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USD	EUR	GBP	JPY
85.77	98.04	116.17	0.60

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INTERNATIONAL NEWS

US Trade Deficit Contracted in April Amid Tariff-Driven Import Paralysis

The U.S. trade deficit took a significant plunge in April after President Donald Trump announced aggressive, sweeping tariffs on countries across the globe.

U.S. Commerce Department data showed that the trade gap between America and its trading partners narrowed drastically as imports into the U.S. fell by 16 percent. The trade deficit rang in at $61 billion in April—less than half of the $140 billion seen just one month earlier.

At the same time, America's exports grew. April saw the U.S. export $289.4 billion in products and services, $8.3 billion more than the volume seen in March. Meanwhile, April imports amounted to $351 billion, $68.4 billion less than the previous month, when many businesses frontloaded inventory in an effort to beat the tariff deadline.

Imports of consumer goods decreased $33 billion in April after the shipping boom in March. Apparel bookings in particular took a precipitous, 60-percent tumble in anticipation of the tariff fallout.

Not surprisingly, American imports from Canada and China took particularly hard hits amid massive trade tensions spurred by Trump's tariff threats. Canadian imports fell 15.7 percent to their lowest levels since 2021, compounding a drop of over 9 percent in March. Meanwhile, goods coming into the country from China fell 21 percent to their lowest levels since 2020.

According to the Bureau of Economic analysis, the average goods and services deficit decreased $22.9 billion to $107.3 billion for the three months ending in April—basically, Trump's first 90 days in office. Average exports increased $5.6 billion to $283 billion in April, while average imports decreased $17.2 billion to $390.4 billion.

But while the deficit has contracted significantly in 2025, it's actually grown quite a bit from the same period the year prior. Year-to-date, the deficit in goods and services grew $179.3 billion—a whopping 65.7 percent—from the same period in 2024. Over the course of the past year, exports ticked up 5.5 percent, or $58.4 billion, but imports also increased 17.8 percent, or $237.8 billion.

Trump's trade policy, which has hinged on the broad application of double-to-triple-digit duties, was conceived as a means of dealing with the trade deficit and rebalancing trade with partners across the world. On April 2, which the president termed "Liberation Day," Trump announced reciprocal duties on about 90 nations, including the country's biggest trading partners and allies.

Soon after, those duties were deferred for a period of three months, and they're slated to resume on July 9 barring changes that could result from ongoing negotiations with foreign trade officials. The White House has said in recent weeks that it has dozens of talks in process with nations eager to reach deals with the U.S. through the mutual lowering of trade barriers, though only a single provisional agreement with the United Kingdom has been formally signed.

Last week, a New York Court of International Trade (CIT) ruled that many of the president's duties, levied under the International Emergency Economic Powers Act (IEEPA), were invalid, and it gave the administration 10 days to unwind the tariff actions. However, a Washington, D.C. appeals court put a stay on that ruling with the intention of reviewing the case, which was brought by several U.S. businesses and more than a dozen state attorneys general. Therefore, the tariff regime will be allowed to proceed as planned.

On Thursday, Trump indicated that he had spoken to Chinese President Xi Jinping following claims last week that the country had violated its temporary trade truce with the U.S. He wrote on Truth Social that the two discussed the "intricacies of our recently made, and agreed to, Trade Deal," saying that the discussion resulted in a "very positive conclusion" regarding the future of rare earth mineral trade. Trump said further negotiations would be completed "shortly" by Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick, and U.S. Trade Representative Ambassador Jamieson Greer.

Source: sourcingjournal.com– June 05, 2025

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Panama Canal Sees Post-Drought Spike in Container Shipping Transits

As the Suez Canal struggles to get ocean carriers to flock back to the trade artery, the Panama Canal is attracting them in droves.

Container ships traversing the 50-mile waterway have hit an all-time high for the first five months of the year, according to Alphaliner. From January through May, the stretch generated double-digit growth for container shipping sailings from the year prior, both northbound and southbound through the canal. Alphaliner calculated a 10.2 percent year-over-year increase in transits, and a 4.1 percent improvement over the previous record in 2022.

Neo sub-Panamax container carriers, which have a capacity between 7,500 and 10,000 20-foot equivalent units (TEUs), are helping power the increase. Ships of this size accounted for over a quarter of all container ship traffic through the Panama Canal since the start of 2025.

When compared to last year, 30 percent more Neo sub-Panamax vessels crossed the waterway.

Neo sub-Panamax vessels, as classified by Alphaliner, are a subset of Neo-Panamax vessels, which were built to fit within the expanded Panama Canal after it added two new sets of locks in 2016. Neo-Panamax vessels can carry up to 14,000 TEUs in most instances, while Panamax ships can transport as many as 5,000 TEUs.

The Panama Canal Authority (ACP) has not revealed official data for May yet, but oceangoing transit figures from the first four months of the year indicate that container ships took up nearly 24 percent of the 7,083 total crossings. These were followed by dry bulk carriers (18 percent), chemical tankers (18 percent), and liquefied petroleum gas (LPG) carriers (15 percent).

Container ships topped the list of canal transits for the January-to-April period, with Neo-Panamax vessels accounting for 58 percent of the 1,677 crossings.

Even when the Panama Canal had endured a months-long drought that forced the ACP to implement a series of daily transit and draft restrictions throughout the second half of 2023, container ships had largely been unaffected compared to other vessels.

That's because they had initial booking priority ahead of chemical tankers, LPG carriers and dry bulk carriers that move grains and coal.

