IBTEX No. 74 of 2025 June 11, 2025

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INTERNATIONAL NEWS

US' textiles & apparel imports grow 8.78% to $35 bn in Jan-Apr 2025

United States' textile and apparel imports increased by 8.78 per cent, totalling $35.374 billion in January–April 2025, compared to $32.518 billion in the same period of 2024. China remained the largest supplier to the US, holding a 23.61 per cent market share, down from 23.89 per cent in January–March 2025. It was followed by Vietnam with a market share of 15.47 per cent.

During January–April 2025, apparel imports—which constitute the majority of the US' textile imports—increased by 10.67 percent to $26.218 billion, up from $23.690 billion in the same period of 2024. Non-apparel imports also rose by 3.72 per cent, to $9.156 billion, according to the US Department of Commerce's Major Shippers Report.

US apparel imports from India surged by 20.30 per cent, while those from Bangladesh rose by 29.34 per cent. Apparel imports from China also inched up by 0.60 per cent; from Vietnam by 16.08 per cent; Jordan by 12.04 per cent; Indonesia by 15.61 per cent; Cambodia by 19.79 per cent; Mexico by 0.83 per cent; and Pakistan by 19.59 per cent—among the top 10 suppliers.

Imports from Honduras decreased by 9.74 per cent and from Italy by 1.74 per cent during the period under review. Italy dropped from the list of top 10 apparel suppliers for the country.

In the non-apparel sector, imports from China increased by 0.01 per cent; from India by 11.17 per cent; Pakistan by 3.58 per cent; Vietnam by 20.12 per cent; Cambodia by 20.52 per cent; and Indonesia by 21.68 per cent. Meanwhile, shipments from Turkiye fell by 5.98 per cent, Mexico by 4.76 per cent, South Korea by 6.46 per cent, and Italy by 3.37 per cent.

During the period under review, total US textile and apparel imports stood at $35.374 billion. Man-made fibre products accounted for the largest share, totalling $17.866 billion, followed by cotton products at $15.621 billion, wool products at $1,016.723 million, and silk and vegetable fibre products at $1,468.727 million.

In 2024, the country's textile and apparel imports experienced minimal growth of 2.66 per cent, reaching $107.723 billion. US apparel imports increased by 1.71 per cent to $79.257 billion, while non-apparel imports rose by 5.42 per cent to $28.465 billion.

In 2023, the US imported textiles and apparel worth $104.959 billion, marking a 20.51 per cent decrease. In 2022, imports rose to $132.201 billion, up from $113.938 billion in 2021, following a sharp decline in 2020, when imports fell to $89.596 billion compared to $111.033 billion in 2019.

Source: fibre2fashion.com– June 11, 2025

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European textile and clothing imports accelerate

In the three months preceding the announcement of Donald Trump's tariffs, the EU imported 23.4 billion euros worth of clothing. And at a time when the European textile industry fears that Chinese production will be redirected from the U.S. to Europe, this first quarter already shows a 29% rise in Asian clothing imports.

This rise unsurprisingly concerns the EU's leading supplier, China (29%), but also benefits its challenger Bangladesh (+33%), not forgetting India (+28%), Cambodia (+38%), Vietnam (+22%), Pakistan (+33%), Sri Lanka (+17%), Indonesia (+12%) and Thailand (+12%). Even Myanmar, still boycotted by some contractors since the coup d'état in 2021, is up by 9%.

As if to underline the regional nature of the phenomenon, the EU's third-largest supplier of clothing, Turkey, fell back by 1%. And while Morocco grew by 9%, Tunisia contracted by 4%, while Egypt continued the upward trend of the previous year (+22%). The United Kingdom saw a 2% decline.

In the textile sector, Europe imported 8.7 billion euros worth of materials in three months, including 5.7 billion from Asia (+28%). Here again, all countries in the region benefited to varying degrees, particularly Bangladesh (+42%) and Vietnam (+44%), while Japan (+5%) and South Korea (+10%) also did well. The biggest loser in the Top 20 is the United Kingdom, down 13%, while Morocco is down 9%.

Sharp drop in exports to Asia

The surge in imports has not been accompanied by a reversal of the situation on the export side. After two years of contraction, shipments of clothing and textiles fell by a further 2% and 4% respectively in the first three months of the year, with sharp falls specifically in Asian orders.

Of the 9 billion euros worth of clothing exports, 2.2 billion went to Asia, which reduced its orders by 15%. This decline affected China (-15%), South Korea (-18%), Hong Kong, Taiwan and Singapore, while Japan remained stable. Other notable contractions include the UK (-4%), Canada (-9%), and Australia (-11%). The U.S., on the other hand, accelerated its orders by 6%, following the 2% rise already seen in 2024.

Textile exports followed this trend. Of the 6.4 billion euros worth of materials exported, 1.3 billion went to Asia, a drop of 14%. This decline was mainly driven by China (-19%), India (-13%), Vietnam (-21%), and South Korea (-22%). The United States, Europe's biggest textile customer, increased its orders by 2% to 735 million euros, while Morocco (+9%) and Egypt (+27%) posted strong increases.

Source: fashionnetwork.com– June 10, 2025

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US Imports Set for Summer Spike as Retailers Race Tariff Clock

Import cargo at top U.S. ports is expected to see a surge this summer as retailers take advantage of last month's 90-day rollback in tariffs imposed on China, according to the Global Port Tracker report released today by the National Retail Federation (NRF) and Hackett Associates.

A down May—when mass tariff-driven booking cancellations led to a decline in trans-Pacific sailings—is expected to be followed up by a stronger-than-expected summer season as more brands rush to bring goods into the U.S. ahead of tariff deadlines in July and August.

Ports have not yet reported official numbers for May, but the Global Port Tracker projected an 8.1 percent year-over-year dip to 1.91 million 20-foot-equivalent units (TEUs). This prediction is ahead of the 1.81 million TEUs the tracker had called for last month, which would have marked a 12.9 percent decrease.

May's projected decline would be the first year-over-year drop since September 2023 and the lowest inbound cargo volume since 1.87 million TEUs entered the ports in December 2023.

June is forecast at 2.01 million TEUs down 6.2 percent year over year. The forecast is a significant improvement from the previous projection of 1.71 million TEUs, which would have been the lowest volume since March 2023 and represent a 20.2 percent drop year over year.

"This is the busiest time of the year for retailers as they enter the back-to-school season and prepare for the fall-winter holiday season," said Jonathan Gold, vice president for supply chain and customs policy, NRF, in a statement. "Retailers had paused their purchases and imports previously because of the significantly high tariffs. They are now looking to get those orders and cargo moving in order to bring as much merchandise into the country as they can before the reciprocal tariff and additional China tariff pauses end in July and August."

As part of the tariff relief, the Trump administration pared back what had escalated to a 145 percent import duty on Chinese goods down to 30 percent. That relief has been the main catalyst for expected influx of cargo and ensuing shift in predictions.

The current forecast would bring the first half of 2025 to 12.54 million TEUs, up 3.7 percent year over year. That's better than the 12.13 million-TEU forecast last month before the tariff pause was unveiled, but still below the 12.78 million TEU, up 5.7 percent year over year, forecast before President Donald Trump's April 2 "Liberation Day" tariffs announcement.

