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Currency Watch			
USD	EUR	GBP	JPY
85.54	98.60	116.22	0.59

NATIONAL NEWS	
No	**Topics**
1	1st Meeting of Task Force on Textiles Exports held under the Chairmanship of Commerce Secretary Shri Sunil Barthwal
2	Task Force on textile exports to tackle sectoral issues: Commerce Ministry
3	Union Commerce and Industry Minister Shri Piyush Goyal concludes successful visit to Switzerland, reinforces momentum for India–Switzerland partnership under EFTA TEPA
4	India-EU FTA will elevate strategic partnership: Jaishankar
5	India to speed up trade talks with US for early gains
6	As part of the FTA deal, EU wants India to go easy on the quality control scheme
7	How Trump's tariffs could reshape India's fashion industry
8	Alarm bells in textile recycling hub Panipat over suspension of Bangladesh rags supply

INTERNATIONAL NEWS

Trump Touts Higher Duty Rate for Chinese Imports Under New Trade Deal

Hours after his cabinet announced that the United States would resume its previously agreed upon trade truce with China, President Donald Trump stoked confusion by revealing a new tariff rate of 55 percent for the sourcing superpower.

Commerce Secretary Howard Lutnick and Treasury Secretary Scott Bessent, along with U.S. Trade Representative Ambassador Jamieson Greer, traveled to London this week to sit down with Chinese trade officials following weeks of trade tensions and the crumbling of a provisional agreement solidified in Switzerland in mid-May.

At the end of negotiations on Tuesday, Lutnick indicated that both sides had agreed to "implement the Geneva consensus" upon approval from Trump and Chinese President Xi Jinping. That deal centered on the deferral of reciprocal duties—lowered on the U.S. side to 30 percent and China's side to 10 percent—for three months.

But by Wednesday morning, Trump had Truthed new information about the deal, saying that China will now pay a 55-percent duty rate, while the U.S. will still be subject to 10-percent tariffs on any goods imported into China. An all-caps missive said the deal with China was done, though subject to final approval by Xi and himself. "RELATIONSHIP IS EXCELLENT!" he wrote.

The president did not elucidate the reasoning for the 55-percent rate, which appears on its face to be a a 25-percent increase from the May agreement. But a White House spokesperson, who spoke to The Guardian anonymously, said the rate includes Trump's 10-percent universal baseline tariffs, a previous 20-percent punitive duty for fentanyl trafficking and an existing 25-percent tariff on China-made goods.

"A reported 55 percent tariff on our largest supplier of American apparel and footwear, stacked on top of already high MFN and Section 301 rates is not a win for America," Steve Lamar, president and CEO of the American Apparel and Footwear Association, said in a statement.

"We're closely watching for more details, but the reality is this: nearly all clothes and shoes sold in the U.S. are now subject to elevated tariff rates," he added. "These costs will hit American families hard especially as they get ready for back-to-school shopping and the holiday seasons. New trade deals that bring lower tariffs can't come soon enough."

At a budget meeting with the House Ways and Means Committee on Wednesday, Secretary Bessent seemed to hint that the China deal may be shakier than the president indicated in his post on Truth Social.

"China has a singular opportunity to stabilize its economy by shifting away from excess production towards greater consumption. But the country needs to be a reliable partner in trade negotiations," he told the Committee. "If China will course-correct by upholding its end of the initial trade agreement we outlined in Geneva last month, then a big, beautiful rebalancing of the world's two largest economies is possible."

Footwear Distributors and Retailers of America senior vice president Andy Polk told Sourcing Journal that he believes this week's trade talks represent "more political marketing than anything else."

"It is positive that high level talks continue in hopes of getting us closer to a tariff end-game," he said. "However, there doesn't seem to be anything rally new coming out of these talks, just a climb down from threats."

Calling the president's tariff calculations "very confusing," Polk said he believes the 55-percent rate includes the Section 301 duties from his first term, the 20-percent fentanyl-related tariffs and the 10-percent baseline duties for all trade partners, among others. "It is not a new tariff rate he is adding, it just seems to be fuzzy tariff math on his part."

"Perhaps these steps forward will continue to unlock other issues to reduce this trade impasse, but I am not sure they are tackling the big items in a speed we need," Polk said. "We need a real deal that reduces tariffs back to reasonable levels quickly, and one that stabilizes them so shoe companies aren't jolted around constantly."

Source: sourcingjournal.com– June 11, 2025

HOME

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China and US Return to Terms of May Trade Truce

The United States and China have agreed to a "handshake" deal that will enable the two superpowers to resume the terms of their provisional trade agreement. Following two days of talks between senior state officials in London, Commerce Secretary Howard Lutnick told reporters on Tuesday that the parties had "reached a framework to implement the Geneva consensus and the call between the two presidents," referring to a discussion between the leaders that took place last week. China Commerce Ministry international trade representative Li Chenggang echoed that a consensus had been reached "in principle."

Lutnick, Treasury Secretary Scott Bessent and U.S. Trade Representative Jamieson Greer traveled overseas to meet with the Chinese delegation, following up on the call between President Donald Trump and Chinese president Xi Jinping on Thursday. Trump wrote on Truth Social last week that he had spoken to Xi for more than an hour on a "very good phone call" where they discussed "some of the intricacies" of the recent deal.

The heads of state sought to mend fences following an escalation in trade tensions over the course of recent weeks, wherein both China and the U.S. accused the other of violating the terms of a provisional trade deal brokered in Geneva in mid-May. During the Switzerland talks, the U.S. and China delegations hashed out an agreement to suspend for 90 days the implementation of reciprocal duties which were drastically rolled back to much lower rates. Heading back to Washington following this week's meetings, Lutnick said he and Greer will convene with the president to ensure that he approves of upholding the terms of the Geneva truce. If Xi also approves the conclusions arrived at during the talks, "We will implement the framework," the Commerce Secretary said.

The original three-month agreement came crashing down on May 30 when Trump Truthed that China "totally violated" its terms. At the time, Greer elucidated that China was "slowrolling" compliance with the deal and accused Beijing of placing U.S. companies on blacklists and restricting the export of rare earth minerals used in American industries like automotives and robotics.

