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USD	EUR	GBP	JPY
86.05	99.37	116.73	0.60

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INTERNATIONAL NEWS

US textile & apparel import volume rise 9% in Jan-Apr 2025

US recorded a 9.29 per cent increase in the volume of textile and apparel imports across all fibre types. These imports totalled 32,869.099 million square metre equivalents (SME) during January–April 2025, compared with 30,076.695 million SME in the same period of 2024, according to data from the Office of Textiles and Apparel (OTEXA).

During this period, apparel imports rose by 9.75 per cent to 8,407.799 million SME, up from 7,660.847 million SME in January–April 2024. Imports of textile (non-apparel) products reached 24,461.299 million SME in the same period of 2025, marking a 9.13 per cent increase compared with 22,415.160 million SME in the corresponding period of 2024.

The import volume of cotton products rose by 10.60 per cent to 5,872.984 million SME during the review period, compared with 5,310.168 million SME in the same period of the previous year. Imports of man-made fibre (MMF) products reached 26,146.896 million SME in January–April 2025, up from 23,973.927 million SME in the same period of 2024, as reported by OTEXA.

Meanwhile, US exports of textiles and apparel made from all fibre types inched up by 1.79 per cent to 719.257 million kilograms during the review period, compared with 706.594 million kilograms in January–April 2024.

US apparel exports increased by 8.73 per cent to 229.385 million kilograms. Fabric exports were recorded at 232.850 million kilograms, showing a 1.13 per cent decrease compared with January–April 2024, while yarn exports declined by 3.59 per cent to 282.460 million kilograms. US textile exports remained volatile due to uncertainty surrounding tariff policy.

In 2024, the country's textile and apparel imports by volume grew by 15.23 per cent to 106,636.793 million SME. Of this, apparel imports rose by 5.95 per cent to 25,766.238 million SME, while textile imports surged by 18.54 per cent to 80,870.554 million SME. Meanwhile, US exports of textiles and apparel declined by 2.15 per cent to 2,149.686 million kilograms during the year. Apparel exports fell by 1.57 per cent to 681.355 million kilograms, fabric exports dropped by 0.22 per cent to 718.272 million kilograms, and yarn exports decreased by 1.76 per cent to 853.376 million kilograms.

In 2023, the US experienced a 12.28 per cent decline in the volume of textile and apparel imports across all fibre types, with total imports amounting to 92,783.400 million SME.

Source: fibre2fashion.com– June 14, 2025

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USDA cuts global cotton output, ending stock & consumption for 2025–26

In the June World Agricultural Supply and Demand Estimates (WASDE) report, the US Department of Agriculture (USDA) has revised downward the world cotton balance sheet for the 2025–26 marketing year.

World production is reduced by over 800,000 bales, as a 1-million-bale increase for China is more than offset by declines in India, the United States, and Pakistan. Global cotton production is now projected at 116.99 million bales, compared to 117.81 million bales in the May report.

Global cotton consumption for 2025–26 is reduced by more than 300,000 bales to 117.76 million bales. Although consumption is expected to rise in Egypt, it is more than offset by reductions in India, Turkiye, and Bangladesh, with minor changes in other countries. Global exports are lowered by 40,000 bales, with largely offsetting revisions in trade.

Beginning stocks for 2025–26 are cut by over 1.1 million bales to 77.29 million bales, primarily due to a 1-million-bale reduction in India's 2024–25 crop. Consequently, global ending stocks for 2025–26 are reduced by nearly 1.6 million bales to 76.80 million bales, reflecting both the lower beginning stocks and a larger drop in production than in consumption.

The US cotton balance sheet for 2025–26 is also revised to reflect lower production, beginning stocks, and ending stocks, while consumption, imports, and exports remain unchanged from last month. Harvested area is reduced by 2 per cent to 8.19 million acres due to excessive rainfall and delayed planting in the Delta region.

The national average yield for 2025–26 is lowered by more than 1 per cent from last month to 820 pounds per harvested acre, also due to adverse conditions in the Delta. As a result, the production forecast is reduced by 500,000 bales to 14 million bales—below the 14.4 million bales produced in 2024–25—marking the second smallest crop in the past decade.

