ground, appealing to national pride and offering culturally relevant designs. These brands are increasingly seen as legitimate competitors by international players. While not a direct crackdown on luxury consumption, there's a growing emphasis on "common prosperity" and a subtle discouragement of excessive displays of wealth. This has led to a phenomenon known as "luxury shame," where affluent consumers are becoming more discreet in their purchases. Furthermore, evolving import policies and tariffs can influence pricing strategies and market access. Repeated price hikes by global brands in recent years have also led to increased price sensitivity among Chinese consumers, driving some to seek cheaper alternatives or make purchases abroad.

Consolidation, not retreat

The current trend indicates a move towards consolidation rather than a widespread retreat. Brands are focusing on:

• Optimizing existing footprint: Instead of aggressively opening new stores, brands are focusing on enhancing the performance of their existing boutiques, ensuring a premium and engaging customer experience. This might involve renovations, relocations to prime locations, or even selective closures of underperforming stores.

• Deepening digital engagement: Investing in sophisticated online platforms, engaging content on local social media like Douyin and Xiaohongshu, and leveraging livestreaming are crucial to reach and engage the digitally native Chinese consumer.

• Localization strategies: As per WealthBriefing 56 per cent of mainland Chinese consumers plan to buy more from Chinese luxury brands in 2025. Therefore, adapting product offerings and marketing campaigns to resonate with local tastes and cultural nuances is becoming increasingly important. This includes incorporating Chinese cultural elements in designs or collaborating with local influencers.

• Focusing on high-value customers: Brands are intensifying efforts to cultivate relationships with their most loyal and high-spending customers through personalized services and exclusive experiences.

• Channel optimization: Brands are carefully evaluating their distribution channels, including e-commerce, physical stores, and duty-free zones like Hainan, to align with evolving consumer preferences and spending patterns. Hainan's duty-free sales saw a 15 per cent year-on-year growth in 2024, highlighting its significance.

Impacts of reciprocal tariffs

Adding to the evolving dynamics of China's luxury market is the likely impact of recent reciprocal tariffs. The tit-for-tat escalation has introduced a new layer of complexity for global fashion and luxury brands operating in China.

As a result, US fashion and luxury brands importing goods into China now face significantly higher tariffs. This increased cost burden could lead to several outcomes for example, brands might be forced to raise prices for their products in China to maintain profit margins, potentially impacting demand and consumer willingness to purchase. If brands choose not to fully pass on the tariff costs to consumers, their profits in the Chinese market will dip.

Meanwhile, some US brands might explore shifting their supply chains to countries not subject to these tariffs, although this can be a complex and time-consuming process.

Brands from countries without such high reciprocal tariffs might gain a competitive edge in the Chinese market due to potentially lower prices. European brands, for instance, could see an opportunity to capture a larger market share if US brands become more expensive.

The increased cost of imports might incentivize US brands to further invest in local production within China, reducing their reliance on imports and mitigating tariff impacts. This aligns with the broader trend of localization discussed earlier. Higher prices due to tariffs could further increase the shift towards "value-conscious" luxury consumption and increase the appeal of domestic Chinese brands or luxury goods purchased through overseas channels or the grey market, where prices might be more competitive.

Some reports suggest a concerning possibility of China easing restrictions on counterfeit goods, particularly those targeting American luxury brands, as a retaliatory measure. This could severely damage the brand equity and sales of US luxury companies in China.

Source: fashionatingworld.com– June 03, 2025

HOME

*****************

# ICAC projects steady global cotton outlook for 2025/26 season

The International Cotton Advisory Committee (ICAC) has maintained a steady global outlook for the 2025/26 cotton season, projecting production at 26 million tonnes and consumption at 25.7 million tonnes. Trade volumes are expected to rebound, reaching approximately 9.7 million tonnes a 2 per cent increase from the previous season driven by higher carryover stocks and anticipated mill demand.

The ICAC's regional production forecasts show upward revisions for Brazil, the United States, and West Africa. However, these gains are likely to be offset by a slight reduction in China's output. Despite the decrease, China is still expected to lead global production with 6.3 million tonnes in 2025/26, following a record yield of 2,257 kg/ha in the current season.

While supply remains stable, global cotton consumption continues to face pressure due to growing concerns over tariffs, regulatory uncertainty, and increasing competition from alternative fibres. The cotton trade outlook, though positive, may be influenced by geopolitical trade tensions and evolving tariff structures, the ICAC cautioned.

Price forecasts from the ICAC Secretariat place the average A Index for 2024/25 at 81 cents per pound. For the upcoming 2025/26 season, preliminary estimates suggest a wide price range between 56 and 95 cents per pound, with a midpoint forecast of 73 cents. These projections are based on current market fundamentals and were provided by Lorena Ruiz, ICAC's Economist.

The ICAC continues to monitor developments across production, consumption, and trade that may affect cotton market dynamics heading into 2026.

Source: fashionatingworld.com– June 03, 2025

HOME

*****************

# Eurozone manufacturing grows for third straight month: S&P Global

The euro area manufacturing sector recorded its third consecutive month of output growth in May, reflecting stabilising demand and easing contraction trends, according to the latest HCOB PMI survey by S&P Global.

The PMI rose to 49.4 from 49.0 in April, the highest since August 2022, edging closer to the 50.0 no-change mark.

"With output rising for three months in a row, historical patterns suggest there is a 72 per cent chance we will see another increase in the next month. Of course, one big risk on the horizon is the possibility of the US significantly hiking tariffs on EU imports. That could definitely cast a shadow over the outlook," Dr Cyrus de la Rubia, chief economist at Hamburg Commercial Bank (HCOB), said commenting on the PMI data.