In July, the inbound cargo total is expected to be 2.13 million TEUs, down 8.1 percent from the year prior. Previously, import volumes had a projected 23.4 percent year-over-year drop to 1.77 million TEUs.

And for August, the traditional start of the peak shipping season, will bring in 1.98 million TEUs, a 14.7 percent decrease from last year. The prior numbers calculated 1.82 million TEUs entering major American ports, a 21.5 percent decline.

"Retailers want to ensure consumers will be able to find the products they need and want at prices they can afford. Unfortunately, there is still considerable uncertainty as to what will happen after the pauses end," said Gold. "We strongly encourage the administration to continue negotiating agreements with our trading partners in order to restore predictability and stability to the supply chain."

The higher projections come as more capacity continues to come online on the trans-Pacific trade lane. A recent report from maritime trade advisory service Sea-Intelligence indicates container shipping lines are planning to offer approximately 18 percent more year-over-year capacity on the Asia-to-North American West Coast trade lane in June and July—furthering speculation that ports in Los Angeles and Long Beach could see record traffic in the summer months.

"The peak for the winter holidays will come early this year, making it simultaneous with the peak for the back-to-school season," said Ben Hackett, founder of Hackett Associates. "If higher tariffs are not delayed again, we can expect the final four months of the year to see declining volumes of imports."

September's estimate remains in line with last month's expectation, with at 1.78 million TEUs, a 21.8 percent year-over-year contraction. The first projection for October calls for 1.8 million TEUs, down 19.8 percent.

According to the Global Port Tracker, sharp declines for 2025's closing months are still expected partly due to elevated imports in late 2024, when there were rampant concerns about both the tariffs and the East Coast and Gulf Coast port strikes.

Source: sourcingjournal.com– June 10, 2025

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US Cotton: Shifting dynamics amidst reciprocal tariffs and quality advantages

The US has long held a dominant position in the global cotton market, thanks to its reputation for producing high-quality fiber and ensuring a reliable and consistent supply. However, as global trade becomes increasingly shaped by geopolitical frictions and protectionist policies, the global cotton market is changing. Reciprocal tariffs between trading nations, coupled with the unique quality advantages of US cotton, are reshaping how major importing countries approach their sourcing strategies.

Reciprocal tariffs and the changing trade

One of the most significant forces driving these changes is the growing prevalence of reciprocal tariffs. These tariffs, often introduced in response to trade disputes, have a direct impact on the cost competitiveness of cotton originating from specific countries.

For instance, when a country imposes tariffs on cotton imports from the US, and the US retaliates with tariffs on that country's exports, the relative appeal of US cotton diminishes in that market due to higher costs.

As a result, importing countries are often compelled to seek alternative sources of cotton, even if these alternatives do not meet the same quality standards. Conversely, if a major cotton-exporting country is subject to tariffs in a critical market, it may redirect its exports to countries where trade remains tariff-free, potentially challenging the US' foothold in those regions.

The quality advantage

Despite the challenges posed by tariffs, the intrinsic quality of US cotton continues to be a decisive factor for many textile manufacturers. The COTTON USA brand is associated with superior fiber strength and length, attributes that are achieved through innovative seed varieties and cutting-edge farming techniques. These characteristics not only result in more durable fabrics but also allow for faster spinning speeds and the production of finer yarns, which are essential for high-end textiles.

Additionally, US cotton boasts excellent micronaire, indicating optimal fiber fineness and maturity, which enhances dyeability and makes it ideal for producing yarns for knitted fabrics. Most US cotton is classified as “white grade,” a high standard that facilitates easier and more effective dyeing processes. Moreover, the American cotton industry’s use of advanced, computer-guided harvesting and ginning technologies drastically reduces contamination, such as trash and debris, leading to fewer processing issues for mills. Over time, the US has built a reputation for consistency and uniformity in its cotton, offering buyers a dependable product batch after batch. These advantages often allow US cotton to maintain a strong presence in premium market segments, even when it comes with a higher price tag due to tariff implications.

China, balancing tariffs with quality needs

China, the largest cotton importer in the world, adjusts imports based on trade relations and tariffs. At various points during the US-China trade tensions, the imposition of a 25 per cent retaliatory tariff on US cotton led to a noticeable decline in US cotton exports to China, prompting the country to increase imports from Brazil and Australia. However, for high-quality textile production, Chinese mills continue to value the superior characteristics of US cotton. In 2023, China’s total cotton imports were estimated at around $8.98 billion, with US cotton imports reaching $37.5 million by January 2025. While the share of US cotton has fluctuated, its quality remains a compelling factor, especially for premium segments.

Bangladesh, cost pressures meet export demands

In Bangladesh, the world’s second-largest apparel exporter, cotton imports reached an estimated $6.55 billion in 2023. The country sources a major portion of its cotton from India and various African nations, with US cotton accounting for around 9 per cent of its total imports in the 2023–24 marketing year.

Click here for more details

Source: fashionatingworld.com– June 09, 2025

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UK's BTMA members to showcase breakthrough textile testing innovations at ITMA Asia 2025 in Singapore

British textile machinery firms are set to highlight cutting-edge innovations in testing, instrumentation, and machine control at ITMA Asia + CITME 2025 in Singapore, taking place from October 28–31. The British Textile Machinery Association (BTMA) has confirmed that several of its members will showcase pioneering technologies that aim to transform how textiles are evaluated and processed.

According to BTMA CEO Jason Kent, many members are actively developing advanced systems, either independently or through collaborations, with several innovative solutions ready for debut in Singapore. “Some of the most recent developments are really going beyond what has previously been possible,” Kent noted.

One standout innovation is Roaches International’s Sentire fabric handle tester, created in collaboration with the University of Leeds. Tackling the age-old challenge of objectively describing how a fabric feels, Sentire measures tactile properties like softness, drape, and stiffness using a haptic spatial system.

Much like colour charts quantify visual aspects, Sentire produces a “tactile fingerprint” for fabrics, enabling consistent digital communication across global supply chains. The system has already drawn interest from online retailers looking to better represent fabric qualities visually for consumers.

Meanwhile, Shelton Vision has advanced automated inspection with the latest version of its WebSpector system. Originally known for plain fabric inspection, the new system now detects flaws in patterned textiles including camouflage and distorted materials using sophisticated image processing.

Designed to operate in real-time on high-speed production lines, WebSpector’s adaptive software ensures high accuracy, with installations already serving industries from high-end fashion and denim to automotive interiors and composites.

In the field of durability testing, James Heal has reimagined its classic Martindale abrasion and pilling tester. The new Martindale Motion features nine independently operable test stations, allowing simultaneous and unattended multi-sample testing. With features like automatic lifting heads, hinged drive pin access, and the ability to run tests overnight, this upgrade significantly improves lab efficiency. The company's long-standing Martindale range, along with innovations like the AquAbrasion tester, has already cemented its leadership in fabric performance testing.

"These BTMA companies continue to push the boundaries of textile testing," said Kent. "Their contributions not only improve product quality and performance but also empower manufacturers to substantiate their claims."