Beginning stocks for 2025–26 are reduced by 400,000 bales following an increase in projected exports for 2024–25. As a result, ending stocks for 2025–26 are lowered by 900,000 bales to 4.3 million bales, with a stocks-to-use ratio of 30.3 per cent.

The projected season-average price for 2025–26 remains unchanged this month at 62 cents per pound.

Source: fibre2fashion.com– June 12, 2025

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China's textile & garment exports rise slightly to $116 bn in Jan-May

China's cumulative exports of textiles, garments, and accessories totalled $116.670 billion during January–May 2025, reflecting a slight increase of 0.97 per cent compared to $115.545 billion in the same period of 2024, according to data from the General Administration of Customs.

China’s garment and textile export performance remained volatile in the current year.

Exports of textile products, including yarn and fabric, recorded a year-on-year (YoY) increase of 2.5 per cent, reaching $58.047 billion—up from $57.047 billion in January–May 2024. However, exports of garments and accessories amounted to $58.195 billion, marking a mild decline of 0.5 per cent compared to $58.498 billion during the same period in 2024.

In May 2025 alone, China's exports of textile yarn, fabrics, and related articles stood at $12.631 billion, while garment exports were valued at $13.577 billion, bringing the total export value for the month to $26.208 billion.

On the import side, China experienced a 14.9 per cent decline in textile yarn and fabric imports, which fell to $3.957 billion in January–May 2025, down from $4.592 billion during the same period in 2024. Imports stood at $790 million in May 2025.

China's total textile, garment, and accessory exports for 2024 were recorded at $301.101 billion, including textile shipments worth $141.959 billion and garment exports of $159.142 billion. Total exports of textiles and garments rose by 2.7 per cent compared to 2023. Meanwhile, imports of textile yarn and fabric declined by 7.8 per cent to $10.829 billion in 2024.

In 2023, China's total exports of textiles, garments, and accessories had declined by 8.05 per cent to $293.641 billion, down from $319.376 billion in 2022.

Source: fibre2fashion.com– June 16, 2025

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S&P Global, GEP find rising spare capacity across global supply chains

The GEP global supply chain volatility index fell to minus 0.46 in May from minus 0.39 in April, indicating increasing spare capacity across the world's supply chains as a result of tariffs and tit-for-tat trade war.

The index, an indicator tracking demand conditions, shortages, transportation costs, inventories and backlogs based on a monthly survey of 27,000 businesses, is produced by S&P Global Ratings and GEP.

Global supply chain activity was driven lower by a deterioration across Asia, which reported the greatest degree of spare capacity in almost a year-and-a-half.

The quantity of raw materials and components purchased by Asian factories weakened for the second consecutive month in May, signalling stronger retrenchment.

The index for Asia fell to minus 0.40, from minus 0.32, signalling that the region's supply chains were the most underutilised since December 2023.

China was central to this region-wide decline during May, in which Chinese factories pulled back their purchasing.

North America's supply chains remain underutilised due to considerable weakness in Mexico and Canada.

The index for North America rose to minus 0.24 from minus 0.34. In the United States, manufacturers continue to be underutilised, but they increased purchases of raw materials and commodities, bolstering inventories to protect against future higher prices or supply disruptions, a release from S&P Global Ratings said.

The index little changed in Europe since April (minus 0.29), down fractionally to minus 0.30. The European industrial sector edged closer to recovery, with activity at the region's suppliers broadly level with April, which was the strongest for ten months. Manufacturers in the continent have been buoyed by recently announced fiscal stimulus measures, particularly in Germany.

The United Kingdom's supply chains remain severely underutilised, with the country's manufacturers retrenching aggressively again in May. The index there rose to minus 0.97 in May from April's minus 1.12, but still at a level indicative of considerable slack across supply chains, indicating marked weakness across the UK manufacturing industry.

Global demand for raw materials, commodities and components remained subdued, with no improvement seen since April and therefore meaning it remains at its weakest in the year-to-date, a release from S&P Global Ratings said.

Procurement activity in Asia was down at its sharpest in nearly a year-and-a-half, driven by retrenchment among Chinese factories.