Source: sourcingjournal.com– June 11, 2025

HOME

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Recession not imminent in Eurozone, big four: Oxford Economics

A recession is not imminent in the eurozone and the big four despite the extreme trade policy uncertainty, according to Oxford Economics, which said past monetary policy easing and robust consumption, sustained by the rise in real incomes, are propping up domestic demand at present.

“We expect the bloc to record slightly positive quarterly growth throughout this year, despite the tariff-related turmoil,” Oxford Economics said in a research briefing. Among the big four, Germany displays the highest risk of a downturn, followed by France and Italy. Spain’s strong performance means its recession risks are close to nil.

Germany’s industrial and export focus makes it the most vulnerable to tariffs, which worsens an already poor starting point. France’s domestic issues make it somewhat vulnerable, despite its structural resilience to global shocks.

There is still huge uncertainty around the final outcome of the trade war, and a high risk of tariffs changing. But a prolonged standoff will keep trade policy uncertainty elevated, which could, over time, erode economic momentum and raise recession risks in the Eurozone, the briefing noted.

Consumption will be the main growth engine in the eurozone as real incomes rise in the context of low unemployment and falling inflation, compounded by the disinflationary impulse of tariffs, it observed.

This will also enable the European Central Bank (ECB) to continue cutting interest rates, which will sustain credit supply for investment and durable goods spending. That said, continuing threats of the imposition of new tariffs are causing an extended period of trade policy uncertainty.

Moreover, risks abound and the balance is fragile: there could be an escalation in the trade war; low hours worked per person have prevented a rise in unemployment but remain a key domestic source of downside risk; and the ECB's easing cycle could disappoint, it added.

Source: fibre2fashion.com– June 12, 2025

HOME

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US' textiles & apparel exports drop slightly to $7.55 bn in Jan-Apr

The United States' textile and apparel exports declined marginally by 0.88 per cent to $7.553 billion during January–April 2025, compared to $7.619 billion in the same period of 2024, according to data from the Office of Textiles and Apparel (OTEXA), a division of the US Department of Commerce. In 2024, the US exported textiles and apparel worth $22.617 billion.

Among the top ten export markets, shipments to Mexico fell by 5.19 per cent, totalling $2,227.917 million in January–April 2025. Exports to Honduras, the Dominican Republic, Canada, and China also declined by up to 8.52 per cent. In contrast, exports to the Netherlands, Japan, the United Kingdom, Belgium, Guatemala, and Germany increased, with gains of up to 18.51 per cent. The US exported $1,681.173 million worth of textiles and apparel to Canada, $385.413 million to Honduras, $178.038 million to the Netherlands, $226.068 million to China, $128.037 million to Guatemala, and $200.711 million to the Dominican Republic—its key export destinations.

By category, apparel exports fell by 3.61 per cent year-on-year, totalling $2,209.298 million. Fabric exports rose by 0.16 per cent to $2,696.669 million, while yarn exports declined by 1.22 per cent to $1,362.518 million. Exports of made-up articles and miscellaneous items recorded a modest increase of 2.25 per cent, amounting to $1,284.537 million. In 2024, the US exported textiles and apparel worth $22.617 billion, a 2.98 per cent decline from 2023. That year, apparel exports were valued at $7.084 billion, fabric at $8.049 billion, and yarn at $4.005 billion.

In 2023, US textile and apparel exports fell by 5.02 per cent to $23.617 billion, following a 9.77 per cent rise in 2022, when exports reached $24.866 billion, up from $22.652 billion in 2021. Over the past decade, annual exports have generally ranged between $22 billion and $25 billion, with notable figures including $24.418 billion in 2014, $23.622 billion in 2015, $22.124 billion in 2016, $22.671 billion in 2017, $23.467 billion in 2018, $22.905 billion in 2019, and $19.330 billion in 2020.

Source: fibre2fashion.com– June 12, 2025

HOME

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From Importer to Global Leader: Brazil's cotton revolution

Brazil's ascent from a net cotton importer to the world's largest cotton exporter is one of the most compelling success stories in modern agriculture. This transformation, achieved over a few decades, is the result of investments in research and development, widespread adoption of cutting-edge technology, a strong focus on sustainability, and dynamic international trade relationships.

The Brazilian cotton sector not only showcases agricultural excellence but also offers a replicable model for nations aiming to bolster their agri-export capacities while maintaining ecological balance.

A journey of breakthroughs

Brazil officially became the world's top cotton exporter in the 2023–24 marketing year, surpassing the US and accounting for a record 30.5 per cent of global cotton exports in the 2024–25 season. This is a major leap for a country that once relied heavily on imports to meet domestic demand.

This achievement is underpinned by a remarkable improvement in productivity. Cotton yields rose from 1,603 kg/ha in 2015–16 to a record 1,911 kg/ha in 2023–24, with only a slight projected dip to 1,903 kg/ha in 2024–25.

This upward trend reflects Brazil's deep commitment to agricultural research, particularly through the efforts of Embrapa, which has developed region-specific cotton varieties and improved pest and climate resilience.

Doing more with less

One of the most striking aspects of Brazil's cotton success is the 54 per cent reduction in cultivated area despite achieving record-high yields. This points to highly efficient resource utilization, made possible by modern farming techniques, precision agriculture, biotechnology (Bt cotton), and Integrated Pest Management (IPM).

Interestingly, nearly 93 per cent of Brazilian cotton is rainfed, showcasing the sector's ability to achieve high yields without intensive irrigation. The planted area in 2024-25, however, reached a record 1.945 million hectares, reflecting growing global demand and Brazil's readiness to meet it.

Sustainability at the core

Sustainability is not an afterthought—it is integral to Brazil's cotton narrative. As of 2024-25, around 84 per cent of cotton produced in Brazil is certified for environmental and social sustainability. These certifications reflect responsible water and land use, ethical labor practices, and reduced chemical input, aligning Brazilian cotton with the growing global demand for traceable, sustainable raw materials.