Founded in 1940, the British Textile Machinery Association represents and promotes UK-based textile machinery makers worldwide. At ITMA Asia 2025, its members will reaffirm their commitment to innovation, quality, and the evolving needs of the global textile industry.

Source: fashionatingworld.com– June 10, 2025

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China's apparel exports to Africa twice the imports in Jan–Mar 2025

Africa's share in Chinese apparel exports was more than double its share in China's total apparel imports during the first quarter of the current year.

Africa accounted for 5.6 per cent of China's total apparel exports, while its share in China's apparel imports stood at 2.36 per cent during the same period. This reflects a similar trend observed in overall merchandise trade between China and the African continent during January–May 2025.

China's exports to Africa rose by 20.2 per cent to 599.57 billion yuan ($83 billion) in the first five months, while its imports from the continent increased by 1.6 per cent to 363.64 billion yuan (~$51 billion).

The total trade volume grew by 12.4 per cent year-on-year during January–May to 963.21 billion yuan (~$134 billion), accounting for 5.4 per cent of the country's total foreign trade, as per Chinese media reports.

As per Fibre2Fashion's market insight tool TexPro, China's apparel exports to Africa stood at $1,773.718 million, making up 5.60 per cent of China's total garment exports of $31.668 billion in the first quarter of the current year.

In contrast, China imported apparel worth $51.042 million from Africa during the same period, which was 2.36 per cent of its total apparel imports of $2,165.627 million.

In the same quarter of 2024, China exported garments worth $1,880.140 million to Africa and imported apparel worth $56.770 million from the continent. Africa's share in China's total garment exports during that period was 5.78 per cent, while its share in imports was 2.38 per cent.

For the full year 2024, China's apparel exports totalled $153.408 billion, of which $7.256 billion (4.73 per cent) was shipped to Africa.

Apparel imports from Africa during the year amounted to $208.323 million, representing 2.13 per cent of China's total apparel imports of $9.757 billion.

In 2023, China's apparel exports totalled $156.408 billion and imports $9.298 billion. Exports to Africa were valued at $9.142 billion (5.86 per cent), while imports from the continent stood at $213.123 million (2.79 per cent).

In 2022, China exported $167.868 billion worth of apparel and imported $9.571 billion. Of this, exports to Africa were $7.995 billion (4.76 per cent) and imports from Africa amounted to $193.126 million (2.02 per cent), according to TexPro.

Source: fibre2fashion.com– June 10, 2025

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France Vietnam's 4th biggest trading partner in EU

Vietnam is France's second largest trading partner among the Association of Southeast Asian Nations (ASEAN) after Singapore, according to the former's Ministry of Industry and Trade.

France is Vietnam's fourth biggest trading partner in the European Union (EU), after the Netherlands, Germany and Italy.

Two-way trade last year increased by 12.9 per cent year on year (YoY) to $5.4 billion, of which Vietnam's goods exports to France were estimated at $3.4 billion—up by 7.5 per cent YoY.

In the first four months this year, bilateral trade grew by 9.7 per cent YoY to nearly $1.8 billion, a domestic news agency reported citing data from the ministry.

Vietnam's key export items include footwear, garments and textiles.

Source: fibre2fashion.com– June 10, 2025

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Regulations could further dampen UK retail jobs in 2025 & beyond: BRC

Future regulations could further dampen UK retail jobs this year and beyond, according to the British Retail Consortium's (BRC) 'Retail Employment in 2025' report, which said though the Employment Rights Bill aims at improving employment practices, several aspects of the bill could raise costs and reduce employment without improving the life of workers.

A recent survey of retail human resource directors showed that 61 per cent believed the bill would reduce flexibility in job offerings (versus 23 per cent saying flexibility will stay unchanged and 7 per cent saying such flexibility will increase), while over half believed it would reduce staff numbers for their company.

Retail employment in the United Kingdom has already reduced by over 350,000 since 2015. Over 250,000 of these jobs have been part-time roles and over 280,000 have been jobs held by women. This is despite the total number of jobs in the economy rising.

Employment costs have risen significantly, posing a major challenge to the UK retail industry. Over the last decade, the minimum wage has almost doubled from £6.50 per hour to £12.21 per hour for those over 21. This is far outpacing inflation, which has risen by around a third over the same time period, the report observed.

The rise in National Living Wage in April 2025 is expected to add £2.74 billion to wage bills of UK retailers.

Together, the changes to National Living Wage and employer national insurance contributions have raised the cost of hiring a full-time worker by 10 per cent, and a part-time worker by over 13 per cent.

The disproportionate impact on part-time workers, mainly as a result of the changing employer National Insurance minimum threshold, has meant that many flexible jobs are now at risk, with the BRC estimating that up to 160,000 part-time roles—more than one-in-ten—could be lost in the next three years.

Retail jobs of the future will be characterised by increased flexibility, technology integration, continuous skills development and a strong emphasis on inclusivity and diversity, ensuring a better work-life balance, noted the report.

Both the Growth and Skills Levy and the Employment Rights Bill will significantly affect how the industry drives future investment in its retail workforce, it added.

Source: fibre2fashion.com– June 11, 2025

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UOB reaffirms Vietnam's growth forecast at 6% for 2025, 6.3% for 2026

Singapore-based United Overseas Bank (UOB) recently reaffirmed its forecast for Vietnam's economic growth at 6 per cent for 2025 and 6.3 per cent for 2026.

A UOB report projected Vietnam's gross domestic product (GDP) would expand by 6.1 per cent in the second quarter (Q2) and 5.8 per cent in Q3 this year.

Vietnam's real GDP growth in Q1 2025 slowed to 6.93 per cent year on year, below the bank's earlier estimate of 7.1 per cent and the 7.55 per cent recorded in the previous quarter.

The slowdown was partly attributed to the Lunar New Year holidays, but was cushioned by resilient trade and investment activity, a Vietnamese media outlet reported.

However, market sentiment in April was dominated by the April 2 announcement by the United states of sweeping new tariffs under the so-called 'Liberation Day' policy.

Vietnam's National Assembly had earlier targeted at least 8-per cent growth this year and aimed for double-digit growth between 2026 and 2030.

Several risks were also flagged by the bank, particularly from international trade tensions. UOB analysts highlighted Vietnam's vulnerability to external shocks, given its export-driven economy.

Exports account for approximately nine-tenths of the country's GDP, and around 30 per cent of those are meant for the United States. Key sectors such as furniture, apparel and footwear are particularly exposed.

Source: vietnam.vn– June 09, 2025

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Ghana, US discuss AGOA renewal, tariffs, trade balance

Ghana's Trade, Agri-business and Industry Minister Elizabeth Ofosu-Adjare recently met senior US officials in Washington, DC, to address critical trade policy issues affecting both sides.

They discussed the African Growth and Opportunity Act (AGOA), Ghana's local content policy, US import regulations, outstanding debts to US firms and the revival of the Trade and Investment Framework Agreement (TIFA).

The minister stressed the importance of AGOA—set to expire in September 2025—in attracting US investment, particularly, in Ghana's growing garment and textile industry. Enacted in 2000, AGOA offers duty-free access to over 1,800 products from eligible sub-Saharan African countries.

The high-level meeting followed protectionist measures announced under the United States' revived 'America First' trade policy.