Global safety stockpiling reports remain historically low, primarily as a consequence of inventory strategies in Europe, with manufacturers across the continent continuing to favour lean warehouses.

This contrasts to the trend in North America, with safety stockpiling above its long-term average for a second successive month.

The global item shortages indicator, which tracks the availability of critical commodities, common inputs and components, remains below its long-term average, signalling robust global material supply levels. This metric implies that vendors have stock to meet orders from their customers.

Reports of backlogged work rising due to staff shortages ticked up slightly at the global level in May, but overall, they remain close to historically typical levels, indicating that suppliers' workforce capacity remains sufficient to cope with current demand.

Source: fibre2fashion.com– June 14, 2025

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Turkiye's T&A exports register mixed results during January-May 2025: iTHiB

Turkiye's textile and apparel (T&A) exports experienced mixed results during the January-May 2025 period, according to a report by the Istanbul Textile and Apparel Exporters' Association (iTHiB).

While overall textile and raw materials exports witnessed a modest increase, apparel and garment shipments declined.

Notably, Turkiye's T&A exports to Egypt increased by up to 50 per cent in the first five months of 2025. This significant rise contributed to the overall 1.6 per cent increase in Turkish textile and raw materials exports, reaching $4.8 billion. However, apparel and garment exports decreased by 7.2 per cent to $6 billion compared to the previous period.

Geographically, Turkiye's textile exports to the European Union (EU) rose by 0.6 per cent, totaling $2 billion. Exports to African nations expanded by 24 per cent to $650.2 million. In contrast, shipments to American countries contracted by 2 per cent, reaching $386 million. The most substantial increase in textile exports was observed in Asia and Oceania, with a 27.6 per cent rise to $370.8 million.

Italy remained the top destination for Turkiye's textile and raw materials, showing a 0.7 per cent increase. However, the United States and Germany registered declines of 0.9 per cent and 2.6 per cent, respectively. Spain followed with a 2 per cent increase, while exports to Egypt recorded a substantial 44 per cent rise.

Technical textiles emerged as the leading product group in exports, growing by 5.8 per cent to $987 million. Nonwovens accounted for 34.5 per cent of this category. The US, Germany, and Italy were the primary recipients of technical textile exports, with Morocco experiencing the highest increase at 38.4 per cent.

Woven fabrics followed with exports decreasing by 1.5 per cent to $978 million. Cotton woven fabrics exports represented 38.7 per cent of this category, while SSE filament woven fabrics accounted for 37.8 per cent. Yarn exports increased by 5.1 per cent to $957 million, with Italy, Egypt, and Portugal being key markets.

Conversely, knitted fabric exports declined by 8.4 per cent, and home textiles saw a 1.7 per cent decrease. On a positive note, denim fabric exports increased by 19.1 per cent, reaching $128 million.

Source: fashionatingworld.com– June 14, 2025

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Turkish industrial production up 3.3% YoY in Apr 2025

Turkish industrial production increased by 3.3 per cent year on year (YoY) and decreased by 3.1 per cent month on month (MoM) in April this year, according to the Turkish Statistical Institute (Turkstat).

The index for manufacturing increased by 3 per cent YoY and decreased by 3.4 per cent MoM in the month.

The index for durable consumer goods decreased by 5.4 per cent YoY and by 0.4 per cent MoM in the month.

The energy index increased by 10.4 per cent YoY and by 1.3 per cent MoM in the month, a Turkstat release said.

The index for intermediate goods increased by 1.7 per cent YoY and decreased by 0.7 per cent MoM in the month.

Source: fibre2fashion.com– June 16, 2025

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US, Vietnam near trade framework as tariff deadline approaches

The US and Vietnam are closing in on a framework trade agreement, despite ongoing concerns about Chinese goods being rerouted through the Southeast Asian nation to avoid tariffs, according to people familiar with the talks.

Negotiations have progressed, with Vietnam seeking to secure tariffs in the range of 20% to 25%, said the people, who asked not to be identified as the discussions are private and nothing is finalized.

The agreement would also include a series of US demands, such as stricter enforcement against the transshipment of Chinese products and the removal of non-tariff barriers, the people said. While the final details are unclear, Vietnam had earlier offered to remove all tariffs, as well as to step up trade enforcement and boost purchases of American goods.