Notably, Greece led performance among monitored countries, with Spain returning to expansion after months of decline. France's manufacturing activity nearly stabilised, reaching a 28-month high, while Germany remained weakest, though its downturn softened.

Demand conditions improved, with export orders nearing stability and backlogs of work declining at their slowest rate since June 2022.

"In May, Europe's industrial engines seemed to be running in sync. Production rose in Germany, France, Italy, and Spain, suggesting that shared factors are driving the upswing. Among them is the US tariffs, which likely prompted US buyers to place orders early. That said, France has not benefited from this trend as much as its peers," Rubia added.

Purchasing activity, employment cuts, and inventory reductions were all moderated. Input costs dropped for the second straight month, at the fastest pace in over a year, prompting some firms to lower output prices.

Business confidence strengthened significantly, reaching its highest level since February 2022 and surpassing the historical average.

“The ECB is getting some tailwinds for its expected interest rate cuts. The industrial sector has started cutting its sales prices again after two months of increases, giving the central bank some extra room to move on with its interest rate cuts. Lower energy prices, which have helped bring down input costs, are likely the main driver behind this shift,” Rubia said.

Source: fibre2fashion.com– Jun 04, 2025

HOME

*****************

# New export orders in Vietnam's manufacturing fall markedly in May

Though new orders continued to fall in the Vietnamese manufacturing sector in May following April as US tariffs hit demand for exports, output returned to growth and overall business conditions were broadly unchanged as some firms noted greater stability in tariff policy than had been the case in April, according to S&P Global Ratings.

Meanwhile, muted demand conditions contributed to a first reduction in input costs in the sector for 22 months and firms continued to lower their own selling prices.

The S&P Global Vietnam manufacturing purchasing managers' index (PMI) posted below the 50 no-change mark for the second consecutive month in May, but rose to 49.8 from 45.6 in April to signal a near-stabilisation of business conditions in the sector, a release from S&P Global Ratings said.

New business from abroad declined at a much faster pace than total new orders. The fall in new export orders was broadly similar to that seen in April, while the reduction in total new business was softer than in the previous month.

While new orders continued to fall, output returned to growth in May following a decline in April. Greater stability around tariff policies reportedly helped to support the renewed rise in production, while capacity improvements were also cited.

Business confidence in Vietnam improved in May amid more stable tariff policies. A number of respondents, however, remained concerned about the potential impact of tariffs, meaning that business sentiment remained well below the series average.

Reduced workloads and staff resignations contributed to a further fall in employment in the country’s manufacturing sector.

Backlogs of work continued to fall amid lower new orders, but the rate of depletion eased to the weakest in the current five-month sequence of decline.

Efforts to expand output meant that manufacturers increased their purchasing activity slightly in May. The increase in input buying ended a two-month sequence of contraction.

Despite the rise in purchasing, stocks of inputs were scaled back again, albeit to the least marked extent since August 2024. Stocks of finished goods were also down, as firms reported a reluctance to hold inventories and the prompt shipment of products to clients.

Meanwhile, suppliers' delivery times lengthened slightly in May as respondents noted slow traffic. A muted demand environment led some suppliers to offer discounts on their products during May, thereby resulting in a reduction in input costs over the course of the month.

The fall in input prices was the first since July 2023. With input costs down, manufacturers continued to lower their own selling prices midway through the second quarter. Charges have now decreased in each of the past five months, with output prices down modestly again in May.

Source: fibre2fashion.com– Jun 04, 2025

HOME

*****************

# Egypt's RMG exports rise 22% YoY in Jan-Apr 2025, 25% YoY in Apr: AECE

Egypt's readymade garment (RMG) exports increased by 22 per cent year on year (YoY) during the first four months this year, reaching $1.028 billion, according to the Apparel Export Council of Egypt (AECE).

Such exports rose by 25 per cent YoY to $223 million in April by 23 per cent YoY to $254 million in March.

The United States remained Egypt's top RMG export destination, with exports to there totalling $384 million in the four-month period—a 11-per cent increase YoY. Europe followed, with exports to there jumping by 39 per cent YoY to $259 million.

The country's RMG exports to Arab countries grew modestly by 6 per cent YoY, reaching $190 million during the period, while exports to African nations (excluding Arab states) recorded the highest YoY rise of 101 per cent.

Exports to other global markets surged by 50 per cent YoY, totalling $190 million between January and April this year, a domestic media outlet reported.

AECE chairperson Fadel Marzouk attributed the sector's robust performance to improved global demand, a broader export base and the council's focused efforts to open new markets and diversify demand sources.

The council aims at raising RMG exports by 30-35 per cent annually, and double such exports by 2031 to $12 billion.

Source: fibre2fashion.com– June 03, 2025

HOME

*****************

## ICE cotton rises on short covering, weaker US dollar, rising crude oil

ICE cotton futures rose on Monday, the first trading day of the week, supported by short covering as speculators shed their bearish tone. A stronger crude oil market and a weaker US dollar also lent support. However, the tight range in US cotton prices suggested continued consolidation in the market.

The ICE July 2025 cotton contract settled at 66.13 cents per pound (0.453 kg), up 1.07 cents from the previous day, marking its first triple-digit gain since May 2. The December 2025 contract closed at 68.69 cents, up 107 points, also recording its largest single-day gain since May 2. Other contracts posted gains ranging from 50 to 89 points.

The weaker US dollar against other major currencies made US cotton more affordable for international buyers, encouraging overseas purchases. Crude oil surged nearly 4 per cent after OPEC+ maintained its July output increase at the same level as the previous two months. Higher crude oil prices make polyester—a man-made fibre alternative to cotton—more expensive to produce.