The Panama Canal gave container ships another win earlier this year in opening a new transit slot for low-carbon emissions vessels this fall. As of October, the ACP will implement the first phase of a weekly "net-zero slot" for Neo-Panamax vessels.

That slot would benefit ocean carriers that are ordering more dual-fuel vessels for their fleet, and is aimed at pushing the liners toward their decarbonization goals.

Since the start of 2025, the canal has been the center of a geopolitical tug of war between the U.S. and China, as President Donald Trump has threatened to "take back" the waterway in an effort to curb alleged Chinese influence on the trade chokepoint.

In the wake of Trump's rhetoric, a consortium including Mediterranean Shipping Company (MSC) and U.S.-based asset management firm BlackRock agreed in principle to acquire two ports on opposite sides of the Panama Canal from Hong Kong-based CK Hutchison.

That move is part of a larger $23 billion offer for 45 ports worldwide, but the deal has yet to pass approval. It has also generated significant criticism from China, which has put the agreement under antitrust review.

Geopolitical ramifications aren't the only concerns going on with that deal, and the Panama ports. A Wednesday report from the Financial Times indicated that some supply chain industry stakeholders are worried about MSC's role in the acquisition.

If approved, the deal would allow MSC to become the world's largest container operator through its Terminal Investment Limited (TIL) business, with a projected 8.3 percent of global market share, according to Drewry.

MSC is already the world's largest ocean carrier with 900 total vessels in its global fleet, with the TIL subsidiary currently owning more than 70 terminals across major global ports including Singapore, Ningbo, Los Angeles, Long Beach and New York/New Jersey.

Numerous consultants in the Financial Times report highlighted that there were concerns of both reduced competition and higher barriers to entry for other players, especially if MSC's dominance goes across port operations and container shipping alike.

Additionally, one executive contended that the investment would allow MSC to "get rates higher, and squeeze capacity to make as much money as possible."

The deal's supporters have indicated that while MSC would have the lead percentage of terminals, state-owned Chinese companies like Cosco Shipping and China Merchants still hold a combined market share of more than 12 percent of global ports.

Additionally, MSC's potential 8.3 percent stake wouldn't be much larger than Singapore's PSA International, which operated 7.2 percent of global terminals worldwide, including one in Panama.

Source: sourcingjournal.com– June 05, 2025

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UK economy to grow 1.1% in 2025 & 1.2% in 2026: BCC

The UK economy is expected to grow by 1.1 per cent this year, according to the British Chambers of Commerce's (BCC) quarterly economic forecast. The previous forecast expected a growth of 0.9 per cent.

Better-than-expected business investment in the first quarter this year (Q1) is forecast to boost gross domestic product (GDP), but the economy will remain sluggish, it said.

Increased government spending is another contributor to growth. GDP is expected to rise in 2026 to 1.2 per cent, but that is slightly down from the last forecast (1.4 per cent). Growth in 2027 is forecast to be 1.5 per cent.

The UK manufacturing sector is expected to grow by 0.5 per cent this year, revised up from a decline of 0.2 per cent in the previous forecast.

With businesses facing increased cost pressures, consumer price index-based (CPI) inflation is forecast to be higher this year, reaching 3.2 per cent by Q4 2025 (up from 2.8 per cent in the Q1 forecast). It is then expected to fall to 2.2 per cent by the end of 2026 and 2 per cent in Q4 2027.

Unemployment is expected to be 4.6 per cent throughout 2025, with the increase in national insurance contributions likely to slow hiring intentions.

Business investment across 2025 is projected to be 4.8 per cent—a significant upgrade from 0.6 per cent in the last forecast. However, investment is expected to be focused in a smaller number of sectors like manufacturing and financial services.

BCC survey data has consistently found that the majority of small and medium enterprises (SMEs) are not increasing their investment, with tax increases acting as a major barrier.

After some recent positive trade developments, with the United States , EU and India, UK exports are projected to grow by 2 per cent in 2025, (an upward revision from a 0.5-per cent drop in the last forecast), 2.1 per cent in 2026 and 2.4 per cent in 2027.

However, UK imports are expected to grow by 3 per cent this year (compared with 0 per cent in the previous forecast), before falling to 1.2 per cent in 2026, and then 2.6 per cent in 2027. This means net trade continues to contract, with figures of minus 1.2 per cent in 2025, minus 1.1 per cent in 2026 and minus 1.2 per cent in 2027.

However, major uncertainties remain on the global trade outlook due to the potential for short term changes in policy leading to behavioural shifts among importers and exporters to manage the changes, BCC said in a release.

Average earnings in the country are expected to remain significantly above inflation this year, reaching 4.2 per cent by the end of Q4, putting further cost pressures on businesses. The forecast suggests annual wage growth will remain elevated in the coming years, falling only very gradually to 4.1 per cent in 2026 and 4 per cent in 2027.

Source: fibre2fashion.com– June 06, 2025

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Cotton Incorporated Hosts Global Summit in Hong Kong

Last month, Cotton Incorporated gathered more than 255 industry leaders from 124 companies—including more than 41 top global brands—for the "Cotton Connexions: Where Innovation Meets Opportunity" summit in Hong Kong.

The event was designed to bring together the global supply chain to discover innovative ideas, recognize industry contributions, and address the challenges and opportunities shaping cotton's future amid regulatory evolution and shifting market dynamics. Attendees also got the chance to network and generate business orders during the summit.