The final contours of the framework are still being fleshed out in ways needed to secure President Donald Trump's sign-off, said people familiar with the matter who asked for anonymity to speak candidly about the discussions. More meetings are expected Friday in Washington to address some technical details, they said.

Vietnam's foreign affairs ministry did not immediately respond to a request for comment. The White House had no immediate comment.

Trump has struggled to reach trade accords by a July 9 deadline for higher tariffs to kick back in. The US has reached one framework plan — with the UK — and a tariff truce with China. Trump on Wednesday said he intended to send letters to trading partners setting unilateral tariff levels — effectively "take it or leave it" offers — within one to two weeks.

Vietnam poses a particular challenge for the Trump administration, as some in Washington consider it a strategic partner in efforts to counter China in Asia, while its exports of consumer goods from clothes to smartphones have become staples for American consumers.

But its trade connections with China have inflamed relations with Washington. During Trump's economic battle with Beijing in his first term, manufacturers shifted to Vietnam, building the kind of massive trade surplus that has drawn the ire of Trump and his top advisers.

US Trade Representative Jamieson Greer nodded to the progress of talks on Thursday, telling Fox News that he “just came from a meeting with the Vietnamese that was very helpful, and we’ll see if we’re able to land something with them.”

Greer described a range of options on the table since Trump’s April 2 announcement of higher tariffs on dozens of economies, which were put on hold to allow time for negotiations.

Nations have presented plans to “give us more market access, they change some of their harmful policies, and they could qualify for a type of modified tariff depending on how our president feels and how their leaders feel,” he said on Fox.

For Trump, Vietnam offered the promise of a quick solution — and it’s still a test case for the administration’s ability to ink deals with Southeast Asian nations. Vietnam raced to launch trade talks with the US and was singled out by Trump for showing a willingness to negotiate.

Still, the talks have been complicated by Trump’s zeal to shrink trade deficits with China — and ongoing negotiations with Beijing that could further lower rates.

Some US officials want to calibrate tariffs for Vietnam and others in Southeast Asia to ensure they’re sufficiently lower than what’s imposed on China to encourage production to leave the country, according to people familiar with the matter.

Yet if they’re too low, the rates may only exacerbate Vietnam’s high trade surplus with the US and encourage further shipment of Chinese goods though the country, the people said.

Trump said Wednesday the US is maintaining a total of 55% tariffs on Chinese imports after talks in London, but his aides have not said whether that number is a floor.

Some of Trump’s top trade officials also want to crack down on what they call transshipment — where Chinese goods are minimally finished or repackaged in other countries to avoid tariffs — yet it's unclear whether the US president sees the issue as a deal breaker.

Hanoi has increased efforts to enforce country-of-origin standards in part to assuage US concerns.

White House trade adviser Peter Navarro sees Vietnam as a particularly notable offender when it comes to transshipment, having called the country "essentially a colony of communist China" during an April interview with Fox News. Chinese products are brought into Vietnam, he said at the time, and "they slap a made-in-Vietnam label on it, and send it here to evade the tariffs."

US Commerce Secretary Howard Lutnick echoed that concern earlier this month at a Senate hearing.

"They buy $90 billion from China, then they mark it up and send it to us," Lutnick said. "So it's just a pathway of China to us."

Yet Trump has previously signaled a clear interest at cutting deals — even if they're imperfect or not fully fleshed out. And an initial framework agreement leaves the opportunity for further concessions later.

Source: fashionnetwork.com– June 15, 2025

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Bangladesh: Over 40pc global fashion brands increasing pollution: Survey

Researchers in a survey have called on fashion brands to publish detailed climate plans, support suppliers with decarbonisation, publicly disclose emissions data, and advocate for stronger climate policies.

The call came after a new fashion scorecard found that over 40 per cent of the surveyed brands are backsliding as they are increasing pollution, while only 7.0 per cent have aligned with the Paris Agreement benchmarks.

The 2025 Fossil Free Fashion Scorecard by Stand.earth released on June 3 named H&M the "best performer" as it earned the first-ever "B+" for climate commitments and transparency, its efforts to support and finance supplier decarbonisation, particularly in Bangladesh, as well as its effective climate advocacy initiatives.