Cotton trade

Brazil's strategic international partnerships have given a boost to the global cotton trade. The country now supplies 40 per cent of China's cotton imports, a dramatic rise from 6 per cent six years ago. In 2024, China alone accounted for $1.09 billion of Brazil's $5.15 billion in raw cotton exports. Other major destinations include Vietnam, Bangladesh, Pakistan, and Turkey.

Brazil's ability to handle high-volume exports is a direct result of investments in transport and logistics infrastructure. In January 2025, the country exported a record 415.6 thousand tonnes of cotton, and while April 2025 saw a 13 per cent year-on-year drop, the total export volume from August 2024 to April 2025 still reached 2.35 million tonnes, only 12 per cent below the previous record.

Cotton and food security

Beyond fiber, cotton contributes to food security. For every 1 kg of lint, about 1.25 kg of cottonseed is produced, which can be used as livestock feed or oilseed, adding to the crop's overall value and utility.
Keys to success

Several factors contributed to Brazil's cotton revolution:

• Research & innovation: Continuous investment in agronomic research led to the development of high-yield, pest-resistant cotton varieties.

• Technology adoption: From GPS-enabled machinery to genetically modified seeds and IPM, Brazil embraced innovation at scale.

• Sustainability: Certification of 84 per cent of production ensures environmental responsibility, helping Brazil access premium global markets.

• Strong institutions: Organizations like ABRAPA have been instrumental in promoting best practices, sustainability standards, and international outreach.

• Government support: Policy support for R&D and export promotion provided the enabling environment for growth.

• Export infrastructure: Strategic improvements in logistics facilitated massive export volumes.

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Source: fashionatingworld.com– June 10, 2025

HOME

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Vietnamese Industry & Trade Ministry approves e-com master plan

Vietnam's Ministry of Industry and Trade (MoIT) recently approved the master plan for e-commerce development between 2026 and 2030.

The target is to optimise the entire value chain using advanced technology, while ensuring a balance between economic progress, social equity and environmental protection, and enhance the value and global competitiveness of the country's e-commerce industry, a domestic news agency reported.

The plan is aligned with national strategic initiatives, including those on digital transformation, digital economy and digital society, and sector-specific programmes led by the ministry.

It outlines six focus areas: developing and refining regulatory frameworks and market policies for e-commerce; strengthening digital, logistics, and cashless payment systems to support sustainable growth; building digital platforms for both state management and a green, resilient e-commerce market; leveraging local advantages in resources and talent for integrated e-commerce ecosystems; improving e-commerce adoption among businesses, households, and individuals; and expanding global partnerships to adopt advanced standards, access new technologies, and enter international markets.

It involves cultivating a unified and efficient e-commerce ecosystem, with efforts to strengthen regional and international linkages, ensuring that resources are mobilised and utilised effectively.

The online market for Vietnamese products will be expanded, both within the country and abroad.

The plan seeks to close the development gap between urban and rural areas and promote a shift toward a greener, circular e-commerce model.

The government is targeting an increase in the proportion of adults shopping online to 70 per cent. It also aims to boost the annual growth rate of e-commerce retail sales to 20-30 per cent, with the sector accounting for a fifth of the country's total retail turnover.

Efforts will also be made to reduce the proportion of websites violating consumer rights to 5-10 per cent.

By 2030, 70 per cent of businesses in Vietnam are expected to adopt e-commerce in their operations, as per the plan. All commercial transactions are to be accompanied by electronic invoices, and four-fifths of payment transactions are to be conducted without the use of cash.

The government also expects three-fifths of small and medium enterprises (SMEs) to operate on e-commerce platforms.

The plan wants to ensure that at least half of all business-to-consumer (B2C) transactions take place outside of Hanoi and Ho Chi Minh City, and three-fifths of communes and equivalent local administrative units will have online sellers.

It will encourage leveraging the unique advantages of different regions, such as raw materials, production capabilities, logistics networks, and local talent, to promote regionally integrated e-commerce systems.

Sustainability forms a cornerstone of the strategy, with specific environmental targets. The plan sets a goal to reduce the use of plastic packaging to no more than 45 per cent and to raise the share of recycled packaging to 50 per cent.

It also aims for at least 40 per cent of e-commerce logistics businesses to use clean energy in their operations. Additionally, 50 per cent of enterprises will be required to adopt green packaging standards.

The plan aims at 60 per cent of higher education and vocational training institutions offering programmes related to e-commerce.

Source: fibre2fashion.com– June 12, 2025

HOME

****

Vietnam urges USABC to back reciprocal trade agreement talks with US

The current trade deficit between Vietnam and the United States is a structural result of the relationship between a developed economy and an early-stage developing economy, and should be assessed objectively and comprehensively, according to chairman of the US-ASEAN Business Council (USABC) Jeffrey Pearlman.

Pearlman, who is also chairman of investment fund Warburg Pincus, said this when Vietnamese Minister of Industry and Trade Nguyen Hong Dien recently met him in Washington, DC. Vietnam is Warburg Pincus's second-largest market in Asia.

The minister stressed that the economic relationship between the two countries is mutually complementary, creating competitive advantages and promoting sustainable development, aligning with Vietnam's goal of building an independent, self-reliant and deeply integrated economy, a Vietnamese media outlet reported.

The minister called on USABC and the American business community to continue supporting Vietnam in its negotiations for a reciprocal trade agreement between the two countries. He also proposed joint efforts to promote investment and business opportunities in Vietnam to American partners.

Pearlman noted he would soon meet US Commerce Secretary Howard Lutnick, Treasury Secretary Scott Bessent, and US Trade Representative (USTR) Jamieson Greer and propose strengthening cooperation with the Association of Southeast Asian Nations (ASEAN), a region of strategic importance in US policy;

The two sides also discussed potential cooperation in fields such as energy, industry, digital transformation, green transition, logistics, and supply chain development. The Vietnamese minister also met leaders of the American Apparel & Footwear Association (AAFA) and major US textile and footwear companies like GAP, Levi Strauss, Hanes Brands and Under Armour.