Despite Monday's breakout, cotton prices continued to trade within a tight range for the 13th consecutive session, signalling sustained consolidation.

Total trading volume reached 71,718 contracts, the highest since April 23. In comparison, Friday's cleared contracts totalled 39,650, while the previous week's average daily volume was 40,636 contracts.

The rally was largely driven by short covering, as speculators exited bearish positions following a strong overnight session and key resistance breakouts.

Market analysts noted that Friday's reversal was linked to end-of-month repositioning, which carried over into Monday's session with renewed short-covering momentum. Evidence also pointed to fresh selling at higher levels—likely from producers or merchants locking in sales or fixing July contracts to take advantage of improved prices.

In other commodity markets, Chicago wheat and corn posted gains, while soybeans continued to decline, adding mixed sentiment across the broader agricultural futures space.

Trade optimism also supported sentiment, with US President Donald Trump and Chinese President Xi Jinping expected to speak soon to address ongoing trade tensions, particularly concerning critical minerals. US Treasury Secretary Scott Bessent confirmed that the upcoming talks would focus on resolving disputes and stabilising the bilateral trade relationship.

Meanwhile, Trump announced a tariff hike to 50 per cent on steel and aluminium imports, causing domestic prices for these metals to spike and triggering a sell-off in shares of foreign steelmakers.

Presently, ICE cotton for July 2025 is being traded at 65.87 cents per pound (down 0.26 cent), cash cotton at 64.38 cents (up 1.07 cent), the October 2025 contract at 68.10 cents (up 0.01 cent), the December 2025 contract at 68.39 cents (down 0.30 cent), the March 2026 contract at 69.83 cents per pound (down 0.28 cent), and the May 2026 contract at 70.86 cents (down 0.25 cent). A few contracts remained unchanged, with no trading recorded today.

Source: fibre2fashion.com– June 03, 2025

HOME

*****************

## Pakistan: APTMA demands immediate removal of yarn, fabric from EFS

All Pakistan Textile Mills Association (APTMA) has urged the government to immediately remove yarn and fabric from the Export Facilitation Scheme (EFS), warning that their continued inclusion is jeopardising the domestic textile industry and distorting fair market competition.

Addressing a press conference at APTMA House here on Tuesday, Kamran Arshad Chairman APTMA said that inclusion of Yarn and Fabric in the EFS has resulted in unfair market competition as the domestic industry products are paying 18 percent GST, while importers are enjoying tax-free and duty-free regime.

He said that Pakistan Cotton Brokers Association (PCBA) and Pakistan Cotton Ginners Association (PCGA) and many other textile associations are supporting APTM's move.

APTMA for removing yarn & fabric from ambit of EFS

On the occasion, Naveed Ahmed, Chairman of APTMA Southern Zone, Khawaja Muhammad Zubair, Chairman PCBA and Dr Jassu Mal PCGA, Yasin Siddik former chairman APTMA, Asif Inam and others were also present.

"FY25 budget removed sales tax exemption on local inputs under EFS; however, imports are sales tax-free and duty-free. This move is directly hurting the domestic industry", Kamran Arshad

He mentioned that some 18 percent sales tax on local inputs is refundable, but refunds are delayed, incomplete, and costly to process, especially disadvantageous to SMEs. Due to this disparity, over 120 spinning mills and 800 ginning factories have already shut down; looms are also closing and loom workers are protesting on streets in Faisalabad. SMEs are specifically disadvantaged as they have fewer channels for import and pay sales taxes at every stage. In addition, only 60 to 70 percent of refunds are issued, while the rest are stuck in manual processing with no progress in the last 4-5 years, he added. "Due to cheap import of yarn and fabric, exporters strongly prefer imported inputs, resulting in disadvantageous local suppliers."

There is a massive $1.5 billion increase in import of only cotton, yarn and greige cloth compared to export growth of $1.4 billion in FY25. The import of these items rose from $2.19 billion in FY24 to $3.64 billion in FY25, he mentioned.

Chairman APTMA said that subjecting local supplies to 18 percent sales tax while bestowing zero rating on imports is an anti-Pakistan policy that is bleeding the economy within. He informed that APTMA has pushed as much as it can for restoration of the EFS to its June 2024 position with sales tax zero-rating on local supplies. "We have held meetings with the Minister Finance, Chairman and Members FBR, IMF representatives; however, the IMF has not agreed to restoration."

He said a high-level committee was also formed led by Ahsan Iqbal, Minister for Planning Development & Special Initiatives of Pakistan for negotiation with IMF; however, the meeting could not hold.

Source: brecorder.com– June 04, 2025

HOME

*****************

# Bangladesh: Exports in May highest in 23 months

Bangladesh recorded $4.73 billion in exports in May, the highest in at least 23 months, owing to increased shipments of manufactured commodities, especially apparel, ahead of the Eid-ul-Azha festival to be celebrated on Saturday.


Exports grew 11.45 percent in May this fiscal year (2024-25) from $4.25 billion in the same month the previous year, according to data from the Export Promotion Bureau (EPB) yesterday.

Garments, which account for more than 80 percent of export receipts, recorded a year-on-year growth of nearly 12 percent to $3.91 billion in May of this fiscal year (FY) 2024-25.

The shipment of apparel, comprising knitwear and woven garments, was the highest in 35 months, according to data compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Exports of major manufacturing items, namely leather and leather goods, jute and jute goods, and non-leather footwear, also increased last month. Agricultural product shipments, however, fell.

Overall exports in the July-May period of FY25 grew 10 percent year-on-year to $44.94 billion, a development that is helping the country gradually come out of economic stress.