Stand.earth, an environmental advocacy group, analysed 42 apparel and footwear brands based on their growth and global prominence using publicly available data on climate change, renewable energy, supplier engagement, circular materials, and green shipping to determine the scores.

Fashion remains one of the world's most polluting industries, responsible for at least 4.0 per cent of all climate pollution, while emissions for the sector are forecast to increase, according to it.

The bulk of the industry's emissions happen in the supply chain, and the industry sources from some of the world's most climate-vulnerable countries, such as Bangladesh, India, Pakistan, Vietnam, and Cambodia.

With these countries predominantly relying on fossil fuels - and the industry notorious for thin margins - manufacturers have voiced the need for support from brands to support their decarbonisation efforts.

According to the scorecard, 14 or 33 per cent of the 42 brands reported sustained pollution reduction of more than 10 per cent against their baseline, with only three (7.0 per cent) companies having done so in line with a 1.5°C pathway, the foundational benchmark of the Paris Agreement.

At the same time, 17 (40 per cent) of the 42 brands increased their carbon footprint compared to their baseline, outpacing those on a 1.5°C path by a nearly 6-to-1 margin.

E-retailer Shein earned an "F" grade, which, according to the report, is the most concerning finding, and it increased its absolute emissions by over 170 per cent in just two years - now emitting nearly as much pollution every year as the entire country of Lebanon.

In particular, the report's researchers note that Shein's fast-to-market strategy is "alarming" primarily because it involves sending individual packages directly to consumers by air freight instead of surface or marine transportation.

Other brands earning an "F" grade include Target, PVH, Next, Boohoo, Aritzia, Columbia, and Under Armour, which were called out for failing to disclose meaningful climate or energy targets and also report any significant support for decarbonisation initiatives in their supply chains.

While limited, there are signs of progress, with H&M and Eileen Fisher leading the pack, scoring "B+" and "B-", respectively.

The report praised Eileen Fisher for its circularity efforts, particularly its work phasing out fossil-fuel fibres and scaling up recycled materials, which, the researchers note, is "impressive for a small brand".

It also commended sportswear company Lululemon, which set a 50 per cent renewable electricity target for its supply chain by 2030, noting that the brand has significantly improved since the last report was published in 2023.

A total of 95 per cent of brands now offer resale or repair programmes, signalling that brands are seeing the economic opportunity in circular business models, the report said.

However, the researchers note that while these efforts are positive, the bulk of impacts happen upstream in the supply chain, which remains unaddressed.

"The 2025 Fossil Free Fashion Scorecard makes it clear that the fashion industry is still failing to take the decisive action needed to align with global climate goals," said Todd Paglia, executive director of Stand.earth.

"While we see some brands making progress, most others are missing the moment or shirking their responsibility entirely, which is alarming," he said.

Moreover, many brands are failing to support their suppliers in transitioning to clean energy, meaning the financial burden of the transition disproportionately impacts manufacturers, he added.

The industry has the resources to act but instead, he said, they see companies making empty promises while continuing business as usual.

Brands leading the way, like H&M, are proving that meaningful action is possible, but they must accelerate their efforts and push their competitors to follow suit, he noted.

"Bigger brands in particular can use their muscle to advocate for stronger climate policies to ensure a level playing field and longevity for the entire industry," added Mr Paglia.

Rachel Kitchin, senior corporate climate campaigner at Stand.earth, said, "The fashion industry is at a crossroads, and brands must decide whether they will lead the transition to a fossil-free future, or continue to fuel the climate crisis."

Policymakers, industry groups, and citizens have a role to play in holding brands accountable and pushing for change, she said, stressing the need to see more brands making ambitious commitments and following through with real action as the stakes are too high for anything less.

Source: thefinancialexpress.com.bd– June 16, 2025

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NATIONAL NEWS

Prime Minister and President of Cyprus interact with business leaders from Cyprus and India

Prime Minister Shri Narendra Modi along with the President of Cyprus, H.E. Nikos Christodoulides today held a Roundtable interaction with business leaders from Cyprus and India in Limassol. The participants represented diverse sectors such as banking, financial institutions, manufacturing, defence, logistics, maritime, shipping, technology, innovation, digital technologies, AI, IT services, tourism and mobility.