"Through the Cotton ConneXions event, Cotton Incorporated serves as a convener of global decision-makers, especially within the dynamic Asian region," said William Kimbrell, president and CEO of Cotton Incorporated. "We recognize that meaningful progress in the supply chain happens through collaboration. Events like this allow us to bridge innovation and opportunity, while reinforcing our commitment to advancing cotton's role in a more sustainable, transparent, and high-performing textile future."

After opening remarks from Kimbrell and Marvin Arthur Beyer, Jr., chairman of the board of Cotton Incorporated, attendees enjoyed sessions such as a global market outlook from Mark Messura, senior vice president of global supply chain marketing at the organization. Messura highlighted the economic trade shifts impacting cotton's role in the supply chain.

"Cotton ConneXions is where ideas become action," Messura said. "Whether those ideas come from Cotton Incorporated or our many industry partners, we are proud to serve as a source of inspiration and practical ideas for helping manufacturers, brands, and retailers improve and expand their cotton business."

Additional sessions included a look at global compliance impacts from Heidi van Hul, founder of FabriCreation, and a look at cotton trends for fall and winter 2026/2027, which include a growing consumer preference for durable, long-lasting fashion. Conference speakers also addressed next-generation dyeing and finishing technologies, strategies for reducing the environmental impact of textile production, and cotton's role in a low-carbon, plastic-free future.

During the event, Cotton Incorporated showcased the newly updated CottonWorks website, featuring new information and resources for the industry. The organization also presented its Supply Chain Partner Awards during the summit, honoring Bonny Kwan and U.S. cotton producer Lacy Cotter Vardeman; World Knitting Textiles Co., Ltd.; Hermin Textile Co., Ltd.; Anita's Textiles Ltd. and 361 Degrees International Limited for their outstanding contributions to the global cotton value chain.

Source: sourcingjournal.com– June 05, 2025

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Bulgaria meets criteria to join euro area in 2026: European Commission

The European Commission has confirmed that Bulgaria is ready to adopt the euro on January 1, 2026, marking a historic milestone as it prepares to become the twenty-first Member State in the euro area. This conclusion, detailed in the 2025 Convergence Report, finds that Bulgaria meets all four nominal convergence criteria and has aligned its legislation with EU requirements.

The report, requested by Bulgarian authorities in February 2025, was published alongside the European Central Bank's (ECB) own Convergence Report. It also considers Bulgaria's economic integration, including trade, labour, and financial markets, the European Commission said in a press release.

Ursula von der Leyen, President of the European Commission said: "The euro is a tangible symbol of European strength and unity. Today, Bulgaria is one step closer to its adoption as currency. Thanks to the euro, Bulgaria's economy will become stronger, with more trade with euro area partners, foreign direct investment, access to finance, quality jobs and real incomes. And Bulgaria will take its rightful place in shaping the decisions at the heart of the euro area. Congratulations, Bulgaria!"

Following the report, the Commission has adopted proposals for a Council Decision and Regulation on Bulgaria's euro adoption. The final approval will come from the Council of the EU after consultation with the European Parliament, the ECB, and discussions within the Eurogroup and European Council.

Source: fibre2fashion.com– June 06, 2025

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UK charts course for circular fashion leadership with new CFIN roadmap

A new landmark report released by the Circular Fashion Innovation Network (CFIN) outlines major strides and a comprehensive roadmap for accelerating the UK's transition towards a circular fashion ecosystem. The "CFIN May 2025 Report" reveals achievements in mobilizing the industry, identifies substantial growth opportunities in circular business models, sustainable manufacturing, and recycling infrastructure, and calls for continued collaboration and investment to position the UK as a global leader in sustainable fashion.

The CFIN, a collaboration between the British Fashion Council (BFC), UK Fashion & Textile Association (UKFT), and Innovate UK, has successfully convened over 250 organisations, representing 42 per cent of UK's clothing sales by volume, to drive practical, market-driven solutions for circularity.

"CFIN has redefined how our industry approaches sustainability by creating practical pathways rather than theoretical ideals," said Caroline Rush CBE, Former CEO of the British Fashion Council. "What makes this network extraordinary is its ability to unite stakeholders from across the entire value chain, breaking down traditional silos and fostering genuine collaboration."

Major achievements and roadmap

The report highlights several transformative outputs, including:

A national textile recycling infrastructure plan providing a roadmap to process the 1.3 million tonnes of post-consumer textiles generated annually in the UK. This plan focuses on building advanced sorting and fibre-to-fibre recycling infrastructure, investing in automation, developing workforce skills, and expanding market capacity for recycled products.

An industry-supported Extended Producer Responsibility (EPR) framework for textiles. This framework is built on mandatory participation, variable eco-modulated fees to reward sustainable practices, and ring-fenced tax revenue for circular fashion innovation and infrastructure.

Circular business models

While 81 per cent of fashion organisations surveyed include circularity in their five-year strategies, a "intention-action gap" exists, with 63 per cent of customer-facing circular initiatives remaining in pilot phases. The report identifies strong growth potential:

- Resale: Shows promise for mass market and premium retailers, with 78 per cent of initiatives currently in pilot.
- Repair: Demonstrates strong adoption in premium sectors (57 per cent of initiatives) and boasts the highest customer participation rate at 25 per cent.
- Takeback: Presents significant potential for mid-market retailers (38 per cent adoption) due to higher production volumes.
- Circular design: The most prevalent initiative (51 per cent adoption), though definitions vary.

However, the report notes that 40 per cent of UK brands struggle with effectively communicating circularity, a critical barrier to scaling these models.