The surging inflow of remittances provided further impetus to the recovery, although Bangladesh recorded a 3.97 percent economic growth in FY25, the lowest since the Covid-19 pandemic year, due to a slowdown in the agricultural and services sectors.

Mahmud Hasan Khan, president-elect of the BGMEA, said the situation regarding work orders was good.

"This is why exports showed better performance. Also, some work orders that were suspended were reinstated recently. Those factors had a positive impact on the earnings from exports," he said.

"If the 37 percent tariff announced by the Trump administration as part of its reciprocal tariff move on dozens of countries, including Bangladesh, is not properly negotiated and this rate continues, exports will be affected," he added.

"But if the tariff can be reduced from the proposed 37 percent, Bangladesh's exports will continue to grow," Khan said.

He also said the export earnings from the garment sector would have been much better had there been no gas crisis last month.

Total garment exports rose 10 percent year-on-year to $36.55 billion in the July-May period of FY25.

Mohiuddin Rubel, additional managing director of Denim Expert Ltd, attributed the spike to advance shipments ahead of Eid-ul-Azha, the second biggest religious festival in the country.

The government earlier announced a 10-day holiday for Eid.

The EPB data showed exports of leather and leather goods, the second-largest export earner after garments, climbed 35 percent year-on-year in May, while non-leather footwear exports shot up 21 percent in the same month.

During the July-May period of FY25, leather and leather goods exports crossed the $1 billion mark, posting a 12.55 percent year-on-year growth. Non-leather or artificial footwear clocked roughly half a billion in exports in the 11 months of the fiscal year ending this month.

Kazi Iqbal, research director of the Bangladesh Institute of Development Studies, said, "Double-digit growth in RMG is nothing new. It is likely to increase further when shipments for Christmas start."

Source: thedailystar.net– June 04, 2025

HOME

*****************

# NATIONAL NEWS

## Secretary, Ministry of Textiles, Smt. Neelam Shami Rao, presides over the fourth meeting of the ESG Task Force

Secretary, Ministry of Textiles, Smt. Neelam Shami Rao, presided over the fourth meeting of the ESG Task Force today, to co-create a vision for the Indian Textiles & Apparel Industry.

Shri. Rohit Kansal, Additional Secretary, Ministry of Textiles, Dr. M. Beena, Textile Commissioner, Smt. Padmini Singla, Joint Secretary (Fibre), Ms. Renu Lata, Economic Advisor, Ministry of Commerce & Industry, Shri. Ashok Kumar, Deputy Director General, Bureau of Energy Efficiency, along with officials from related Ministries, Industry Associations, Brands, Multilateral Agencies, and other key stakeholders were present. The whole textile value chain was represented in the consultations through lead associations and experts in the meeting.

In her keynote address, Smt. Rao stated that sustainability is an experiential reality, evident in textile clusters like Tiruppur, Surat, and Panipat, where efforts such as wastewater recycling, renewable energy adoption, and textile waste management are already underway. While the industry has made commendable progress, she stressed the need to scale these measures nationally through a collaborative and cooperative approach. She underlined that sustainability is no longer a choice, but a defining imperative for the future of India’s textile sector.

Shri. Kansal highlighted that sustainability is inherent to India’s traditions and practices. He emphasised the growing imperative for sustainability in the textile sector and outlined the actions being undertaken by various stakeholders, including the government.

He spoke about the importance of cluster-level conversations, the industry’s proactive efforts in skilling, and the need to embed sustainability deeply across the value chain. He underscored that sustainability must evolve beyond a compliance requirement into a competitive advantage for Indian textiles on the global stage. He echoed Hon’ble Prime Minister’s emphasis on making India a leader in Fashion for Environment and Empowerment.

The Ministry shared a brief outline of its vision for the textile industry and invited comments and suggestions from stakeholders to collaboratively co-create the roadmap. The meeting featured a consultation on the draft Roadmap 2047 for a Sustainable, Circular, and Resource-Efficient Indian Textile Industry, with discussions focusing on several key areas. These included building awareness across the value chain—from large industry players and MSMEs to consumers and students—along with capacity building, R&D, innovation, and knowledge dissemination.

Stakeholders also deliberated on the need for a unified and harmonised framework for sustainability standards and certification, a simplified compliance regime, and a balance between voluntary and regulatory mechanisms to advance circularity. The discussion further highlighted the importance of aligning national policy with evolving global expectations around ESG compliance, green finance, and responsible consumption.

The meeting concluded with a shared commitment from all stakeholders to actively contribute to the revised policy framework. Members from the industry and across the textile value chain expressed their sincere appreciation for the Ministry's prompt and pragmatic approach in taking up this crucial issue in such an inclusive and diverse setting.

Source: pib.gov.in – June 03, 2025

HOME

*****************

# Goyal, Israeli economy minister discuss boosting trade, innovation ties

Union Minister for Commerce and Industry Piyush Goyal met with Israel's Minister of Economy Nir Barkat in Paris on Tuesday (local time). The discussions focused on diversifying the trade basket, fostering innovation, and strengthening cooperation in high-tech and emerging sectors.

In a post shared on X, Piyush Goyal stated, "Excellent meeting with Israel's Minister of Economy and Industry, @NirBarkat, in Paris. Our discussions focused on diversifying our trade basket, fostering innovation, and strengthening cooperation in high-tech and emerging sectors, paving the way for the next phase of our partnership."

Goyal addressed the India-France Business Conference, highlighting the 'India Opportunity', driven by a skilled and talented workforce and the government's commitment to ease of doing business, and how it offers promising avenues for French firms.