Highlighting India's rapid economic transformation in the last 11 years, Prime Minister noted that India, propelled by next-generation reforms, policy predictability, stable polity and Ease of Doing Business, has become the fastest growing major economy in the world. Emphasizing on the primacy being given to innovation, digital revolution, start-up and futuristic infrastructure development, he expressed confidence that India, the fifth largest economy in the world, was well positioned to become the third largest in a few years' time.

He noted that steady growth in India's civil aviation, port, shipbuilding, digital payments and green development sectors have opened myriad opportunities for companies from Cyprus to partner with India. He further underlined the strengths of India's skilled talent and start-up ecosystem and highlighted manufacturing, AI, Quantum, Semiconductor and Critical Minerals as new and emerging areas contributing to India's growth story.

Prime Minister noted that Cyprus was a significant economic partner for India, particularly in the Foreign Direct Investment sector and welcomed the keen interest in Cyprus for new investments into the Indian economy. Highlighting the potential for business engagement in the financial services sector, the two leaders welcomed the signing of an MOU between NSE International Exchange GIFT CITY, Gujarat and Cyprus Stock Exchange. NIPL (NPCI International Payments Limited) and the Eurobank Cyprus reached an understanding on introducing UPI for cross border payments between the two countries which would benefit tourists and businesses. Prime Minister also welcomed the launch of the India–Greece–Cyprus (IGC) Business and Investment Council, which will foster trilateral cooperation in sectors such as shipping, logistics, renewable energy, civil aviation and digital services. Prime Minister welcomed the fact that many Indian companies see Cyprus as a gateway to Europe and hub for IT services, financial management, and tourism.

As Cyprus prepares to assume the Presidency of the EU Council next year, the two leaders reaffirmed their commitment to further strengthen India-EU Strategic Partnership. They expressed optimism about concluding the India-EU Free Trade Agreement by end of the year which would also give a major boost to trade and economic cooperation between the two countries. Prime Minister underlined that the business roundtable had given practical suggestions which would form the basis for a structured economic roadmap, ensuring long-term collaboration in trade, innovation and strategic sectors.

With shared aspirations and a future-focused approach, India and Cyprus are poised for a new era of dynamic and mutually beneficial economic cooperation.

Source: pib.gov.in – June 16, 2025

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India watchful as US drives hard bargain on trade deal

The US is driving a hard bargain with India in the ongoing bilateral trade agreement (BTA) negotiations resisting commitment on a full rollback of the reciprocal and sector-specific levies while raising its own demands on market access and coverage, sources have said.

"With the US playing hard ball, India is now weighing if there is merit in a wait and watch approach to see what other countries achieve in the trade pacts they are negotiating with the US. If we agree to a deal and then realise that another country secured more tariff cuts, it would not be desirable," a source tracking the development told businessline.

Eyeing further extension

New Delhi is hoping for a further extension of the 90-day pause period for reciprocal tariffs, beyond July 9, to give more time for a balanced deal to emerge, the source said.

It is not clear to India under what terms the US would remove the reciprocal tariff threat and roll back the 10 per cent baseline tariffs that are affecting bottomlines and orders.

"The demands made by the US on tariffs are stiff and include steep tariff cuts across sectors including automobiles, motorcycles, medical equipment, processed food and a plethora of agricultural items, some of which are politically difficult to touch because of economic sensitivities," the source said.

Additionally, the US wants other areas to be also included in the deal such as digital trade, standards and government procurement, and their goal posts are continuously shifting, the source added.

Trump tariff

On April 2, US President Donald Trump announced reciprocal tariffs on most trade partners with trade surpluses. India got slapped with 26 per cent tariffs, while its competitors such as Vietnam, Bangladesh and Indonesia were hit with higher levies.

Most of these tariffs, except a baseline of 10 per cent, were paused for a 90-day period to give time to countries to strike trade pacts with the US.

“While the reciprocal tariff threat and the baseline tariffs already applied are big impediments to business, Trump’s sector specific tariffs on steel & aluminium, which have now been increased to 50 per cent, are also hurting exports significantly,” the source said.