For example, Circular Threads launched in 2021 by Anoli Mehta, is the UK's first resale platform for pre-loved South Asian clothing. Mehta's research found that 90 per cent respondents wanted to sell their outfits but lacked a platform. The company has seen organic growth through its online platform and a North-West London studio with an innovative eight-week rotational stock scheme. "The spotlight is completely on Western wear and UK high street retailers, but a whole industry is being ignored," Mehta says, highlighting a significant sustainability gap.

Reshoring and technological advancement

- CFIN's work demonstrates concrete opportunities for reshoring manufacturing, with a feasibility study involving retailers with a combined turnover of £26.1 billion identifying potential in knitwear, jersey, printing, and Cut-Make-Trim operations. Key findings include:

- Current UK sourcing is mainly for niche, agile, or "test-and-react" demands, with garment printing being the most common activity.

- Key motivators for UK sourcing are quality, speed to market, and capacity availability.
- Successful pilot projects using AI and onshore finishing have shown faster turnaround times and reduced fabric waste.

- For example, an ongoing pilot between River Island and LaundRe is showcasing a circular, onshore production model for denim finishing. LaundRe's local, responsive approach allows unwashed jeans to be finished in the UK using laser-designed patterns and sustainable processing. This model offers rapid design-to-shelf times (weeks instead of months), low-volume flexibility, reduced carbon footprint, and full transparency.

Recycling a multi-billion pound opportunity

The National Textile Recycling Infrastructure Plan aims to manage the 1.45 million tonnes of post-consumer textiles generated annually in the UK. A socio-economic impact study for a proposed National Textile Recycling Hub, involving three automated sorting and pre-processing plants (ATSPs) and one chemical recycling plant, demonstrates significant potential benefits.

As per Adam Mansell, CEO of UK Fashion and Textile Association, their work has revealed numerous opportunities for reshoring manufacturing and developing domestic recycling infrastructure—turning environmental imperatives into economic advantages for the UK.

Driving innovation

The CFIN Novel Tech Showcase in March 2025 connected innovative startups with investors and corporate partners, focusing on end-of-life solutions, repair, technology for circularity, and re-commerce. Some emerging technologies identified were: automation and AI in resale and sorting, Digital Product Passports (DPPs), forensic tools for supply chain authentication, and advanced fibre-to-fibre recycling.

For example, London-based startup Amphico, born out of the Royal College of Art, has developed Amphitex (a PFAS-free waterproof, breathable membrane) and Amphicolor (a waterless textile dyeing solution). Despite significant brand interest, challenges to scaling include the gap between interest and commitment, capacity constraints, and extensive documentation demands. And as Claire Miller, Principal Textile Designer at Amphico, advises brands, "Take the leap. Move from conversation to action. Integrate these materials into actual products, even if it's a small run."

Overcoming investment hurdles

The report also highlights a £700 billion global opportunity for circular business models by 2030. However, institutional investors remain cautious due to a lack of proven returns and insufficient standardised reporting. The research debunks several investment myths, for instance:

Myth: Circular fashion is just a niche market.

Reality: The global second-hand apparel market reached £100-120 billion in 2022 and is projected to grow to £367 billion by 2028-2029. Rental fashion is valued at £6.3 billion (2023) and expected to reach £7-8 billion by 2026. The Depop marketplace, acquired by Etsy for £1.63 billion, serves as a landmark exit validating the sector's financial value.

A call for sustained action

The report concludes with a strong call for continued government and industry support to maintain the momentum achieved. "The frameworks and collaborative networks established through CFIN provide an essential foundation for continued progress—helping to position the UK as a leader in circular innovation, while creating new opportunities for growth and economic resilience," says Tom Fiddian, Head of AI & Data Economy Programmes at Innovate UK.

CFIN proposes several steps, including a CBM Accelerator programme for brands, further testing of automation in manufacturing, modelling costs for the recycling infrastructure plan, and working with the government to advance EPR legislation. The message is clear: the UK fashion industry has the tools and the collective will to forge a circular future, but sustained investment and collaborative action are paramount to realizing this transformative vision.

Source: fashionatingworld.com– Jun 05, 2025

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Bangladesh: Chattogram port gets 15 new straddle carriers for Tk 124cr

Chattogram Port has added to its fleet 15 new four-high straddle carriers, an essential type of container-handling equipment.

A vessel named J Yang brought the carriers from China and berthed at a port jetty yesterday morning, said Md Nasir Uddin, acting secretary of the Chittagong Port Authority (CPA).

The CPA procured the equipment from the Chinese state-owned engineering company Shanghai Zhenhua Heavy Industries Company Limited (ZPMC) at a cost of Tk 123.63 crore, he said.

The four-high straddle carriers are specialised machines capable of transporting, lifting, and stacking containers up to four units high.

With the latest addition, the port now has a total of 53 four-high straddle carriers, according to the CPA's Mechanical Department.

It also has seven two-high straddle carriers. Nasir Uddin hoped that the new equipment would accelerate container-handling operations at the port.

Source: thedailystar.net – June 05, 2025

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DCCI decries exclusive port rent exemption for Bangladesh RMG industry

The Dhaka Chamber of Commerce and Industry (DCCI) recently said that the port store rent exemption only for imported raw materials used in the readymade garment industry will create disparity among industries.

The shipping ministry recently exempted the apparel industry from the four-fold store rent on imported items after the expiry of the storage period at Chattogram port.

Most importers use Chattogram port to bring in goods and traffic congestion on the highway, inadequate infrastructure at the port and delays in the unloading process often cause severe traffic jams in the port area, due to which importers across all industry sectors are facing challenges, DCCI president Taskeen Ahmed was cited as saying by domestic media reports.