During the interaction, Goyal encouraged companies from India and France to collaborate by building on shared interests and leveraging each other's competencies. He emphasised that deeper engagement between the businesses of the two nations will play a key role in strengthening the strategic partnership between India and France.

In a post on X, Goyal stated, "It was a pleasure to address the India-France Business Conference, which brought together several Indian and French companies. Highlighted the 'India Opportunity', driven by a skilled & talented workforce and the government's commitment to ease of doing business, and how it offers promising avenues for French companies. Encouraged companies from both sides to collaborate by building on shared interests and leveraging each other's competencies. Deeper engagement between our businesses will play a significant role in further strengthening the India-France strategic partnership."

He also addressed the India-France CEO Forum Small Group Meeting in Paris, along with Laurent Saint-Martin, the French Minister Delegate for Foreign Trade and French Nationals Abroad. Goyal highlighted how French companies believe in the India story and how the two nations are committed to advancing economic and trade relations and cultivating a smarter future together.

In a post on X, Goyal stated, "Addressed the India-France CEO Forum Small Group Meeting today in Paris along with French Minister Delegate for Foreign Trade and French Nationals Abroad @LaurentSMartin. During the interactive discussion, attended by Indian & French companies, we covered a wide range of aspects of India-France cooperation, including technology, AI, education, and startups. I further highlighted how French companies believe in the India story and how both sides are committed to advancing economic and trade relations and cultivating a smarter future together."

Piyush Goyal met with World Trade Organization (WTO) Director General Ngozi Okonjo-Iweala in Paris and emphasised India's commitment to strengthening a fair, inclusive, and rules-based multilateral trading system.

"Had a productive meeting with @NOIweala, Director General of @WTO, in Paris. Emphasised India's commitment to help strengthen a fair, inclusive, and rules-based multilateral trading system," Goyal posted on X.

He also met Saudi Arabia's Minister of Commerce, Majid Al-Kassabi, and discussed enhancing bilateral trade and exploring new investment opportunities.

Sharing details regarding his meeting with Saudi Arabia's counterpart on X, Goyal wrote, "Held a productive meeting with Saudi Arabia's Minister of Commerce H.E. @MAlKassabi. Discussed enhancing bilateral trade, exploring new investment opportunities, and strengthening our economic partnership."

Piyush Goyal held a meeting with French Minister Delegate for Foreign Trade and French Nationals Abroad, Laurent Saint-Martin, on Tuesday. During the meeting, the two leaders explored new avenues to enhance bilateral trade and investments and facilitate business-to-business engagement.

After his meeting with Saint-Martin, Goyal on X wrote, "Good meeting with the French Minister Delegate for Foreign Trade and French Nationals Abroad, @LaurentSMartin. Explored new avenues to enhance bilateral trade and investments, and facilitate business-to-business engagement. We also reaffirmed our shared commitment to making technology a new cornerstone of the Indo-French economic partnership, especially in the context of the upcoming India-France Year of Innovation 2026."

The discussions, which took place during Goyal's three-day official visit to France, also reviewed the progress of the India-EU Free Trade Agreement (FTA) negotiations, signalling a strong intent to bolster bilateral ties amidst a shared commitment to innovation and economic growth. Goyal commenced his three-day official visit to France on Sunday. After concluding his visit to France, Piyush Goyal will travel to Italy.

Source: business-standard.com– June 04, 2025

**HOME**

*****************

# Piyush Goyal pushes for bigger India-France trade game

PARIS: India can help French businesses become more competitive in manufacturing and tap global markets, commerce and industry minister Piyush Goyal said on Tuesday, stressing that it could be a shared mission where France and India collaborate closely to strengthen bilateral economic ties.

He asked businesses to identify areas of trade where the two sides can help each other in crossing the Rubicon of regulation. "Indian businesses are foxed navigating between the EU regulations and individual regulations in member countries," Goyal said while addressing businesses of India and France.

The minister said that the level of trade and investments between the two countries needs to be enhanced, as the current figures does not reflect their true potential. "We've already got a lot of exchange between the two countries on banking and insurance. We could look at seeing how that could be taken to the next level," he said.

India-France bilateral goods trade in 2024-25 totalled $15.3 billion.

"We could look at global capability centres, and we have a fair bit coming in from all across the world to India, to leverage the huge pool of talent and skill there," Goyal said. He also suggested setting up working groups between businesses of India and France and expanding the frontiers of knowledge and engagement in the emerging area of artificial intelligence.

India and the EU are working to accept each other's sensitivities and come out with a fair, equitable and balanced free trade agreement which respects the domestic situation on both sides.

Goyal said the aim is also to remove some of the roadblocks, reduce the compliance burden on both sides, make it easier to engage and expand businesses, and have a rapid response mechanism that works to create mutual recognition agreements.

Source: economictimes.com– June 04, 2025

HOME

*****************

# EU FTA to be comprehensive, not interim: Officials

The India-EU free trade agreement (FTA) is likely to be a comprehensive one without any early harvest deal or a pact on Geographical Indications or an investment protection agreement, officials said.

The two sides are also discussing if any exemptions or carve-outs can be given to India on the EU's carbon border adjustment mechanism (CBAM) and officials said talks on the issue were going on.

"The FTA will be a comprehensive one. These are dynamic issues," said an official.

India and the EU aim to close the negotiations for the trade pact by the end of December. Commerce and industry minister Piyush Goyal said the talks can be concluded earlier than that but there are certain sensitive issues on both sides that must be resolved.

Separate negotiations for an Investment Protection Agreement and an Agreement on Geographical Indications since June 2022 are also underway.

New Delhi has concerns related to certain practices and regulations of the EU such as CBAM and EUDR while the bloc held that India's quality control orders were a challenge. "On CBAM, talks are going on," said another official.