Both sides agreed on the need for constructive engagement to balance Ghana's development goals with the expectations of foreign investors, and highlighted the importance of regulatory clarity and compliance with safety and environmental standards, a domestic news agency reported.

The minister is scheduled to meet officials of the office of the US trade representative in the next few weeks to continue consultations.

Source: fibre2fashion.com– June 10, 2025

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Amount of freight passing through main UK ports up 5% YoY in Q1 2025

The amount of freight passing through the main UK ports rose by 5 per cent year on year (YoY) in the first quarter (Q1) this year to 107.4 million tonnes, according to the country's transport department.

While outbound tonnage increased by a little less than 1 per cent YoY to 34.6 million tonnes, inward freight increased by 7 per cent to 72.8 million tonnes during the quarter.

The volume of unitised traffic increased by 3 per cent YoY to 4.8 million units during the quarter. Unitised traffic climbed by 2 per cent YoY to 21.3 million units during the rolling year ending in March 2025, while total tonnage increased by 2 per cent to 425.9 million tonnes.

Liquid bulk cargo increased by 6 per cent YoY in Q1 2025 to 41 million tonnes in the United Kingdom, while dry bulk tonnage decreased by 4 per cent YoY to 19 million tonnes.

Container tonnage increased by 13 per cent YoY to 18.2 million tonnes in Q1 2025. London was the main contributor to this growth, with a 0.8 million tonnes rise—a 16-per cent YoY increase, the largest increase among major UK ports.

When measured in units, container traffic rose by 9 per cent YoY in Q1. This was primarily driven by a 73,000-unit (24 per cent) increase at London and a 29,000-unit (6 per cent) increase at Felixstowe.

Source: fibre2fashion.com– June 11, 2025

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Bangladesh Sets April 2026 Election Date, Prompting Mixed Reactions

Interim Bangladesh leader Muhammad Yunus made the long-anticipated announcement late Friday that general elections will be held in the first half of April 2026. The declaration has sparked a wave of reactions and fresh deliberations across the country.

Political parties had hoped—and many had negotiated—for elections to be held within the current year. The extended timeline has caused concern among several factions, given that it has already been 10 months since the political upheaval that led to the unexpected ouster of former Prime Minister Sheikh Hasina following student-led protests in August.

While numerous political parties continue to demand elections before the end of 2025, business leaders are increasingly voicing apprehensions about how the delay could affect their operations and strategic planning. This is particularly true in the apparel sector, which accounts for approximately 80 percent of the country's total exports. International buyers are seeking reassurances about policy continuity and clarity on issues such as tax volatility, geopolitical shifts, and rising gas and electricity prices.

In his address to the nation, Yunus stated: "After reviewing the ongoing reform activities, I am announcing to the people today that the next national election will be held on any day in the first half of April 2026." He added that a detailed "roadmap for the voting" would be shared "at an appropriate time."

In his address to the nation, Yunus stated: "After reviewing the ongoing reform activities, I am announcing to the people today that the next national election will be held on any day in the first half of April 2026." He added that a detailed "roadmap for the voting" would be shared "at an appropriate time."

Manufacturers have been urging the government to hold elections sooner to ensure stability and continuity in policymaking. With critical developments underway—including U.S. trade deadlines, the initiation of free trade agreement talks with Washington, ongoing financing from the International Monetary Fund, and rapid global geopolitical changes—

industry leaders argue that firm and credible political leadership is essential.

Yunus's announcement follows a major political crisis triggered by former Prime Minister Sheikh Hasina's ouster. Since August, the country has operated under an interim government tasked with implementing reforms and preparing for elections. The Awami League, led by Hasina, remains banned from contesting future polls. Meanwhile, the opposition BNP—which boycotted the January 2024 election—is now widely expected to return to power. Its leader, Khaleda Zia, recently acquitted in a long-standing corruption case, appears poised for a political comeback.

Some manufacturers told Sourcing Journal that the delayed election timeline could create a prolonged period of uncertainty. Investors and buyers are increasingly concerned about the risk of sudden policy reversals, they noted. They also pointed to the steep 37-percent tariff recently imposed on Bangladeshi exports by U.S. President Donald Trump in April—a rate second only to one other South Asian nation and the 15th highest globally—as a worrying sign.

In comparison, India faces a 26 percent tariff, and Pakistan, 29 percent. Industry leaders stressed that Bangladesh needs a strong, stable political mandate to manage such external pressures. They also emphasized that recent tensions with India could be viewed as more "personal" than "political," and an elected government could help reset relations with a broader geopolitical vision.

Still, many manufacturers expressed cautious optimism following the recent conclusion of elections at the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the powerful industry body that represents and negotiates on behalf of the country's key export sector. The new leadership, set to assume office on June 16, will be led by president-elect Mahmud Hasan Khan Babu.

Speaking to Sourcing Journal after his victory, Babu said his team would act swiftly to address what he called the "long-standing challenges faced by the industry."

"Among the main proposals are the formation of a dedicated ministry for the garment sector, ensuring fair pricing from international buyers, and establishing specialized cells to explore new markets and manage regional crises," he said. These objectives were central to his Forum Panel's election manifesto.

Other industry leaders noted that, despite the political uncertainty, Bangladesh's apparel sector has continued to grow. According to data released last week by the Export Promotion Bureau, apparel exports in May 2025 totaled $3.91 billion—up 11.85 percent from $3.50 billion in May 2024—out of a total of $4.25 billion in exports for the month.

Vidiya Khan, deputy managing director of Desh Garments Ltd. and one of the recently elected BGMEA board members, described the BGMEA election as a positive signal: "This was perhaps the most free and fair election seen by BGMEA in recent times. It gives us confidence that the national elections will also follow in a similar spirit."

She acknowledged that the political upheaval of last year had initially left a vacuum—resulting in factory closures and buyer confusion—but praised the industry's resilience. "Our turnaround time in the face of tragedy or political upheaval has been very short. This has been a transitional period for the country. Even without an elected government, the industry is showing growth," she said.

"We need more diversification, but for now, apparel exports are our biggest industry. The entire forward and backward linkage ecosystem depends on this—it brings in over 80 percent of our foreign exchange. So, regardless of who is in government, this sector must be prioritized and protected."

"We have our own set of challenges, but at the end of the day, we have a large, flexible workforce that must be sustained," she added. "Things do need to be cleaned up—but they could have been a lot worse during this transition."

"It's an opportunity to hit the reset button."

However, even amid hopes for renewal, the industry was struck by tragedy this week. On Monday, manufacturers in Dhaka were reeling from the unexpected death of Abdullah Hil Rakib, managing director of Teams Group and former senior vice president of BGMEA, who died in a boating accident in Canada.

Speaking to Sourcing Journal just days earlier, Rakib had stressed the urgency of resolving the political situation.

“A quicker resolution would help settle important issues for the industry,” he said, noting the need to maintain trust with international partners—particularly the U.S. and global buyers.

“The domestic tariff and procurement policies must be considered as we negotiate a bilateral agreement,” he added, referring to the early stages of free trade agreement discussions between Bangladesh and the United States.