Without improving the supply chain, proper logistics management at the Chattogram port and sound communication infrastructure, a mere four-fold increase in store rent will raise the cost of doing business, he lamented.

This may lead to the country falling behind competing nations in logistics costs, the DCCI president said.

Source: fibre2fashion.com– June 06, 2025

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NATIONAL NEWS

Drop 10% universal tariff in bilateral trade agreement: India to US

India is seeking a binding commitment from the United States (US) on pre-April 2 tariff levels for labour-intensive sectors as part of an early tranche of the proposed bilateral trade agreement (BTA). This would involve doing away with the universal 10 per cent tariff imposed by the Donald Trump administration.

“Since our labour-intensive exports face an additional 10 per cent tariff after April 2, while original tariffs were largely in low single digits, a commitment by the US to revert to its original tariff schedule would give us a competitive edge over other countries,” said a government official, requesting anonymity.

India is pushing for the elimination of tariffs on labour-intensive goods, such as apparel, leather, footwear, gems & jewellery. But the US has told India that it currently doesn’t have the Congressional mandate to make such tariff cuts. “We are seeking a commitment from the US that the trade deal should have a paragraph that once the current administration has the authorisation from the Congress, tariff on labour-intensive products will be brought down to zero, subject to negotiations. This will be like a post-dated cheque,” the official added. Though both countries have committed to signing a mutually beneficial BTA by this autumn, India is pushing for an early tranche to avoid a 26 per cent reciprocal tariff, scheduled to kick in from July 9.

India is also citing the joint statement signed during Prime Minister Narendra Modi’s visit to the US in February, in which both sides agreed to begin negotiations for the BTA. “Both sides also pledged to collaborate to enhance bilateral trade by increasing US exports of industrial goods to India and Indian exports of labour-intensive manufactured products to the US,” the joint statement said.

On Tuesday, US Secretary of Commerce Howard Lutnick said a trade deal between India and the US could be finalised in the “not too distant future,” signalling that an agreement may be reached before the current 90-day pause on American reciprocal tariffs ends on July 9.

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

While tariff-related uncertainty has increased after a US Court of International Trade ruling blocked Trump-era reciprocal tariffs (it was later stayed by a US appeals court), Indian officials have maintained that trade talks would continue unaffected. However, Trump's recent move to double safeguard duties on steel and aluminium to 50 per cent, along with his comments cautioning Apple against investing in India, has surprised Indian observers.

Jayant Dasgupta, former Indian ambassador to the World Trade Organization, said if India were to rush into a trade deal with the US at a time when the reciprocal tariff matter might escalate to the Supreme Court, the US would pocket the concessions and ask for more.

"I don't know whether the government can stand firm and say no to Trump or at least drag on the negotiations till there is a Supreme Court decision. The US is only arm-twisting and there is nothing bilateral about this deal. It is up to India to make up its mind," he added.

Source: business-standard.com – June 05, 2025

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India, US race to seal interim tariff deal ahead of Trump's July deadline

Indian and US are holding high-level talks this week, aiming to finalise tariff cuts in sectors such as farm and automobiles as part of an interim deal, two government sources said, with an announcement likely later this month.

A US delegation led by senior officials from the Office of the United States Trade Representative (USTR) began closed-door, two-day discussions in New Delhi on Thursday with Indian trade officials headed by chief negotiator Rajesh Agrawal, the sources said.

"During the current round of talks, negotiators are discussing tariff cuts on specific sectors including agriculture and autos, and proposed benefits for Indian companies," one Indian government source, said.

The deal may be formally announced by month end, before the self-imposed deadline of July 9 by President Trump, but a statement is expected once meetings wrap up, possibly by Sunday, a second official said.

Trade Minister Piyush Goyal, currently in Italy, may return to meet the delegation, the official added.

The officials said spoke on the condition of anonymity due to the sensitivity of the discussions.

Indian trade ministry didn't immediately respond to requests for comments.

US Commerce Secretary Howard Lutnick said in Washington on Monday that trade negotiations were progressing and a deal could be finalised soon.

India and the US agreed in February to work on a phased deal, aiming to lift bilateral trade to $500 billion by 2030.

Officials said, India, buoyed by recent trade pact with the UK, and EU talks, is resisting US demands to open its farm and dairy markets, citing potential rural backlash.

"We are ready to offer a better deal than the UK pact, with average tariffs down to 10 per cent, matching the US base rate, and near-zero duties with quotas in exchange for market access and supply chain linkages," a third official said.

Washington has flagged India's average farm tariff of 39 per cent, with some duties reaching 45-50 per cent. It is also pushing India to allow corn imports for ethanol production.

Bilateral trade with the US, India's largest trading partner, rose to $129 billion in 2024, with India posting a $45.7 billion surplus.

Source: business-standard.com– June 05, 2025

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EU, India will beat expectations by wrapping up FTA talks early: Piyush Goyal

Brescia: India and the EU will beat the expectations of their leaders and are trying to conclude the Free Trade Agreement (FTA) talks ahead of the year-end deadline, commerce and industry minister Piyush Goyal said Thursday.

In February this year, Prime Minister Narendra Modi and European Union Chief Ursula von der Leyen announced that the India-EU FTA will be reached by the end of 2025.

Goyal has already met the European Commissioner for Trade Maros Sefcovic thrice in 35 days, the latest one being on June 2 in Paris.