India has already said it will impose retaliatory duties if the EU imposes carbon tax on Indian goods. The EU's CBAM is expected to translate into a 20-35% tax on select imports into the bloc from January 1, 2026, and will impact the cement, iron and steel, aluminium, fertiliser, electricity and hydrogen sectors.

Source: economictimes.com– June 03, 2025

HOME

*****************

## US signals trade deal with India before July 9 reciprocal tariff deadline

American Secretary of Commerce Howard Lutnick has said a trade deal between India and the United States (US) could be finalised in the "not too distant future" because "we've found a place that really works for both countries". He signalled that the agreement might be concluded before the end of a 90-day pause on American reciprocal tariffs, which expires on July 9.

"Those who come in, July 4th to July 9th, there's just going to be a pile," Lutnick said during an event hosted by the US-India

Strategic Partnership Forum (USISPF) in Washington DC on Monday. "But those who are earlier — and India is trying hard to be one of the earlier countries, which I appreciate... These kinds of deals used to take two or three years, and we're trying to get them done in a month — which is just not the ordinary DNA of trading relationships between countries."

Although both sides have committed to signing a mutually beneficial deal by fall this year, India is pushing for an early tranche to avoid a potential 26 per cent reciprocal tariff that could come into effect from July 9.

A US trade delegation is expected to visit India later this week to continue negotiations.

Lutnick said the US was seeking greater access to Indian markets and, in return, was prepared to offer India preferential access in select key sectors.

"We would like our businesses to have reasonable access to the markets of India. Now, it's not going to be everything, and it's not going to be everywhere, but we want to have the trade deficit reduced. In exchange for that, what India is going to want is... certain key markets that they're going to want to make sure that they have special access to the American marketplace. And so that's the trade-off," he said.

On market access in agriculture -- a key US demand -- Lutnick emphasised the need for political resolve on both sides. "The US understands (political influence of) farmers and ranchers. These are the kind of people who have lots of political voices and we understand that," he said. "So what we try to do is find the path that is acceptable politically at home and for us as well. We'll find that path together. It's just a smart way of doing it. We have that same political will here."

The secretary of commerce said the strong and positive relationship between US President Donald Trump and Prime minister Narendra Modi "gives an easy path" to him to do trade negotiations because both sides start from a "very positive place".

However, echoing Trump's views, Lutnick noted that India remained "very protectionist" in its approach to tariffs. "If you ask them why, the answer is, 'I don't know why, it just is.' So the idea is bringing them down to a level that is reasonable and appropriate so we can be great trading partners with each other. I think (this) is absolutely on the table."

While the US intends to bring advanced manufacturing back home, Lutnick said there were many product categories that could be shifted to India. "We're going to have a trade deal that says these kinds of industries would be great for India to produce… Some will need to be reshored to America, but they'll be replaced with incredible opportunities for India," he said.

"You create the sort of trade deal that puts India in a unique position. In certain industries, it will have a better tariff relationship than most other countries in the world, which means India will be the beneficiary of those kinds of products," he added.

Source: business-standard.com– June 04, 2025

HOME

*****************

## India's FY26 GDP growth to drop to 6.2%: Nomura

India's economic growth in fiscal 2025-26 (FY26) is expected to decline further to 6.2 per cent from 6.5 per cent in FY25, according to a baseline review by Japanese brokerage Nomura.

There is a 'divergence' between the growth in GST collections and across other high-frequency growth indicators, it noted in a research note.

Recent official data show the country's real gross domestic product (GDP) growth came down to 6.5 per cent in FY25 from 9.2 per cent in FY24. The central bank sees growth sustaining at 6.5 per cent, the official data showed.

Nomura expects the investment cycle to get delayed because of the global uncertainties.

Consumption stocks have underperformed during the market correction since the peak in September 2024, it said, adding that the current macro environment marked by low inflation, interest rate cuts and income tax cuts presents tailwinds to consumption.

Source: fibre2fashion.com – June 02, 2025

HOME

*****************

# India, Japan agree to deepen maritime relations

India's Minister of Ports, Shipping & Waterways Sarbananda Sonowal held a bilateral meeting with Terada Yoshimichi, Japan's Vice Minister for International Affairs, and the Ministry of Land, Infrastructure, Transport & Tourism (MLITT) in Oslo to deepen the maritime relations between the two countries. The meeting entailed discussions on multiple areas including investment by Japanese shipyards, collaboration on port digitisation and green port initiatives, increase in R&D cooperation, upskilling human resources and employment of Indian seafarers in Japan among others.

Both the ministers also discussed about using sustainable technologies, disaster-resilient infrastructure, and enhanced connectivity to enable Andaman Nicobar islands and Lakswadeep islands to be converted into Smart Islands.

The meeting also focused on increasing partnership between Indian and Japanese shipyards including Greenfield investment such as Imabari Shipbuilding in Andhra Pradesh and others. Opportunities for co-development of ports and maritime industrial clusters as clean energy hubs were also gauged for mutual cooperation.

Sonowal expressed India's interest in leading Japanese shipbuilding companies such as Imabari Shipbuilding, JMUC, Kanagawa Dockyard, and Mitsubishi Heavy Industries to explore joint ventures and collaborative arrangements with Indian yards, the Ministry of Ports, Shipping and Waterways said in a press release.

"Japan's expertise in shipbuilding and ship repair is well recognised, and I see great scope for collaboration in this area. We also invite Japan's big three maritime companies—NYK Line, MOL, and K Line—to explore joint ventures and investment opportunities in India's growing maritime sector.