Source: sourcingjournal.com– Jun 09, 2025

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NATIONAL NEWS

India-EFTA TEPA Symbolizes Trust and Efficiency Partnership: Shri Piyush Goyal

Union Minister of Commerce and Industry, Shri Piyush Goyal addressed Swiss industry leaders and innovators at the prestigious Swissmem Industry Day in Switzerland today. Highlighting India's transformative growth story and vast opportunities for collaboration, Shri Goyal extended a warm invitation to the Swiss business community to be active partners in India's journey towards becoming a $30-35 trillion economy by 2047.

Speaking at the event, Shri Goyal said, "I come to meet you with the aspirations of 1.4 billion Indians who dream as high as your towering Alps and who desire a better future. I come with an arm of friendship to the talented engineers, innovators, and entrepreneurs of Switzerland."

In a symbolic gesture of partnership, Shri Goyal proposed the creation of a dedicated Swiss Enclave in India—a zone tailored for Swiss businesses—to provide comfort and a sense of home for Swiss enterprises looking to establish a base in India.

The Minister highlighted India's remarkable transformation—from a $270 billion economy 30 years ago to a $4 trillion economy today—and its ambition to grow further to $30–35 trillion as the nation approaches 100 years of independence. He noted India's youthful demographic with an average age of 28.4 years and emphasized that the nation will continue to remain young and vibrant for decades to come.

Shri Goyal underlined the advantages of India as a trusted, rule-of-law-based, and democratic country where Swiss businesses can operate without fear of discrimination. "Democracy, demographic dividend, decisive leadership, and diversity make India a dependable partner," he said.

Referring to the India-EFTA Trade and Economic Partnership Agreement (TEPA), Shri Goyal termed it a "Trust and Efficiency Partnership"—a relationship built on mutual confidence and complementarity. He expressed optimism that this partnership would mark the beginning of a new era of cooperation between India and the four EFTA nations, opening new avenues for trade, investment, and innovation.

"I particularly invite Switzerland's SME sector to witness India's remarkable evolution over the last decade. This will give you the confidence we aspire for," stated the Minister. He highlighted that in the past 10 years, India has added 80 new airports, including a new one in partnership with Zurich Airport. "Our port capacity has doubled, and national highways and expressways are now comparable to those in Germany. We've also added 104 new inland waterways and doubled our power generation capacity, with solar energy capacity growing 50 times. The government's annual expenditure of over $125 billion on infrastructure creates a powerful multiplier effect for India's growth story."

India's robust education ecosystem was also highlighted, with the Minister pointing out that the country produces the highest number of STEM graduates globally, 43% of whom are women. "This talent pool, combined with scale and speed, makes India an ideal investment destination," he said.

Quoting World Bank data, Shri Goyal noted that extreme poverty in India has fallen to just 5%, down by 270 million people in the last 11 years, and is expected to be eliminated in the near future.He described India's growth model as a blend of welfare and consumption-led growth, backed by investments in manufacturing and technology. "India today stands ready and willing to welcome global partners. We are a country on the move, full of opportunities," he said.

Shri Goyal concluded by extending a personal invitation to the Swiss business community to visit India: "Come discover India. Come experience Incredible India. Come witness the beauty and transformation of a nation that is emerging from the shadows and claiming its rightful place in the comity of nations."

Source: pib.gov.in – June 10, 2025

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Shri Goyal Urges Swiss Companies to See India as a Strategic Hub for Manufacturing, Talent, and Innovation

Union Minister of Commerce and Industry, Shri Piyush Goyal, held extensive engagements with Swiss industry leaders on 9th June 2025 in Bern, Switzerland, aimed at deepening economic cooperation and exploring new avenues under the recently signed Trade and Economic Partnership Agreement (TEPA) between India and the European Free Trade Association (EFTA).

The Minister met with leadership from several premier Swiss companies across diverse sectors with discussions focused on enhancing synergies between Indian and Swiss enterprises, with a special emphasis on innovation, technology transfer, and sustainable manufacturing.The Minister extended a warm invitation to Swiss companies to expand their footprint in India and take advantage of the country's dynamic and rapidly growing market.

Shri Goyal assured the leadership of India’s unwavering commitment to fostering a conducive business environment through transparent regulatory processes, a robust intellectual property regime, and pro-investment policy frameworks. He encouraged Swiss businesses to explore India not just as a market, but as a strategic hub for manufacturing, talent, and innovation.

Following these strategic discussions, the Minister chaired two focused roundtables with sectoral leaders from Swiss industry—covering Biotech & Pharma, Healthcare, and Precision Engineering, Defence, and Emerging Technologies. These sessions, hosted with the support of the Indian Embassy in Switzerland, highlighted India’s scale, affordability, and rising innovation ecosystem.

The Minister called on Swiss businesses to leverage the dedicated EFTA Desk at Invest India for handholding and facilitation support. He reiterated India’s willingness to work towards regulatory harmonization and mutual recognition agreements, highlighting India's proactive stance on building reciprocal bridges to encourage Swiss and Indian investments.

In addition to industry interactions, the Minister also met with members of the Switzerland Chapter of the Institute of Chartered Accountants of India (ICAI). He lauded the chapter for their contributions and for upholding the high standards and global reputation of the ICAI, while strengthening the India–Switzerland professional and business ecosystem.

Swiss industry leaders across a diverse range of sectors—including biotechnology, precision manufacturing, healthcare, automation, defence, cybersecurity, and advanced materials—expressed strong confidence in India's trajectory as a global economic powerhouse and an innovation-led growth destination.

Companies commended India's unique strengths: a vast and dynamic market, growing middle class, world-class engineering and scientific talent, and a policy environment that actively promotes ease of doing business, IP protection, and technology partnerships. For many, India is not only a promising market but also an ideal base for manufacturing, R&D, and co-creation of globally competitive solutions.

Several firms indicated active interest in forming joint ventures, scaling operations, and localizing production to serve both Indian and international markets.

From cutting-edge cancer therapies and cell sciences to industrial automation, fibre optics, space technologies, and digital security, Swiss companies underscored their alignment with India's developmental priorities and sectoral growth plans.

The sentiment was one of strategic alignment and long-term commitment. Many participants described India as a natural partner and conveyed readiness to invest in its next phase of growth—not only to tap into domestic demand but to position India as a hub in their global value chains.

Source: pib.gov.in – June 10, 2025

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World Bank cuts India's growth forecast by 40 bps to 6.3%

The Wold Bank on Tuesday lowered India's economic growth forecast by 40 basis points (bps) for the current fiscal (FY26). India would still retain the tag of the fastest-growing economy in the world, said the multilateral institution.

"India is projected to maintain the fastest growth rate among the world's largest economies, at 6.3 per cent in FY2025/26. Nevertheless, the forecast for growth in FY2025/26 has been downgraded by 0.4 percentage point relative to January projections, with exports dampened by weaker activity in key trading partners and rising global trade barriers," the Bank said in its flagship report 'Global Economic Prospect.'

Further, heightened trade tensions and policy uncertainty are expected to drive global growth down this year to its slowest pace since 2008 outside of outright global recessions. The turmoil has resulted in growth forecasts being cut in nearly 70 per cent of all economies—across all regions and income groups.