Source: fibre2fashion.com– June 11, 2025

HOME

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The Unraveling: How Bangladesh's economic crisis threatens its global apparel dominance

Bangladesh, a global apparel exports powerhouse, finds itself grappling with a complex economic crisis that is increasingly impacting its ready-made garment (RMG) sector. Falling imports, flagging business confidence, slowing GDP growth, rampant inflation, escalating energy costs, and dwindling private sector credit are together creating a 'slow-burning crisis' that threatens to unravel years of progress and global prominence. While recent data shows some resilience in apparel exports to key markets like the US, the underlying economic vulnerabilities and global shifts are a formidable challenge for them.

All about low imports, low confidence, low growth

The immediate alarm bells are ringing due to a fall in imports. A reported $10 billion import reduction is projected to lead to almost $20 billion economic shrinkage, highlighting the deep interconnectedness of Bangladesh's economy. This drop directly impacts production, especially for the apparel sector which relies heavily on imported raw materials like cotton and man-made fibers. When factories cannot import necessary inputs, production slows, orders are delayed, and eventually, jobs are at risk.

Economic indicators reflecting the crisis

• GDP growth: Bangladesh's GDP growth has slowed to its lowest since the COVID-19, reflecting a broader economic deceleration. The Asian Development Bank (ADB) has downgraded Bangladesh's growth forecast to 3.9 per cent for FY2024-25, a drop from earlier projections.

• Private sector credit: After months of decline, private sector credit saw a slight rebound in March 2025 to 7.57 per cent, primarily riding on import demand for essential commodities during Ramadan. However, this follows a 21-year low of 6.82 per cent in February 2025, reflecting a deep-seated struggle for businesses to access financing for investment and operations. A sharp rise in non-performing loans (NPLs) further aggravates the banking sector's capacity to extend fresh credit.

• Inflation: High inflation continues to erode purchasing power and increase operational costs for businesses. As of April 2025, point-to-point inflation stood at 9.17 per cent, with a 12-month monthly average of 10.21 per cent. This high inflationary environment pushes up wages and input costs, making Bangladeshi products less competitive.

• Energy xrisis: The ongoing energy crisis, with extended load shedding, acute gas shortages, and high fuel prices, is severely impacting industrial production. Many gas-reliant factories, particularly in the textile sector, are operating at a fraction of their capacity, forced to resort to costly alternatives like diesel or LPG, further escalating production costs. This has led to reports of production capacity being reduced by nearly 50 per cent in some areas.

• Business confidence and investment: Falling private sector credit and the overall economic uncertainty have led to a noticeable decline in business confidence and investment. This hesitancy in investment hinders modernization, diversification, and the ability to compete effectively in the global market.

Apparel export performance

While the overall economic picture is challenging, recent data from the Export Promotion Bureau (EPB) shows some encouraging signs for RMG exports in the first nine months of FY2024-25 (July 2024-March 2025).

This growth in RMG exports to $30.2 billion in the first nine months of FY2024-25, alongside leading apparel exports to the US with a 26.64% growth in January-March 2025, suggests that the industry is still showing resilience and capturing some market share, possibly due to a shift away from China.

However, the overarching economic headwinds, rising production costs, and potential loss of competitiveness post-LDC graduation mean that this growth cannot be taken for granted and requires strategic interventions.

A crisis despite export growth

The apparent paradox of continued apparel export growth amidst a broader economic crisis can be attributed to several factors that highlight the underlying vulnerabilities of Bangladesh's development model.

First is the reliance on low-cost Advantage. Bangladesh's apparel industry has historically thrived on its competitive advantage of low labor costs. While this has driven export volumes, it has also led to a dependence on low-value, basic garment manufacturing. As global demand shifts and production costs rise domestically, this traditional advantage is eroding, making the industry vulnerable to external shocks. The growth seen in the table above might be because of brands continuing to seek the lowest production costs globally, with Bangladesh still offering a competitive edge over some alternatives, or from a market correction as buyers diversify away from China.

Moreover, the apparel sector, despite being a major exporter, is heavily reliant on imported raw materials like cotton, synthetic fibers, dyes, and chemicals. The overall economic crisis is characterized by a severe foreign exchange shortage, which restricts the ability of businesses to open Letters of Credit (LCs) for these vital imports. Even if there are orders, a factory cannot fulfill them without the necessary raw materials. This creates a chokehold on production, leading to underutilization of capacity and potential job losses, even if the final export figures appear positive due to some factories managing to secure inputs or fulfilling backlogs.

While export volumes might be up, the profits of these exports is under immense pressure. Rising costs of energy, higher minimum wages, high bank interest rates, and the depreciation of the Taka (making imports more expensive) are eroding profit margins. Many small and medium-sized enterprises (SMEs) are struggling to stay afloat. The growth in the data table might reflect higher revenue, but not necessarily higher profitability or sustainability for the majority of businesses.

The persistent high inflation and devaluation of the Bangladeshi Taka are central to the crisis. While a devalued currency can theoretically make exports cheaper and more competitive, the benefit is often offset by the increased cost of imported raw materials and essential goods.

This creates a vicious cycle where businesses face higher operational costs, consumers face diminished purchasing power, and overall economic activity slows down. The export growth might be a result of currency depreciation making Bangladeshi goods cheaper on the international market, but this comes at the cost of domestic economic stability and the purchasing power of the population.

Despite ambitions, Bangladesh's export basket remains overwhelmingly dominated by basic apparel. There has been insufficient investment in diversifying into higher-value products (e.g., technical textiles, sophisticated fashion) or strengthening backward linkages to produce more raw materials domestically. This dependence on a single product category makes the economy highly susceptible to fluctuations in global apparel demand and trade policies. The growth seen in the data table doesn't necessarily indicate a move up the value chain, but rather continued reliance on the existing low-cost model.

And falling private sector credit, high interest rates, and overall economic uncertainty have led to a palpable decline in business confidence and new investment. Businesses are hesitant to expand or modernize when faced with such unpredictable conditions. This lack of investment hampers the industry's ability to adapt to changing global demands, innovate, and improve efficiency, which are crucial for long-term competitiveness, especially with upcoming challenges like LDC graduation. The export growth may be coming from existing capacities rather than new investments.