"We have held three meetings in 35 days. We are trying to speed up the negotiations. It shows our shared commitment for the FTA," Goyal said.

The first two meetings between Goyal and Sefcovic were held on May 1 and May 23 in Brussels.

TIES WITH Italy

Goyal said India-Italy bilateral trade is low and suboptimal, and both sides need to work to boost two-way commerce. Currently, bilateral goods trade between the two countries is about $15 billion.

"We want to increase trade, investment, and tourism," Goyal said.

India has proposed to set up an industrial enclave for Italian companies which do business in the country, commerce and industry minister Piyush Goyal said Thursday.

"We want to create a home away from home for Italian companies. We want an Italian enclave in one of the industrial smart cities in India," he said at the Italy-India Strategic Economic Partnership forum.

Source: economictimes.com– June 06, 2025

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Held 3 meetings in 35 days with EU trade commissioner to push FTA talks: Goyal

Goyal said on Thursday that India has already signed similar agreements with four-European nation bloc EFTA and the UK.

The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway, and Switzerland.

Now, India is in the process of concluding the negotiations with the 27-nation bloc European Union.

"We have held three meetings in 35 days. It shows our shared commitment for the FTA... we are trying to do it faster," Goyal told reporters here.

The minister is here on a two-day visit. He is meeting leaders and businesses to boost trade and investments between the two countries.

The first and the second meetings between Goyal and Sefcovic were held on May 1 and May 23 in Brussels, while the third meeting concluded on June 2 in Paris.

India and the European Union (EU) are likely to agree upon a comprehensive free trade agreement (FTA).

In June 2022, India and the 27-nation EU bloc resumed negotiations for a comprehensive FTA, an investment protection agreement and a pact on 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 the much-awaited free trade deal by the end of this year.

Goyal also said he is working with Italy and the EU for a "very" strong and mutually beneficial FTA.

"We are making rapid progress on the very very vibrant FTA which would open opportunities for businesses of both the sides," he said.

On India-Italy bilateral trade, Goyal said it's "low and sub-optimal" and both sides need to work to boost the two-way commerce. Currently it stands around USD 15 billion in goods.

"Huge potential is there to boost bilateral trade," he said.

Speaking at the briefing, Italian Deputy Prime Minister and Foreign Minister Antonio Tajani said Italy is looking at ways to boost exports to India as both are natural partners.

He also sought Indian investments in Italy. He added bilateral talks with Goyal focused on ways to cut barriers to trade.

"Duties are never positive and our goal is to reduce it," Tajani said when asked about the US tariffs on steel and aluminium.

Source: economictimes.com– June 05, 2025

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India-Kyrgyz Bilateral Investment Treaty comes into force, replaces agreement of 2000

Finance Minister Nirmala Sitharaman and Kyrgyz Foreign Affairs Minister Zheenbek Kulubaev Moldokanovich on Thursday signed a protocol for enforcement of a bilateral investment treaty to foster bilateral economic relations and encourage cross-border investments between the two nations.

The Bilateral Investment Treaty (BIT) signed on June 14, 2019, in Bishkek, between the Government of India and the Government of the Kyrgyz Republic, enters into force, with effect from June 5, 2025.

This new BIT replaces the earlier agreement enforced on May 12, 2000, ensuring continuity in the protection of investments between the two nations, the finance ministry said in a statement.

"The India-Kyrgyz BIT marks a significant milestone in strengthening bilateral economic relations and fostering a secure and predictable investment environment. The BIT aims to promote and protect the interests of investors of either country in the territory of the other country," it added.

Some of the key features of the BIT include an emphasis on sustainable development in the preamble and removal of the most favoured nation (MFN) tag.

"The BIT contains two types of exceptions: general exceptions and security exceptions. The attempt is to carve out a policy space for the State. The general exceptions include, among others, the protection of the environment, ensuring public health and safety, and protecting public morals and public order," it said.

The BIT has calibrated the Investor-State Dispute Settlement mechanism with mandatory exhaustion of local remedies, thereby, providing investors alternate dispute resolution mechanism, it noted.

Another key feature of the BIT is the exclusion of matters relating to local government, taxation, government procurement, services supplied in the exercise of governmental authority, and compulsory licenses, in order to retain sufficient policy space with the government in such matters, it said.

The treaty balances the investor rights with the sovereign regulatory powers of both countries and reflects a shared commitment to create a resilient and transparent investment climate, the statement added.

It is expected to further encourage cross-border investments and deepen economic cooperation between India and Kyrgyzstan.

Source: thehindubusinessline.com – June 05, 2025

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Turning EU's DPP into India's global green breakout

In the 1970s, Japanese automakers were not even challengers in a US market dominated by Detroit's gas-guzzlers. Then came the oil crisis. Fuel prices surged and American consumers began craving efficiency. Japan seized the moment — reimagining cars for America to be smaller, smarter and more fuel-efficient. It was not just a response to a crisis; it was a breakout.

South Korea charted a similar path in the 1990s. Facing economic turmoil after the Asian Financial Crisis, it doubled down on tech-driven reforms. With massive investment in digital infrastructure and innovation, Korea transformed from a manufacturing follower into a global technology powerhouse.

India showed what is possible with the right infrastructure. The Unified Payments Interface (UPI) didn't just digitise finance — it built a foundation for scalable, inclusive innovation.

Today, India stands at a similar inflection point. The EU's Digital Product Passport (DPP) mandate could be a disruption — or a springboard to global leadership in sustainable, digital trade.
EU's green trade disruption

The European Union's Circular Economy Action Plan (CEAP) is setting new rules for global commerce. Under its Eco-design for Sustainable Products Regulation (ESPR), the EU will require Digital Product Passports for many products entering its market.