Meanwhile, talking about India, the Bank said investment growth is expected to slow, primarily reflecting a surge in global policy uncertainty. In FY2026/27 and FY2027/28, growth is expected to recover to 6.6 per cent a year, on an average, partly supported by robust services activity that contributes to a pickup in exports," it said.

Sectoral output

The World Bank's latest estimate is on a par with the lower-end of the Economic Survey's forecast of 6.3 to 6.8 per cent. However, it is lower than the RBI's projection of 6.5 per cent with risks evenly balanced.

At the same time, it is a bit higher than the International Monetary Fund (IMF)'s April print, where it said that the growth outlook is relatively more stable at 6.2 per cent in FY26, supported by private consumption (particularly in rural areas), but this rate is 0.3 percentage point lower than that in the January 2025 WEO Update on account of higher levels of trade tensions and global uncertainty.

Meanwhile, the World Bank mentioned that growth moderated in FY2024/25, partly reflecting a deceleration in industrial output. However, growth in construction and services sectors remained steady. Agricultural output recovered from severe drought conditions, supported by resilient demand in rural areas. Earlier, government reported that growth in 2024-25 was 6.5 per cent.

Inflation

The World Bank said that inflation will remain contained over the forecast horizon, assuming normal seasonal conditions. Headline retail inflation based on Consumer Price Index (CPI) was declining in March and April, with headline CPI inflation moderating to a nearly six-year low of 3.2 per cent (year-on-year) in April 2025. For the current fiscal, RBI has projected retail inflation at 3.7 per cent, with Q1 at 2.9 per cent; Q2 at 3.4 per cent; Q3 at 3.9 per cent; and Q4 at 4.4 per cent.

The World Bank has also acknowledged the government's efforts on fiscal consolidation. "Fiscal consolidation is expected to continue in India over the forecast horizon, with growing tax revenues and declining current expenditures projected to contribute to a gradual decline in the public debt-to-GDP ratio," it said.

Global Growth

Meanwhile, talking about the global growth, the bank projects it to slow to 2.3 percent in 2025, nearly half a percentage point lower than the rate that had been expected at the start of the year. A global recession is not expected. Nevertheless, if forecasts for the next two years materialize, average global growth in the first seven years of the 2020s will be the slowest of any decade since the 1960s.

Source: thehindubusinessline.com– June 10, 2025

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India-US early trade deal still distant after 7 days of talks

Trade officials from the US and India were unable to close negotiations for an early trade deal after seven days of talks in New Delhi although "some progress" was made towards a balanced agreement, sources said.

"Differences continued over tariff cut demands by the US, especially for farm products, and the need to protect Indian sensitivities," a source said.

However, the officials set the stage for more deliberations on the India-US bilateral trade agreement (BTA) with the July 9 deadline in focus, to help India avoid US reciprocal tariffs and sector-specific levies.

"The negotiations held with the US side on June 4-10 were productive and helped in making progress towards crafting a mutually beneficial and balanced agreement, including through achievement of early wins," another source said, although not specifying when the early gains will be delivered.

Both sides agreed to continue negotiations to achieve an expeditious conclusion of the initial tranche of the BTA, the source added.

India's plans

India is ready to bring down tariffs for many US products and the list may include items like automobiles, alcoholic beverages, certain fruits and nuts and chemicals, among other items, the first source said.

"But it has sensitivities in areas such as agriculture, intellectual property, MSME products and digital trade, which need to be weighed in," the source said.

US President Donald Trump and his trade team are especially keen that India should offer tariff cuts and greater market access in most farm products, even if it comes with certain restrictions such as quotas.

The BTA talks must result in shrinking of the over $40-billion annual US trade deficit with India and for that New Delhi has to bring down its "very high tariffs", Washington has been arguing.

India, however, is not ready to bring down tariffs on items like rice and wheat as these are important for the country's food security. Neither does it want to reduce tariffs on sensitive dairy items.

"Once tariffs are cut in such agreements, it becomes nearly impossible to raise them again — even if prices crash, global trade is disrupted, or local farmers face sudden losses," cautioned Ajay Srivastava of GTRI.

The clock is fast ticking for India as it may face the full blow of the 26 per cent reciprocal duties slapped on it by Trump on July 9 if it is not able to arrive at an early trade deal with the US by that time. The first tranche of the BTA is to be delivered by Fall of 2025.

Trump tariff

On April 2, Trump imposed reciprocal tariffs on most of America's trading partners holding trade surpluses. He then paused the reciprocal tariffs for 90 days, with the exception of a 10 per cent baseline tariff, to allow countries work out trade deals.

"India not only wants the entire 26 per cent reciprocal tariffs to be rolled back but is also insisting on withdrawal of 25 per cent sector specific tariffs on steel, aluminium and auto. It also wants reduction of MFN (most favoured nation) tariffs on labour intensive products," the first source said.

Source: thehindubusinessline.com– June 10, 2025

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Govt considering scheme to help MSME exporters register goods in new markets: Goyal

The government is considering formulating a scheme to fund exporters, especially MSMEs, in registering new products in new markets with an aim to boost the country's outbound shipments, Commerce and Industry Minister Piyush Goyal has said.

He added that the entire cost of such registration will be funded by the government.

"I am thinking of coming out with a scheme that any MSME that needs to spend any amount of money to register their products any where in the world, particularly for new products, new markets, new exporters, the government will fund the whole cost," Goyal said here on June 9 while addressing Indian business delegation.

The minister is here on an official visit to hold meetings with Swiss leaders and companies to boost trade and investments between the two countries.

This scheme is expected to be part of the Export Promotion Mission (EPM), which was announced in the Budget.

It may include 12 components, including easy credit schemes for MSMEs, e-commerce exporters, facilitation of overseas warehousing, and global branding initiatives, to tap emerging export opportunities and strengthen trade tools for small businesses.

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

The country's total exports of goods and services have increased to USD 825 billion in 2024-25 from USD 778 billion in the previous fiscal. MSMEs account for over 40 per cent of the country's exports.

Further, he urged the Indian industry to focus on exporting value-added goods and run campaigns for brand building and marketing.

"I would urge you to come with an idea for the government to support (exporters) in brand building, in getting registrations around the world.

"We do a lot of rice exports, can we look at how to value add those exports. We need to brand the products, can we run campaigns, can we run joint campaigns to market Indian rice or grown in India rice," he suggested.

To increase the area of exhibition in the country, the minister informed that the second phase of construction at Bharat Madapam has been authorised.

"I have just authorised phase-2 of Bharat Mandapam, we are adding another few lakhs square feet," he said.

Goyal added that a number of Free Trade Agreements (FTAs) have been signed and implemented by India with countries including the UAE and Australia to provide greater market access to Indian exporters.

He informed that active negotiations for FTAs are on with countries, including Oman, New Zealand, and the European Union (EU).

India's FTA with the UAE helps the domestic industry to tap into the Gulf region, Africa and Central Europe. A similar pact was signed with the UK and four European nation bloc EFTA.

"I am sure the EU will come in very soon, so in a short span of a year and a half, we will get an FTA with all the major European countries with whom we wish to do business," Goyal said, adding Brazil wants to restart talks on the India-Mercosur trade pact.

With this South American bloc (Argentina, Brazil, Paraguay and Uruguay), India has a Preferential Trade Agreement. "We already have negotiations with Chile and Peru," he added.