At the same time, deeper structural issues contribute to the crisis. These include a banking sector struggling with non-performing loans, limited access to foreign currency for LCs, and issues of corruption and inefficient governance that hinder a predictable and supportive business environment. These systemic weaknesses prevent the country from fully leveraging its export potential and building a more resilient economy.

In essence, while apparel exports show some numerical growth, this growth is occurring within a constrained and increasingly costly operating environment. The "crisis" is not necessarily a sudden collapse of exports, but rather a slow erosion of profitability, investment, and broader economic stability, making the overall economic situation precarious despite the headline export figures.

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Source: fibre2fashion.com– June 11, 2025

HOME

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NATIONAL NEWS

1st Meeting of Task Force on Textiles Exports held under the Chairmanship of Commerce Secretary Shri Sunil Barthwal

The first meeting of the Task Force on Textiles Exports was held under the Chairmanship of Commerce Secretary, Shri Sunil Barthwal, at Vanijya Bhawan in Delhi on 10th June 2025 to discuss issues & strategies for enhancing textiles exports from India.

The primary objective of setting up the Textiles Task Force is to create a unified platform for addressing critical issues concerning the textile sector by involving all relevant stakeholders. It would lead to active collaboration amongst all stakeholders to help resolve issues and formulate strategies for enhancing India's share of Textile exports in Global markets.

The discussions during the meeting covered matters and issues pertaining to the entire textile value chain. This included issues related to the upgradation of ESG infrastructure in garment manufacturing units, use of renewable energy, European Union Deforestation Regulation (EUDR), strengthening of e-commerce for export growth and simplifying regulatory framework, labour, cost competitiveness for productivity enhancement, skilling, Branding, suggestions regarding Interest Subvention Schemes, assistance for Certification & Testing, collateral Support for export Credit for MSME Exporters, RoDTEP / RoSCTL / Duty Drawback, PM MITRA Parks, Development of new Jute Diversified Products (JDPs), Separate HS codes for GI Products, productivity enhancement of natural fibres such as jute and matters pertaining to the Export Promotion Mission being set up by Department of Commerce apart from other textiles export related issues.

The meeting was attended by Special Secretary, Department of Commerce, Shri Rajesh Agrawal, Special Secretary, Department of Commerce, Shri L Satya Srinivas, Special Secretary & Financial Advisor, Department of Commerce Ms Arti Bhatnagar, Additional Secretary and Director General, DGFT, Shri Ajay Bhadoo, Additional Secretary Ministry of Textiles, Shri Rohit Kansal along with officials from related Departments & Ministries, Export Promotion Councils, Industry Associations and Exporters.

Representatives of the various Textiles Export Promotion Councils and Industry Associations and their Exporter members provided their views and suggestions on the issues discussed. As an outcome of the deliberation, it was decided by the Chair that relevant sub-task forces would be formed on the issues.

The sub-task force shall be led by the concerned Ministry along with participants from Export Promotion councils and the Industry to work on and provide actionable recommendations to the Task Force. The meeting concluded with a shared commitment to work collaboratively towards creating a road map for achieving the Textiles Export targets and the Viksit Bharat Vision for 2047.

Source: pib.gov.in – June 11, 2025

HOME

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Task Force on textile exports to tackle sectoral issues: Commerce Ministry

A task force on textile exports will create a unified platform to address critical issues concerning the sector to boost outbound shipments, the Commerce Ministry said on Wednesday.

The country aims to increase textile exports to $100 billion by 2030-31.

The first meeting of the task force was held on June 10 under the chairpersonship of Commerce Secretary Sunil Barthwal to discuss issues and strategies for enhancing textiles exports from India, besides increasing share in global markets.

Barthwal said the primary objective of the task force is to create a unified platform for addressing critical issues concerning the textile sector by involving all relevant stakeholders.

Special Secretary, Department of Commerce, Rajesh Agrawal said there is a need to focus on innovations keeping in view the latest trends to garner a higher share of the export market.

Textiles is one of the key focused sectors identified by the Department of Commerce for promoting exports.

While the government is continuously working on trade agreements with various countries to remove tariff disadvantages, the industry should work on formulating plans to utilise them more effectively.

The discussions during the meeting covered matters and issues pertaining to the entire textiles value chain, the ministry said.

This included skilling, labour, cost competitiveness, use of renewable energy, current schemes for supporting the textile sector, quality control orders, logistics, and productivity enhancement of natural fibres, such as jute.

Representatives of the various textile export promotion councils and industry associations shared their views and suggestions on these matters.

"It was further decided that sub-task forces will be set up for these led by the concerned Ministry along with participants from export promotion councils and the industry to work on and provide suitable recommendations to the Task Force," it added.

In the meeting, other issues included the upgradation of ESG infrastructure in garment manufacturing units, use of renewable energy, European Union Deforestation Regulation (EUDR), strengthening of e-commerce for export growth and simplifying regulatory framework, it said.

Besides, labour, cost competitiveness for productivity enhancement, skilling, and branding were also discussed.

Source: business-standard.com– June 11, 2025

HOME

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Union Commerce and Industry Minister Shri Piyush Goyal concludes successful visit to Switzerland, reinforces momentum for India–Switzerland partnership under EFTA TEPA

Union Commerce and Industry Minister, Shri Piyush Goyal, concluded a successful two-day official visit to Switzerland from June 9–10, 2025, and commenced his official engagements in Sweden today. The Switzerland leg of the visit focused on advancing India–Switzerland economic cooperation and operationalising the Trade and Economic Partnership Agreement (TEPA) signed earlier this year between India and the European Free Trade Association (EFTA).