DPPs are digitally accessible records — typically accessed via QR code — that contain granular information on a product's origin, composition, environmental impact, reparability and end-of-life handling.

The benefits expected are increased consumer trust, improved supply chain management, enhanced circular economy and reduced environmental impact.

This rollout begins with sectors like batteries, textiles and electronics, and will soon expand to chemicals, metals, furniture, tyres and more. Any product entering the EU must comply with the legislation — even if manufactured outside Europe.

Why it matters for India

The EU is India's largest export destination, accounting for over 21 per cent of merchandise exports — worth more than $98 billion in FY25. Crucially, many of the sectors targeted in the DPP's initial roll out — textiles, iron and steel, aluminium, chemicals, footwear and leather products — are India's strongest export performers.

India's exposure is already unfolding in the two sectors facing the earliest DPP compliance deadlines: batteries by 2027 and textiles by 2028. In FY24, though India exported only a relatively small value — about $90 million — of batteries, textiles amounted to $10 billion to the EU. Textiles, we are aware is a sector where India holds a globally competitive position.

These sectors must meet DPP requirements — or risk market exclusion. Without alignment, Indian exporters face compliance bottlenecks and reduced market access in one of the world's most sustainability-conscious economies.

If met with ambition, the DPP mandate could propel India into the vanguard of sustainable, digital manufacturing.

Export competitiveness: Complying early, ensures continued EU access while branding India as a responsible, forward-looking trade partner.

Supply chain digitisation: DPP compliance demands machine-readable data across fragmented supply chains. This push will accelerate digitisation, boost traceability and unlock operational efficiencies — especially in complex sectors like textiles and electronics.

Circular economy integration: DPPs force sustainability into product design, production and disposal. This supports India's transition to circular manufacturing, complements EPR policies and aligns with climate goals.

Smart regulation: Digital traceability enables real-time and remote enforcement. Agencies like BIS and CPCB can verify standards without significant manual intervention — enhancing speed, scale and transparency of enforcement, while raising India's credibility as a rule-abiding exporter.

Green tech leadership: Early adoption of DPP standards can put India at the forefront of sustainable digital trade — especially among emerging economies. It is an opportunity to future-proof our industries.

Infrastructure imperative

Achieving this vision requires more than just compliance by large firms. MSMEs, which dominate India's exports, will struggle without shared tools, frameworks and support.

The most transformative solution lies in the creation of a Digital Public Infrastructure (DPI) for DPP, modelled on India's landmark success on digital payments. A common digital backbone would provide standardised data templates, secure APIs, consent-based access and authentication, integration toolkits for ERP systems and centralised product registries.

This would level the playing field, enabling every Indian manufacturer to participate in global sustainable trade — regardless of size or digital capability. India is already seeing innovation from the private sector, but it is likely that early platforms would serve large, formal-sector firms. MSMEs still face cost, capability and connectivity barriers.

A government-backed DPI would bridge this gap and drive inclusion.

To build momentum, India could launch pilot projects in high-priority sectors and export hubs, such as textiles, electronics, chemicals and iron and steel — which are not only part of the EU's initial rollout, but also among India's top merchandise exports to the region.

These pilots can be anchored in leading export clusters such as Tirupur for textiles, Noida for electronics, Vapi for chemicals and Jamshedpur for iron and steel.

These pilots should engage select exporters, regulators and tech providers to test data capture, interoperability and ERP integration. The lessons learned will inform national policy, refine technical standards and ease the onboarding of MSMEs.

Coordinated action

India's DPP push must ensure close working of critical Ministries: the Ministries of Commerce, MSME, Environment, Electronics & IT and Textiles.

A high-level task force could develop sector-specific DPP roadmaps, support public-private platform development, coordinate with industry bodies like CII and EEPC and mobilise state export councils for local outreach.

Institutions like the Quality Council of India must drive standard-setting and capacity-building across the value chain.

Like Japan in the 1970s or South Korea in the 1990s, India today faces a moment of external pressure, that could catalyse an internal transformation. India must see this is a chance to lead— by building open, inclusive, scalable infrastructure for sustainable trade.

By laying the digital rails now, India can empower its manufacturers to compete and lead in the global green economy. More importantly, it can create a replicable global standard in digital sustainability tools — positioning itself not just as a participant in the green transition, but as its architect.

Before the Digital Product Passport becomes a gatekeeper, let it become our gateway to a global green future, eventually becoming one more pillar to our dream of a Viksit Bharat @ 100.

Source: thehindubusinessline.com– June 06, 2025

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Amazon inks pact with Gujarat govt to boost state MSMEs' e-commerce exports

The Gujarat government Thursday signed a pact with e-commerce giant Amazon India to help boost exports from the state by digitising lakhs of local Micro, Small and Medium Enterprises (MSMEs), according to an official statement.

Through this memorandum of understanding (MoU) between Amazon and the Commissionerate of Micro, Small and Medium Enterprises (MSME), Gujarat government, both will work together to provide support for businesses in the state to launch and grow their exports via Amazon Global Selling, the release added.

Amazon Global Selling is a flagship e-commerce export programme of Amazon India that helps Indian MSMEs and entrepreneurs to start or expand their exports business using e-commerce. It provides an avenue for businesses of all sizes to build global brands.

The release stated, "Through this partnership, Amazon and the Commissionerate will work together to host workshops, training, and provide support for businesses in the state to launch and grow their exports via Amazon Global Selling.