Source: thehindubusinessline.com– June 10, 2025

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Imports under FTAs can be cleared under the provisional assessment

We import our raw materials under the free trade agreements. We find that invariably the Customs raise some query or the other and the clearance gets delayed. This results in demurrage and even our production schedule gets disrupted sometimes. Is there any way we can avoid that?

The CBIC has issued comprehensive guidelines for provisional assessments vide Circular No. 38/2016- Customs dated 22.08.2016. This circular has been revised after the implementation of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (referred to as the CAROTAR, 2020) issued vide Notification No. 81/2020-Customs (N.T.) dated 21st August, 2020. The latest CBIC Circular prescribing guidelines for provisional assessment are provided in Circular 19/2021-Customs dated 16.08.2021. So, you can seek provisional assessment and clear the goods avoiding demurrage and delays. If your imports are frequent, you may request the CBIC to issue instructions for acceptance of a mother bond backed by BG, where necessary, that can be debited whenever you import the goods under the trade agreements, instead of furnishing a bond/BG each time you import.

Our customer has rejected on the grounds of quality a consignment we exported against which we have already received the payment. He is sending back the rejected goods and he wants a free replacement urgently. Our problem is that we will get no incentives against free replacement and we will have to surrender the export incentives when the original consignment is re-imported also. How to save the export incentives at least against one shipment as we have received the payment?

If the buyer agrees, you can send the replacement consignment against an invoice on outright sale basis and ask him to make the payment after you refund him the payment received against the original consignment that he has sent back. You may ask your bank to refund the export proceeds after you re-import the rejected consignment by surrendering the export incentives. That way you can get the export incentives against the replacements that you send.

We refer to Para 2.48 of the FTP, which says that 'Goods or parts thereof, except restricted under ITC (HS), on being exported and found defective, damaged or otherwise unfit for use may be imported for repair and subsequent re- export. Such goods shall be allowed clearance without an authorisation and in accordance with the relevant customs notification. To that extent the exporter shall return the benefits/ incentive availed on the returned goods'. Our CHA says thatwe have to only furnish a bond to the Customs that we will repair and re-export the goods and that we need not surrender any export incentives. What is the correct position?

Your CHA is correct because the notification 158/95-Cus dated 14.11.1995 requires you to only furnish a bond and not to surrender any export incentives.

Source: business-standard.com– June 09, 2025

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FTA negotiations: European Union relents on raw material supply clause

India has prevailed upon the European Union (EU) to set aside negotiations on the chapter on "energy and raw material" under the proposed free-trade agreement (FTA) being discussed by the two sides. The EU had unilaterally included the chapter, which would have required India to commit to an uninterrupted supply of raw materials — such as petroleum products, chemicals, cotton, iron and steel, copper, and other critical metals — without imposing export restrictions.

"It had been agreed ahead of the round that discussions would be put aside for the time being (on the energy and raw material chapter)," said the European Commission in a statement, days after the 11th round of FTA negotiations in New Delhi between May 12 and 16.

Major geopolitical events like the Covid-19 pandemic and the Russia-Ukraine war have heightened global interest in securing energy and raw material supplies. China's recent export restrictions on rare earth magnets have further underlined the need to build resilient and diversified supply chains.

The EU is almost entirely reliant on third countries for most raw materials. To reduce supply risk, the bloc has set a target that by 2030 no more than 65 per cent of any critical raw material should come from a single third country.

Ajay Srivastava, founder of the Global Trade Research Initiative, criticised the EU's trade posture as inconsistent. It wants no restrictions from developing countries, while reserving the right to apply every possible restriction itself, such as border tax on carbon-intensive goods, strict technology-transfer controls, and deforestation regulations, he said.

"This double standard exposes a deeply selective approach — one that seeks open access to others' resources while closing its own doors to value-added exports and industrial growth. India cannot accept such asymmetry. A truly fair FTA must reflect mutual obligations, not a one-way flow of raw materials," he added.

On February 28, EU Commission President Ursula von der Leyen and Prime Minister Narendra Modi jointly announced that both sides aimed to conclude the FTA by the end of 2025. Recently, Union Commerce and Industry Minister Piyush Goyal said that negotiations were progressing rapidly and that a deal could even be reached before the year-end deadline.

The EU in its statement noted that discussions on several chapters, including those on transparency, good regulatory practices, Customs and trade facilitation, intellectual property rights (IPR), and mutual administrative assistance, were closed during the 11th round of FTA talks.

On IPR, the bloc said: "Negotiators exchanged compromise proposals on various aspects and concluded the negotiations of this chapter. The detailed discussions focused on the general provisions, copyright, protection of undisclosed information, enforcement of IPR, including border measures, and cooperation."

Both sides also agreed on the next steps for exchanging market access offers. "On market access, both sides signalled their positions for industrial products, while for the agri-food sector, discussions continue with the aim to enhance the level of clarity about both sides' positions," the EU said.

About services text, the EU reported "substantial progress" in text-based discussions on investment liberalisation in non-services areas. "The main areas that were discussed concerned the scope and definitions of the chapter."

Regarding digital trade, negotiators made "substantive progress" on facilitation provisions such as e-invoicing, e-authentication, e-contracts, paperless trade, online consumer protection, spam, digital identities, and open government data, while continuing to work through unresolved elements.

Source: business-standard.com– June 10, 2025

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Reimagining India's quality control mandate as an export enabler

India's economic ambitions are bold — and rightly so. From a $4 trillion economy today to a targeted $30 trillion by 2047, the journey demands far more than just capital or scale — it demands trust in Indian products. Quality, therefore, must not be seen as an afterthought but as core infrastructure. In this context, the Government of India's decision to gradually expand mandatory Quality Control Orders (QCOs) across products is both significant and consequential.

Yet, the QCO regime today finds itself mired in controversy. A policy instrument designed to assure quality and prevent the inflow of sub-standard goods is increasingly seen as a double-edged sword — welcomed by some, resisted by others, and internally contested within departments of the same government.

As someone who has served as chairman of the National Accreditation Board for Certification Bodies (NABCB) under the Quality Council of India (QCI), I have witnessed firsthand how quality frameworks — when well-calibrated — can empower both producers and consumers. But for QCOs to be truly transformative, India needs to course-correct. Not to retreat, but to reframe the mission with clarity, capability, and global alignment.

India's quality control framework, administered largely through the Bureau of Indian Standards (BIS), has traditionally been voluntary. However, in recent years, the government has expanded the scope of mandatory QCOs across critical sectors such as steel, polymers, electronics, and toys.

As of today, out of approximately 23,000 BIS standards, only 187 QCOs covering 769 products have been notified. This suggests that while the momentum is rising, the journey is far from complete.

Importantly, QCOs are not mere administrative notifications — they are enforceable legal instruments requiring producers, including foreign manufacturers, to certify their products through the BIS. Non-compliance can lead to seizure, penalties, or import blocks.

The implementation of QCOs has revealed several fault lines:

1. Domestic industrial divide: Producers of intermediate goods such as steel and petrochemicals often welcome QCOs as tools to prevent dumping. Their downstream consumers — such as automotive and appliance manufacturers — worry about price escalation and supply disruptions.