With our strong bilateral relationship, India's growing maritime industry presents a unique opportunity for Japanese shipyards to invest in India in shipbuilding. Collaboration on port digitisation and green port initiatives will further strengthen the resilience and sustainability of our maritime logistics network," added Sonowal.

“Relations between India and Japan have a long history rooted in spiritual affinity and strong cultural and civilisational ties. Our collaboration under the Quad framework and the India-Japan-Australia Supply Chain Resilience Initiative (SCRI) reflects our shared commitment to strengthening regional maritime security and economic integration. India appreciates Japan’s leadership in key initiatives such as the International Solar Alliance (ISA), Coalition for Disaster Resilient Infrastructure (CDRI), and the Leadership Group for Industry Transition (LeadIT). As India moves ahead to transform its maritime sector under the visionary leadership of Prime Minister Narendra Modi, India is advancing port infrastructure, green shipping, shipbuilding, and digitalisation under ‘Maritime India Vision 2030’ and ‘Maritime Amrit Kaal Vision 2047’. India seeks Japan’s participation in these transformative initiatives,” Sonowal continued.

Yoshimichi expressed that India and Japan have a very intimate relationship. Japan has been engaged in railway infrastructure development with India but now ‘very interested in the maritime sector’. Prospects of mutual collaboration in shipbuilding and training of seafarers were discussed and considered positively. He expressed satisfaction over the meeting.

Emphasising the need to deepen bilateral ties in maritime training and development, as well as cooperation in research and development, both sides agreed to further strengthen collaboration in the maritime sector, especially on sustainable maritime technologies and next-generation ship design. Sonowal evinced India’s interest for a MoU for a framework to avail promising avenues for collaboration with Cochin Shipyard Limited (CSL), Indian universities, and public agencies.

On upskilling and employment of India’s human capital, Sonowal said, “India currently has over 1,54,000 trained seafarers which is capable of supporting and supplement Japan’s maritime workforce.

In order to build capacity with rich maritime knowledge of the Japanese maritime sector, we see a great opportunity for Japan’s maritime leaders in training, upskilling, and employing Indian seafarers, strengthening the cornerstone of our maritime cooperation. India is ready and keen to facilitate Japanese maritime player’s interest in training Indian engineers and workers through structured programmes.”

India is developing the National Maritime Heritage Museum (NMHC) at Lothal in Gujarat. It aims to showcase India's rich maritime history and legacy. It also serves as a world-class centre for heritage tourism, education, and research in the maritime sector. Sonowal shared India's interest to have Japan as a partner for this project. He hoped to close the MoU in this regard soon.

He also extended an invitation to Yoshimichi for participation at the India Maritime Week, to be held in Mumbai from October 27-31, 2025. This major event will bring together key stakeholders from the global maritime community to discuss and facilitate exploration of opportunities for investment, collaboration, innovation, and growth in the maritime sector.

Source: fibre2fashion.com – June 03, 2025

HOME

*****************

# India’s cotton crisis: A new mission takes shape to revitalise the common man’s fabric

India's National Cotton Productivity Mission, which will focus on crop diversification, new seed varieties, and mechanization, aims to double yields across major cotton-growing states and improve the viability of the cotton economy.

New Delhi: India’s cotton industry, the world’s second-largest producer of the fabric, has been grappling with progressively shrinking yields unable to keep up with advanced farming practices and technology, prompting a series of emergency measures by the government.

The Centre has begun the groundwork for launching a National Cotton Productivity Mission, with discussions underway to chart out a strategy focused on crop diversification, yield improvement, introduction of new seed varieties, and promoting mechanised farming, two officials said.

These measures are aimed at revitalising India’s cotton economy amid inconsistent yields.

India’s cotton output dropped from about 33.7 million bales in 2022-23 to 32.5 million bales in FY24 and an estimated 30.7 million bales in FY25, according to the agriculture ministry data. (One bale is 170 kg of cotton; a full cotton year runs from October through September.)

Also, India’s cotton yield, at around 465 kg per hectare in FY25, remains far below China’s average of over 2,170 kg/ha.

According to the US department of agriculture, China is the world’s largest producer of cotton, with its 32 million bales in 2024/2025 accounting for 26% of global production. India stood second with its 25 million bales accounting for 21% of global cotton production.

As part of the five-year mission to improve India’s cotton productivity, the textiles ministry, in coordination with the agriculture and farmers’ welfare ministry, has started consultations with agricultural experts, farmer groups, and state governments to devise a comprehensive strategy.

“To stop the decline (in India’s cotton production), discussions are being held to finalise a plan that includes crop diversification, better yields, new seed varieties, and more use of machines in farming. This is the first formal step toward starting the long-awaited mission to revive India’s cotton economy, which has been under pressure due to falling production," said the first of the two officials mentioned above.

“We are aiming to double the yield from 465 kg/ha to 1,000 kg/ha across 11 states under the upcoming National Cotton Productivity Mission," said the second official. “The mission will address core structural issues across the cotton value chain, especially at the farm level," this official said, adding that improved access to modern machinery and high-quality seeds will be central to the plan.

Lower yields have naturally spiked cotton prices, which have increased from ₹7,100-7,500 per quintal (or 100kg) in 2024 to ₹7,600-7,900. “At this price, it’s not viable to continue operations as it makes the business unviable. Ultimately, it will lead to closure of spinning mills," said Sukhdev Singh, a spinner based in Punjab.

Making Indian cotton viable again

The National Cotton Productivity Mission is still in its early planning stage, and further rounds of consultations with major cotton-growing states are expected in the coming weeks. A detailed implementation roadmap, including timelines and funding mechanisms, is likely to be developed after these consultations conclude.

India’s major cotton-growing states are Maharashtra, Gujarat, Telangana, and Andhra Pradesh.