In fact, no new orders are being placed or sought now for engineering goods that have been affected by the 50 per cent tariffs, as neither buyers, sellers or consumers can absorb the steep levies, according to EEPC India.

The US has not yet given any assurance about addressing the full reciprocal tariffs and sector specific tariffs, including on steel and auto, the source said.

Source: thehindubusinessline.com– June 15, 2025

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India's economy maintains growth momentum despite global uncertainties: CareEdge

India's economy continues to demonstrate resilience amid global uncertainties, as country's real GDP grew by 7.4 per cent in the fourth quarter of FY25, bringing full-year growth to 6.5 per cent, surpassing expectations, according to the recent report by CareEdge Economic Pathways report.

The report also reflects that, although this marks a moderation from the 8.4 per cent average seen in the previous two years, the economy remains on a strong footing. Growth in FY26 is projected at 6.2 per cent.

The services and construction sectors drove economic momentum, with construction activity growing by 10.8 per cent in Q4. Manufacturing showed improvement, while private consumption moderated.

Additionally, urban demand remained mixed, but rural demand was steady, supported by robust wage growth. Meanwhile, household savings declined for the third consecutive year to 18.1 per cent of GDP, while financial liabilities rose to 6.2 per cent, reflecting increasing household leverage.

Furthermore, Retail inflation eased significantly, with CPI dropping to 3.2 per cent in April 2025, marking its lowest level since August 2019.

Food inflation moderated sharply, helped by the arrival of Rabi harvests, comfortable reservoir levels, and projections of above-normal rainfall.

However, prices of edible oils and fruits remained elevated, restricting further upside in the overall food inflation. Inflation is expected to average 4.0 per cent in FY26, down from 4.6 per cent in FY25.On the fiscal side, the central government maintained the FY25 deficit at 4.8 per cent of GDP.

While direct tax collections were slightly lower, strong corporate tax revenues and restrained spending helped contain the shortfall. Capital expenditure exceeded expectations at ₹10.5 trillion, with a notable pickup in both central and state spending in the second half of FY25.

Investment activity improved sharply in Q4 FY25, led by private sector announcements and government project completions. Manufacturing and electricity were major beneficiaries. Non-petroleum exports remained slightly positive, while services exports stayed resilient. However, the goods trade deficit widened in April.

Recently, the Reserve Bank of India (RBI) cut the repo rate by 50 basis points to 5.5 per cent in June and announced a phased 100 basis point CRR cut, boosting liquidity.

The rupee weakened slightly due to volatile FPI flows and higher oil prices, but it remains stronger than earlier lows. However, CareEdge projects a stable FY26 with moderate inflation, steady growth, and continued investment momentum.

Source: thehindubusinessline.com– June 16, 2025

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FTA with India brings genuine' competitive advantage, UK Parliament told

The Free Trade Agreement (FTA) negotiations concluded with India places the UK at a genuine competitive advantage in the manufacturing sector, the House of Commons was told this week.

During a debate on the bilateral FTA agreed last month, UK Business and Trade Secretary Jonathan Reynolds fielded a series of questions on the advantages of the deal which has been pegged to increase bilateral trade by GBP 25.5 billion annually in the long term.

Reynolds reiterated that the pact marked a huge economic win for the UK as the best deal that India has ever offered.

On advanced manufacturing a set of advantageous positions has been agreed, putting this country at a genuine competitive advantage, particularly in relation to sectors such as automotive and machinery, said Reynolds, in response to a question by British Sikh Labour MP for Smethwick, West Midlands, Gurinder Singh Josan.

India is traditionally a very protectionist economy, and it is the world's fastest growing big economy. Whether it is for goods or services or the West Midlands as a whole, there is so much good stuff here to celebrate, added the minister.

The debate this week comes ahead of UK-India Week, which begins next week as part of the annual India Global Forum (IGF) summit in London.

The India-UK FTA is set to dominate the agenda, with Minister of Commerce and Industry Piyush Goyal among the speakers expected to address the forum.

It will also mark the launch of the 2025 edition of the India Meets Britain Tracker', which analyses the investment flows by Indian companies into the UK.