Furthermore, under the MoU, Amazon will facilitate setting up Export Community — local networks that offer ongoing support and foster collaboration among exporters across India in Gandhinagar. It will also train members from the MSME Commissionerate on the requirements of e-ecommerce and e-commerce exports, who will in turn conduct training for MSMEs across the state."

According to the release, the MoU was signed on the side lines of Export Connect 2025 in Ahmedabad, a flagship event by Amazon Global Selling, in collaboration with the Federation of Indian Export Organizations (FIEO) and the Apparel Export Promotion Council (AEPC).

Gujarat has over 36.51 lakh MSMEs.

Quoting Amazon Global Selling India, head, Srinidhi Kalvapudi, the release said, "At Amazon, we are committed to democratizing exports for Indian businesses of all sizes and enabling them to succeed globally. We are excited to partner with the Government of Gujarat's MSME Commissionerate to support and empower thousands of entrepreneurs and small businesses across the state".

"This partnership aligns with our broader goal of enabling $80 billion in cumulative e-commerce exports from India by 2030 under the Amazon Global Selling program," said the release.

MSME Commissioner of Gujarat government Sandip Sagale, as per the release, was quoted as saying, "Empowering local entrepreneurs and enhancing the export potential of our state remain top priorities for the government. I appreciate Amazon's continued efforts in launching initiatives that resonate with our vision. We look forward to collaborating closely to ensure that thousands of small businesses across Gujarat can leverage these opportunities to scale globally. Such partnerships are crucial in accelerating our state's digital growth and helping entrepreneurs grow their businesses and reach a global audience."

Source: indianexpress.com– June 05, 2025

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Cotton yarn demand bearish in north India amid tariff uncertainty

Cotton yarn in north India failed to find support even in July. Stronger demand for viscose and polyester yarn also could not boost optimism in the cotton yarn trade. Trade sources noted that cotton yarn prices remained steady in Delhi and Ludhiana. Uncertainty related to US tariffs discouraged forward buying. However, the market indicated that spinning mills managed to maintain their selling prices due to relatively better export demand.

The Ludhiana market witnessed poor demand for cotton yarn, although prices did not show a downward trend. A trader from Ludhiana told Fibre2Fashion, "Both domestic and export demand for cotton yarn remained weak. However, export demand allowed mills to hold prices at current levels. Garment export orders are still insufficient to drive demand for fabric and yarn."

In Ludhiana, 30 count cotton combed yarn was sold at ₹258-268 (~$3.01-3.12) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹248-258 (~$2.89-3.01) per kg and ₹253-263 (~$2.95-3.07) per kg, respectively; and carded yarn of 30 count was noted at ₹238-243 (~$2.77-2.83) per kg today, according to trade sources.

The Delhi market also saw weak demand for cotton yarn, but prices remained stable for most counts and varieties. According to a trader, cotton yarn failed to find support from the downstream industry. He noted that expensive cotton yarn is discouraging consumption, with the industry shifting towards polyester and viscose yarn. New technologies are providing a cotton-like touch and breathability in non-cotton fabrics. Tariff-related concerns have also added to the pessimism in cotton yarn trade.

In Delhi, 30 count combed knitting yarn was traded at ₹260-261 (~$3.03-3.04) per kg (GST extra), 40 count combed at ₹285-286 (~$3.32-3.33) per kg, 30 count carded at ₹234-236 (~$2.73-2.75) per kg, and 40 count carded at ₹259-261 (~$3.02-3.04) per kg today.

India's home textile hub, Panipat, was also experiencing poor demand for recycled yarn. The market saw very slow demand for coarse counts of recycled yarn. Traders expect demand to improve in the coming weeks as preparations begin for the festival season. Export demand for home textiles is also expected to pick up soon. However, ongoing payment issues and a labour shortage continue to contribute to sluggish demand. Cotton comber and recycled polyester fibre prices remained stable.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹75-78 (~$0.87-0.91) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹52-55 (~$0.61-0.64) per kg, 20s recycled PC yarn (Grey) at ₹95-99 (~$1.11-1.15) per kg and 30s recycled PC yarn (Grey) at ₹128-134 (~$1.49-1.56) per kg. Cotton comber prices were noted at ₹105-108 (~$1.22-1.26) per kg and recycled polyester fibre (PET bottle fibre) at ₹76-80 (~$0.89-0.93) per kg today.

In north India, cotton prices declined further by ₹10 per maund (37.2 kg), following weakness in ICE cotton futures. Prices mirrored global market trends. Weak domestic demand for cotton yarn, amid uncertainty in the downstream industry, also weighed on cotton prices. Traders said spinners are reluctant to build stock during the off-season, given that the Cotton Corporation of India (CCI) holds large inventories expected to enter the market soon. Sluggish domestic and export demand for yarn and downstream products continues to affect cotton demand.

Cotton arrivals in north India totalled 750 bales (170 kg each): 500 bales in Haryana, 200 in upper Rajasthan, and 50 in lower Rajasthan. Punjab reported no fresh arrivals. Cotton prices ranged from ₹5,700–5,710 (~ $66.43–66.55) per maund in Punjab; ₹5,530–5,580 (~ $64.45–65.03) in Haryana; ₹5,690–5,740 (~ $66.31–66.90) in upper Rajasthan; and ₹53,200–54,500 (~ $620.01–635.16) per candy (356 kg) in lower Rajasthan.

Source: fibre2fashion.com – June 05, 2025

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