During the visit, Shri Goyal held productive meetings with top leadership from the Swiss government and industry, aimed at reinforcing strategic synergies and unlocking new avenues for trade, investment, and innovation-led growth. He met with Federal Councillor Guy Parmelin, Head of the Federal Department of Economic Affairs, Education and Research (EAER), and State Secretary Helene Budliger Artieda to chart a forward-looking roadmap for TEPA implementation. Discussions focused on regulatory cooperation, skills development, innovation partnerships, and mechanisms to facilitate faster investment decision-making.

The Minister engaged extensively with Swiss industry leaders across sectors including biotech and pharma, healthcare, precision engineering, defence, and emerging technologies. In his sectoral roundtables and bilateral meetings, Shri Goyal highlighted India's growing economic strength, policy stability, and the government's commitment to creating a conducive and facilitative ecosystem for global investors. Companies welcomed India's ambitious infrastructure expansion, technology-driven governance, and expanding domestic consumption base, viewing India as both a growth destination and a global manufacturing hub.

A major highlight of the visit was Shri Goyal's participation in the 18th Swissmem Industry Day held in Zurich on June 10. He was warmly received by delegates and senior members of Swissmem, the apex association representing Switzerland's Mechanical, Electrical, and Metal (MEM) industries. The event, attended by over 1,000 participants from across Europe, featured discussions on industrial innovation, sustainability, and global competitiveness—areas where India and Switzerland are seen as natural partners.

In his keynote address, Shri Goyal invited Swiss companies, including SMEs and deep-tech innovators, to scale up investments in India by leveraging the new trade architecture offered by TEPA. He spoke about India's demographic dividend, globally recognised engineering talent, and robust supply chains, encouraging Swiss industry to anchor R&D, establish local manufacturing bases, and co-create technologies for the Global South. Referring to TEPA as a "Trust and Efficiency Partnership Agreement," he emphasized the spirit of complementarity between India and Switzerland and the unique value they can jointly offer to global markets.

An immediate standout outcome of this was the swift resolution of a facilitation request by Endress+Hauser, a global process automation company with a growing presence in India. During discussions, the company raised the issue of land parcel availability near their existing facility in Maharashtra.. Within hours, the matter was resolved through coordinated efforts by Shri Goyal and Indian authorities, demonstrating the Government of India's commitment to fast-tracking investor concerns and ensuring a seamless business environment. The resolution was hailed by industry members as a model for responsive governance.

Shri Goyal also held several one-on-one meetings with Swiss companies expressing interest in India. These included discussions on expansion strategies, setting up new R&D centres, deepening localisation, talent development, and building robust MSME linkages.

Many companies conveyed their intent to use India not only as a domestic market but also as a global manufacturing and export base. Interest was particularly strong in sectors such as advanced manufacturing, industrial automation, clean technology, and healthcare innovation.

Throughout his engagements, the Minister was accompanied by a high-level delegation from Indian industry associations—ASSOCHAM, CII, and FICCI—further underscoring India's whole-of-government and whole-of-industry approach to economic diplomacy.

In his meeting with members of the Switzerland Chapter of the Institute of Chartered Accountants of India (ICAI), Shri Goyal appreciated their contributions to building India's global reputation for financial excellence and professional standards.

The visit concluded on a note of shared optimism and mutual commitment to scale up the India–Switzerland partnership. Swiss stakeholders across sectors reaffirmed their confidence in India's rise as a global economic powerhouse and welcomed the Government of India's collaborative and reform-oriented approach.

As India charts its journey toward becoming a $5 trillion economy, this visit has set the tone for accelerated collaboration with innovation-driven, trusted partners like Switzerland. With TEPA as a new enabler, both countries are well poised to unlock high-impact opportunities in trade, investment, and knowledge partnerships.

In Sweden, the Minister will co-chair the 21st Session of the Indo-Swedish Joint Commission for Economic, Industrial and Scientific Cooperation (JCEISC) with H.E. Benjamin Dousa, Minister for International Development Cooperation and Foreign Trade.

During his visit the Minister is also scheduled to hold bilateral meetings with Mr. Benjamin Dousa, Minister for Foreign Trade, and Mr. Håkan Jevrell, State Secretary to the Minister of Development Cooperation and Foreign Trade. These deliberations are aimed to reinforce the existing robust economic relationship and identify new opportunities for growth, aligning with India's long-term economic objectives and global partnerships.

Key engagements will involve an India - Sweden Business Leaders' Round Table and one-on-one meetings with leading Swedish companies. These discussions will cover a wide range of industries where Sweden excels, including advanced manufacturing, innovation, green technologies, and sustainable solutions. Companies like Ericsson, Volvo Group, IKEA, Sandvik, Alfa Laval, and SAAB are among those with a significant presence or interest in enhancing ties with India.

Source: thehindubusinessline.com– June 11, 2025

HOME

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India-EU FTA will elevate strategic partnership: Jaishankar

India and the European Union have made progress in discussions related to a free trade pact that will be "comprehensive, balanced and meaningful", said External Affairs Minister S. Jaishankar on Wednesday (June 11, 2025). Mr. Jaishankar made the remarks after meeting Maros Sefcovic, European Commissioner for Trade and Economic Security in Brussels.

"Recognised the progress in our discussions for a comprehensive, balanced, and meaningful FTA agreement between India and EU. Agreed that it would elevate our strategic partnership, that is rapidly acquiring new dimensions and facets," said Mr. Jaishankar after the meeting .

Mr. Sefcovic described the meeting as "valuable" and said, "We keep our strategic lenses firmly in place, and I am looking forward to seeing Piyush Goyal [Union Commerce Minister] soon."

The visiting Minister also met Jozef Sikela, EU's Commissioner for International Partnerships.

"Following our recent mission to India, we keep pushing for stronger EU-India partnership. Today I had a meeting with India's Minister of External Affairs, Dr Jaishankar. We discussed the new EU-India Strategic Agenda, the progress of India-Middle East-Europe Corridor Project, our joint priorities under the global gateway, which include clean energy, sustainable urbanisation and enhanced connectivity," said Mr. Sikela after the meeting.

Following the meeting with Mr. Sikela, Mr. Jaishankar said, "Our conversation focused on driving forward India-EU engagement in connectivity, IMEC, green shipping and clean energy. Today's signing of our trilateral cooperation arrangement will benefit the Global South."