The government’s move to improve the country’s cotton productivity is timely and critical for export-led growth, said Prabhu Dhamodharan, convenor, Indian Texpreneurs Federation.

“Nearly 60-65% of our apparel exports are cotton-based, and India has a clear opportunity to scale up in global markets. However, with the minimum support price (MSP) being raised year after year to support farmers facing poor yields, Indian cotton has become more expensive than that of competing countries," Dhamodharan said.

“The only sustainable way forward is to improve yield. We hope the Union government’s cotton mission will address this gap and make Indian cotton viable both for farmers and exporters," Dhamodharan added.

As per commerce ministry data, India’s export of cotton yarn increased from $10.94 billion in FY23 to $11.68 billion in FY24 and $12.04 billion in FY25. Major export destinations for Indian cotton are the US, Bangladesh, Sri Lanka, the UK, the UAE, Germany, China, and Egypt.

But cotton imports too have been rising sharply—from about 1.46 million bales in FY23 to 1.52 million in FY24 and 2.15 million during October-March FY25, as per textiles ministry data.

Farmers have been demanding better technology to improve yields.

“We are still sowing the BG2 variety of cotton while other countries have moved ahead and adopted BG3 and BG4 varieties with higher yield potential," said Ganesh Nanote, a cotton farmer in Maharashtra’s Vidarbha region. “Unless farmers get access to better seeds and improved farming practices, yields are not going to improve."

The sharp drop in India’s cotton production is also affecting the ginning industry, which separates cotton fibers or lint from their seeds and other impurities.

“The lower productivity has cast a shadow over the future of ginning and spinning mills," said Bhagwan Das Bansal, former president of the Punjab Cotton Factory and Ginners Association. “Our ginning season starts from 1 October to 31 May. But due to inadequate supply of cotton, a majority of the mills stopped ginning operations in February only."

Source: livemint.com – June 04, 2025

HOME

*****************

## India to be fastest-growing big economy with 6.3-6.5% FY26 growth: SBI

The State Bank of India (SBI) believes India is poised to remain the fastest-growing major economy in fiscal 2025-26 (FY26), with gross domestic product (GDP) growth expected at 6.3-6.5 per cent.

This will be possible because of the country's sound macroeconomic fundamentals, robust financial sector and commitment to sustainable growth, SBI said in its latest issue of ECOWRAP newsletter.

With higher anticipated saving, domestic finances will be sufficient to finance the anticipated growth and the bank does not expect demand-induced pressure on prices in FY26. The downside to growth emanate from external and geopolitical factors, it noted.

India's economy grew by 7.4 per cent in the fourth quarter (Q4) of FY25 compared to 8.4-per cent growth seen in Q4 FY24, according to provisional estimates by the National Statistics Office.

The gross value added (GVA) grew by 6.8 per cent in Q4 FY25 and by 6.4 per cent in the full fiscal. Core GVA grew by 6.4 per cent in FY25.

Nominal GDP grew by 9.8 per cent in FY25 compared to 12-per cent growth in FY24.

From the production side, all sectors exhibited better growth numbers in Q4 FY25; the industry grew by 6.5 per cent in the quarter.

Export demand was healthy for whole fiscal, registering a growth of 6.3 per cent, while imports contracted by 3.7 per cent. This growth was frontloaded because of export push amidst US tariffs uncertainty.

The highest contraction in imports happened in Q4 at 12.7 per cent was another factor in pulling the overall GDP growth to 7.2 per cent in Q4 FY25, the newsletter observed.

Source: fibre2fashion.com – June 03, 2025

HOME

*****************

# India's quick commerce market to hit $57 billion by 2030: Morgan Stanley

India's quick commerce race is heating up as the market is now expected to reach $57 billion by 2030, according to Morgan Stanley.

The report noted that two dominant players—Swiggy's Instamart and Eternal's Blinkit—ramp up investments and expansion to tap into the growing market.

While Blinkit currently leads the pack with a projected 63.4% market share in FY28, Swiggy is steadily closing the gap, targeting a 36.6% share through aggressive infrastructure expansion and increased average order value (AOV).

Swiggy's Instamart has nearly doubled its dark store footprint to 4 million sq.ft., matching Blinkit's area under management by 4QFY25. However, throughput—measured as gross order value (GOV) per square foot—remains lower for Swiggy.

Both players are benefiting from an overall expansion in the market. Morgan Stanley raised its quick commerce TAM estimate from $42 billion to $57 billion, driven by growing adoption beyond metros, higher online penetration in grocery, and a broader SKU mix that now includes electronics, home appliances, and fashion.

Swiggy projects a 63% CAGR in GOV through FY28 and expects to break even on contribution margins by 1HFY27, followed by adjusted EBITDA breakeven in 2HFY29. Eternal's Blinkit, meanwhile, is already closer to profitability, with estimated steady-state EBITDA margins of 4.7% by FY31, compared to Swiggy's 2.6%.

Both companies added over 2 million monthly transacting users (MTUs) each in the second half of FY25. Swiggy has aggressively entered Tier 2 and 3 cities, while Blinkit is leveraging higher AOV categories and throughput per store to maintain its lead.

Despite the rapid growth, profitability remains elusive due to high customer acquisition costs and operating overheads. Regulatory risks around gig worker protection and foreign direct investment (FDI) norms add another layer of uncertainty.

Still, with a profit pool of up to $2.3 billion at stake, both companies are playing the long game. “There’s room for both players to coexist,” the report notes, but it adds that sustained margin improvement may ultimately depend on industry consolidation or operational discipline.

Source: thehindubusinessline.com – June 03, 2025

HOME

******************