2. International pushback: Major trade partners like the United States, the European Union, and the European Free Trade Association (EFTA) have flagged India's QCO regime in their trade barrier reports. A prominent example is the United States Trade Representative's (USTR's) concern over polyethylene QCOs, where the US has urged India to accept international lab certifications or self-declarations instead of BIS-exclusive conformity.

3. Intra-government dissonance: Even senior government officials have publicly questioned the wisdom of applying QCOs to industrial raw materials, leading to deferments and delays in implementation.

QCOs are undeniably effective in curbing the inflow of sub-standard imports, especially from nations with a track record of dumping. But if that becomes their primary lens, we risk forgetting a critical function: Enabling Indian manufacturers to access global markets with confidence.

India's quality aspirations are not new. On August 15, 2014, Prime Minister Narendra Modi urged Indian industry to adopt "Zero Defect, Zero Effect" (ZED) manufacturing — products that are flawless and environmentally sustainable.

This vision remains deeply relevant. But are we staying true to it? The answer lies in whether QCOs are being designed to encourage conformance through support and guidance — or merely enforced through coercion and penalties.

One of the core criticisms of the QCO process lies in conformity assessment. At present, the BIS holds exclusive authority to conduct inspections, process applications, and issue certifications. This creates capacity overload, long processing times, and bottlenecks for both domestic and foreign applicants.

A pragmatic alternative exists. India has a robust ecosystem of certification bodies accredited by the NABCB. Allowing these conformity assessment bodies (CABs) to handle low- and medium-risk products could:

- Reduce BIS overload;

- Improve turnaround time for certifications;

- Lower costs for MSMEs;

- Enhance the overall ease of doing business.

While India faces pushback from developed economies over its non-acceptance of foreign lab results, the irony is not lost: These very countries do not accept Indian certification either, particularly in regulated sectors.

Rather than treating this as a reason for unilateral retreat, India should use bilateral and multilateral trade negotiations to push for sector-specific mutual recognition agreements (MRAs) — even if starting with limited scopes. That would bring us one step closer to full integration into global value chains.

To reboot the QCO agenda with balance and purpose, I propose a three-pillar road map:

1. Export promotion : Help Indian products compete globally by incentivising certifications aligned with global standards (example, International Organisation for Standardisation or ISO and Conformité Européenne or CE).

2. Dumping prevention: Curb low-quality imports by enforcing QCOs in vulnerable sectors with transition windows.

3. Consumer safety: Maintain stringent enforcement for public-facing goods to ensure safety.

In addition, a product-specific vertical approach is far superior to a one-size-fits-all model. Different sectors need different timetables, standards, and handholding. India's future as a manufacturing powerhouse hinges on how the world perceives our quality. QCOs are not just regulations —

they are statements of intent. But for them to succeed, they must be intelligent, inclusive, and internationally aware.

We cannot afford to stall the quality movement—but neither can we rush it blindly. If implemented with foresight, QCOs can be the foundation for “Brand India” — trusted, compliant, and world-class. In that vision, export promotion, import protection, and consumer safety are not trade-offs. They are co-travellers on the same road — leading India towards its rightful place in the global economic order.

Source: business-standard.com– June 10, 2025

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One registry for labs soon to speed up export clearances

New Delhi: The government is working on setting up a single national registry for labs to simplify laboratory testing processes to reduce transaction costs and delays in cargo clearance for exports.

The proposed system would allow online application submission, real-time tracking and digital upload of test reports, officials said, adding that the commerce and industry ministry has sought details such as processing time and cost estimates per test as well as the countries for which these are required.

"We are in the process of developing an integrated online platform to digitise and streamline trade-related laboratory testing processes. This will help improve regulatory transparency and provide a platform to exporters from where they can access testing labs being offered for their products," said an official, who did not wish to be identified. At present, there is no such platform for a consolidated list.

The government expects India to clock goods and services exports of $900 billion in this financial year, up from $824.9 billion in 2024-25.

Source: economictimes.com– June 11, 2025

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South Indian cotton yarn steady, demand weak even as workers return

Although the worker shortage has ended, cotton yarn demand has not seen significant improvement, with prices remaining stable. Cotton yarn prices in the Mumbai and Tiruppur markets remained steady. Traders noted that current demand is just enough to maintain existing price levels. The consumer industry remains 'hand to mouth' in its cotton yarn purchases, as the demand across the textile value chain is still below expectations.

In the Mumbai market, cotton yarn demand was average to steady. Current demand is helping maintain price stability. However, the increased return of workers in the weaving industry has not translated into stronger demand. A trader from the Mumbai market told Fibre2Fashion, "Workers are returning to power looms and auto looms, but loom owners are not inclined to ramp up fabric production.

Cotton yarn demand may not improve in the next couple of weeks. The market is unlikely to see improvement before mid-July." Sustainable support for cotton yarn demand may only come from higher export orders. While upcoming domestic festivals may spur demand, the effect is expected to be short-lived.

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,380-1,430 (~$16.12-$16.71) and ₹1,340-1,390 per 5 kg (~$15.65-16.24) (excluding GST), respectively. Other prices include 60 combed warp at ₹315-321 (~$3.683.75) per kg, 80 carded weft at ₹1,385-1,450 (~$16.18-$16.94) per 4.5 kg, 44/46 carded warp at ₹265-272 (~$3.10-3.18) per kg, 40/41 carded warp at ₹248-255 (~$2.90-2.98) per kg and 40/41 combed warp at ₹268-272 (~$3.13-3.18) per kg, according to trade sources.

In Tiruppur, cotton yarn demand was also average, with limited buying for garment export orders. Spinning mills are unwilling to offer further discounts beyond the ₹8–12 per kg they are already providing, as higher discounts would put pressure on their margins. According to a trader in the Tiruppur market, cotton yarn buying remains very weak. Buyers are hesitant to place large orders, anticipating continued sluggish demand for fabric in the coming weeks.

In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹255-263 (~$2.98-3.07) per kg (excluding GST), 34 count combed cotton yarn at ₹266-273 (~$3.11-3.19) per kg, 40 count combed cotton yarn at ₹278-291 (~$3.25-3.40) per kg, 30 count carded cotton yarn at ₹236-241 (~$2.76-2.46) per kg, 34 count carded cotton yarn at ₹241-246 (~$2.82-2.89) per kg and 40 count carded cotton yarn at ₹249-253 (~$2.91-2.96) per kg.

In Gujarat, cotton prices remained stable over the past couple of days due to limited trade and reduced availability. While ICE cotton prices improved on Monday, they did not influence local prices. Traders reported limited demand from spinning mills, which are sourcing adequate cotton in the open market and through the Cotton Corporation of India (CCI). Larger companies prefer to purchase imported cotton, which is currently available at lower prices.

Cotton arrivals were estimated at 5,000–6,000 bales of 170 kg in Gujarat and 18,000–20,000 bales across the country. The benchmark Shankar-6 cotton was quoted at ₹53,700–54,000 (~$627.32–630.83) per candy of 356 kg, while southern mills were bidding at ₹54,800–55,000 (~$640.17–642.51) per candy.

Source: fibre2fashion.com – June 10, 2025

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