Mr. Jaishankar is on a week-long visit to Europe covering, France, Belgium and the European Union headquarters in Brussels.

Source: thehindu.com– June 12, 2025

HOME

****

India to speed up trade talks with US for early gains

India will focus on speeding up trade talks with the US to achieve "early gains" before the July 9 deadline to avoid reciprocal tariffs, sources said.

Trade officials from both sides recently held in-depth negotiations on various elements of the proposed bilateral trade agreement (BTA) that included areas such as market access, SPS/TBT, digital trade, customs & trade facilitation and legal framework.

"But now focus will be on what can be delivered before July 9. The rest can be negotiated as part of the first tranche of the BTA which has a later deadline of Fall 2025 (September-October)," a source tracking the matter said.

Dialogue continues

A team led by Assistant US Trade Representative held negotiations with an Indian team of trade officials in New Delhi from June 4-10.

Sources said that the talks were "productive", but hopes of narrowing down on an interim deal were not met. "Both sides agreed to continue negotiations to achieve an expeditious conclusion of the initial tranche of the BTA," sources said.

US President Donald Trump decided on a 90-day pause on reciprocal tariffs, announced on April 2, on most trade partners with which the US has a trade deficit. The tariff pause, which will end on July 9, was announced to give time to countries to work out trade deals with the US.

Trump had announced a 26 per cent reciprocal tariff on India. While much of the tariff was put on hold for 90 days, a 10 per cent baseline tariff was imposed on all countries, including India, in April.

"India wants that the entire 26 per cent, including the 10 per cent baseline tariff should be rolled back. It also wants the 50 per cent sector-specific tariff on steel and aluminium and 25 per cent on auto, that have already been imposed, to be withdrawn," the source said.

No deal in sight

An interim deal has so far been elusive as India is finding it difficult to meet the tariff cut and market access demands of the US, especially in sensitive sectors like agriculture.

While India is willing to bring down tariffs for items such as auto, motorcycles, alcohol and some farm items such as fruits and nuts, it is not keen to provide market access for sensitive items such as rice, wheat and dairy.

US Commerce Secretary Howard Lutnick recently noted that while farmers had a politically-strong voice, a middle path needed to be found.

Lutnick said it was important for India to bring down its tariffs and provide market access to American products to bring down US trade deficit with India, which is at over $40 billion annually. The US is India's largest trading partner and export market.

Source: thehindubusinessline.com– June 10, 2025

HOME

****

As part of the FTA deal, EU wants India to go easy on the quality control scheme

The EU wants India to ease its Quality Control Orders (QCO) scheme as part of the proposed India-EU Free Trade Agreement (FTA) and has proposed measures such as online application and accreditation of EU Conformity Assessment Bodies for consideration in the ongoing negotiations.

Experts, however, point out that allowing accreditation may lead to more interference by foreign conformity assessment bodies, which is avoidable.

"The 12th round of negotiations is likely to take place in Brussels in early July, but intensive intersessional engagement will take place beforehand, both virtually and in person, on a range of topics, while further discussions will also be held at the political level," according to a EU report.

The two sides hope to have more clarity in a number of other areas as well, such as market access, government procurement, and IPR. India and the EU want the FTA to be finalised by the year-end, but several sticky issues remain.

On the issue of QCOs, the EU noted that the 11th round in May allowed for the first time in-depth engagement on the EU proposal for easing the process of certification under the scheme.

"While no detailed discussions could take place on the text during the round, negotiators clarified some procedural aspects and the areas where some improvements could be considered, i.e. online application, accreditation of EU Conformity Assessment Bodies (CABs)," the EU report noted. Special focus was on cars and car parts, and on pharmaceutical products, it added.

The EU has, at several times in the past, raised concerns at the WTO about the increasing number of QCOs being issued by India across sectors such as toys, tyres, auto parts, chemicals, pharmaceuticals and petrochemical products. It had alleged that many of them were protectionist in nature.

India had argued that members like the EU had many more stringent standards in place that have to be mandatorily met by all those selling in their markets. It said that the country had drawn inspiration from the developed world to come up with product standards in important sectors, to improve the quality of products being manufactured domestically and also to prevent sub-standard imports.

Coverage of a product under QCO mandates compliance of a specified Indian Standard (IS), obtaining of a valid licence (from the Bureau of Indian Standards) and bearing of the standard mark on the covered products, before supplying to the Indian market.

Foreign sellers complain of challenges in meeting Quality Control Orders (QCO) requirements due to factors such as the complexity of the certification process, the need for physical verification and inspections, and the time required for registration and approval.

"Accreditation of EU CABs, as proposed by the EU, will imply more interference by them, especially the European Medicines Agency (EMA). The Indian pharmaceuticals industry will then have two bosses, the US FDA, which is already romping around, and the EMA. Another of my concerns is, what will we do if FDA and the EMA standards are not in harmony," said Biswajit Dhar, Distinguished Professor, Council for Social Development.

Source: thehindubusinessline.com– June 11, 2025

HOME

****

How Trump's tariffs could reshape India's fashion industry

US tariffs on imported goods, including textiles, are reshaping the global fashion landscape, presenting both challenges and opportunities for India. Genes Lecoanet Hemant emphasizes focusing on domestic growth, leveraging Indian craftsmanship, and catering to the discerning youth. The brand prioritizes quality, sustainability, and building a community around shared values, rather than solely pursuing international expansion.

In the ever-evolving world of fashion, global events often ripple through the industry, influencing trends, production, and market dynamics. One such event is the recent imposition of higher tariffs by the United States on imported goods, including textiles and apparel. This move has significant implications for countries like India, a major player in the global fashion supply chain. To understand the potential impact of these tariffs on Indian fashion, we turn to the insights of Didier Lecoanet and Hemant Sagar, the visionary duo behind Genes Lecoanet Hemant, a brand renowned for blending French aesthetics with Indian craftsmanship.

Q: With the US imposing heavy tariffs on Chinese textiles and fashion goods, do you see a potential shift in sourcing towards Indian fabrics and artisans? How is your brand positioning itself to take advantage of this shift?

A: Genes has slowly but steadily carved its own niche in the ready-to-wear space. We have always championed Indian artisanal excellence but in negotiation with current consumer needs. There is a lot at play in international markets and trade laws, but the last decade of building a domestic infrastructure that consciously layers craftsmanship and industry lends us an advantage to focus on our personal growth unaffected by the current global climate.

Q: As global supply chains are restructured due to the US-China trade tensions, do you anticipate increased opportunities for Indian fashion houses to enter Western markets more aggressively?

A: Fundamentally, global export houses and fashion retail brands have very distinct ideologies. Distinct structures, offerings and purpose altogether. Europe and America are parts of our expansion plan in the distant future. For now, Genes aims to solidify presence in India and the Middle East.

Q: How do rising costs and disrupted exports from China affect the pricing and competitiveness of fashion labels worldwide, including Indian brands looking to go global?

A: Indian fashion labels and design houses function in a very different plane, with production rarely ever outsourced beyond national borders. As far as pricing and competitiveness goes, it is not going to affect designers from a production standpoint. The international volatility could just be the right reminder for designers here to invest attention in India.

The urban population is dynamic and more aware of their buying patterns than ever before. There is ample scope to grow, but more importantly, to understand that growth is not just about being high-brow and appealing to the elite few internationally. It is equivalent to tapping the needs of the discerning youth in this part of the globe, offering meaningful product whose value is simply undeniable.

Q4: Many global fashion players have relied on China for quick turnaround and mass production. Do you think India can fill that gap without compromising on its artisanal and sustainable edge?

A: It is an interesting undertaking, but also misplaced. India's role cannot and should not be shaped as a replacement to China. If anything, this is a moment to take a serious look at overproduction. We strike a balance between craftsmanship and scale. We are mindful of production metrics and that plays a role in how we sit at the drawing table and conceptualise. The goal is to make clothes that last and build a community on shared values, while nurturing India's unique offering of artisanal talent.

Q: From a creative standpoint, do trade conflicts like the US-China tariff war influence how you think about your design process, global audience, or product strategy?

A: It should always be an idea that crosses borders, not merchandise. I have stood by this principle that essentially guides all our product strategy and the brand values at large. Genes is built on a self-sustaining model of making clothes - from concept to creation. We have built a team of design talent, fabric suppliers and printers, embroiderers and tailors, marketing and sales professionals who have been associated with the brand closely for years now. “Make in India” has been our motto long before it was trendy. But all this is materialised with exceptional thought to quality, raising standards each season and crafting pieces at par with global standards.

The imposition of higher tariffs by the United States presents both challenges and opportunities for the Indian fashion industry. While the immediate impact may be felt in terms of increased costs and potential shifts in sourcing strategies, it also provides an impetus for Indian brands to focus on quality, innovation, and sustainability. By leveraging India's rich tradition of craftsmanship and adapting to the changing global landscape, Indian fashion can continue to thrive and make its mark on the world stage.

Source: timesofindia.com– June 11, 2025

HOME

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Alarm bells in textile recycling hub Panipat over suspension of Bangladesh rags supply

Traders and manufacturers in Panipat, India's largest textile recycling hub that receives discarded clothing from multiple countries for recycling and resale, have raised concerns over the suspension of shipments from Bangladesh, the top source of rags for recycling in India, The Indian Express has learnt.

"Rags and recycled items were not part of the restriction on garments through the land border route that the government announced in May. Traders in Panipat are complaining that the shipments from Bangladesh have been halted but it is unclear why this step has been taken," a person aware of the development said.

While traders plan to raise the issue with the government, they remain unsure about the reason for the halt in exports. But the development comes amid heightened trade tensions between India and Bangladesh after Dhaka's Chief Adviser Muhammad Yunus called for the extension of the Chinese economy around the strategically important North-East India region.

This assumes significance as over 200 tonnes of rags are recycled in Panipat every day, with 150-200 mills operating in the sector. Their key sources of rags include discarded clothing from Western countries, but Bangladesh alone generates over 0.5 million metric tonnes of textile waste from its factories each year.

The suspension of exports of rags and textile waste coincides with Bangladesh's attempts at seeking Generalised Scheme of Preferences Plus (GSP+) status in the European Union, which would result in the removal of tariffs on over 66 per cent of EU tariff lines. The EU is one of Bangladesh's biggest export markets, but the country is set to lose concessions in 2026 after graduating from the Least Developed Country (LDC) status.

To qualify for the GSP+ scheme, Bangladesh must enhance its domestic recycling capabilities and meet specific conditions related to labour rights and governance.

According to news agency Reuters, increased local recycling could save Bangladesh around $700 million annually in import costs, as several countries, including India, ramp up their textile recycling capacities. India recycles or reuses approximately 4.7 million tonnes, or about 60 per cent, of its textile waste.

Political and economic tensions between India and its largest trade partner in South Asia have been growing, especially as the Union government in May imposed a series of import restrictions on goods from Bangladesh, particularly on ready-made garments, the country's largest export item and a key source of foreign exchange.

This followed earlier signs of deteriorating ties, including New Delhi's decision in April to terminate the five-year-old transhipment facility for Bangladesh's export cargo – a mechanism that enabled Dhaka to ship goods to several Western countries using Indian land routes and airports. Notably, Bangladesh also imposed port restrictions on Indian yarn exports via land ports, allowing such exports only through seaports. This move, an official said, was ostensibly in response to demands from Bangladeshi textile mills – despite the fact that the land route offers the quickest and most cost-effective yarn supply to the ready-made garments industry in Bangladesh.

Yarn exports to Bangladesh account for 20 per cent of India's total exports to the country, which were valued at $11.38 billion in FY25. Official data showed that cotton yarn and handloom product exports to Dhaka stood at $2.39 billion during the last financial year. Meanwhile, India imports ready-made garments from Bangladesh valued at over $700 million annually.

Source: indianexpress.com– June 12, 2025

HOME

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