Indian companies continue to play a pivotal role in the UK's growth story from job creation to innovation. This year's tracker showcases their growing diversification, scale and resilience, and reflects the growing maturity and confidence of Indian enterprise on the global stage, said Anuj

Chande, Partner and Head of South Asia Business Group at Grant Thornton, which produces the annual analysis with the Confederation of Indian Industry (CII).

With the UK and India ranking as the sixth and fourth largest economies respectively, the Tracker offers insights into one of the world's most strategic investment corridors following last year's report setting a new record of 971 Indian-owned companies operating in the UK a figure that has been consistently on an upward trajectory.

Indian businesses are no longer just investing abroad they are transforming global economies, said IGF founder Manoj Ladwa.

According to the UK's Department for Business and Trade (DBT), the India-UK FTA slashes tariffs across the board and is set to increase UK GDP by GBP 4.8 billion and wages by GBP 2.2 billion each year over the next decade.

Source: business-standard.com – June 14, 2025

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Sea and air freight costs likely to rise

Escalation of tensions between Iran and Israel is likely to adversely impact India's export-import (EXIM) trade due to higher transport and insurance costs.

"The alternate shipping route through Cape of Good Hope is likely to impact the schedules for Indian exporters," Dushyant Mulani, Chairman, Federation of Freight Forwarders Associations in India (FFFAI) told ET while adding marine insurance costs may rise as well.

According to Mulani, shipping and air freight costs may rise.

"We will come to know about the exact situation in the next few days," he said.

Global shipping lines had started avoiding the West Asian region after the Israel-Gaza conflict escalation in October 2023. Attacks on commercial vessels in the Red Sea by Iran-backed Houthi militants virtually crippled trade through the Suez Canal. This led to major companies rerouting trade through the Cape of Good Hope.

According to Mulani, the Indian export industry may need additional support to mitigate higher transport costs.

Source: economictimes.com– June 14, 2025

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India, China agree to hold 'functional talks' on trade, eco

New Delhi: India and China have agreed to hold talks to discuss and resolve specific issues of concern, especially in the areas of economics and trade, during the visit of the vice foreign minister of China, Sun Weidong. They will also work towards expediting resumption of direct flights. Sources said the issue of rare earth metal supplies that have been hit by Chinese export controls was also raised by the Indian side during the talks.

"The two sides agreed to hold certain functional dialogues, including in the areas of economic and trade, to discuss and resolve specific issues of concern," it said. Earlier, the MEA said it remains in touch with China on supply chain concerns.

"The Chinese Ministry of Commerce and General Administration of Customs, in early April, announced its decision to implement export controls on certain rare earth related items. We remain in touch with the Chinese side in Beijing and in Delhi, to bring predictability in supply chains for trade consistent with international practices," the spokesman said on Thursday.

Misri appreciated China's cooperation for the resumption of the Kailash Manasarovar Yatra this year. He also hoped for continued progress of the Expert Level Mechanism for cooperation in trans-border rivers that has been working towards resumption of provision of hydrological data.

On direct air services, Misri expressed hope for an early conclusion of an updated Air Services Agreement. They also agreed to take practical steps for visa facilitation and exchanges between the media and think-tanks.

Source: economictimes.com– June 14, 2025

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The rearming of Europe: India must tap opportunities for exports and joint research

Prime minister Narendra Modi's visit this week to Cyprus and Croatia, members of the European Union (EU), was preceded by External Affairs Minister S Jaishankar's visit to France, EU and Belgium last week and to the Netherlands, Denmark and Germany earlier in May. Bilateral relations are rapidly evolving, anchored in the India-EU strategic partnership.

In February, during the visit of Ursula von der Leyen, president of the European Commission, and the EU College of Commissioners to India, the two sides had welcomed growing defence cooperation, including joint exercises and collaboration between the Indian Navy and EU maritime security entities. The two sides had also committed to exploring a security and defence partnership. In this context, one must closely examine the opportunities for deepening the partnership provided by the Joint White Paper (WP) on European Defence — Readiness 2030, issued by the European Commission in March.

The new policy approach outlined by the WP has undoubtedly been occasioned by the protracted war in Ukraine and recent stresses in the transatlantic partnership with the US. The main thrust of the WP is to support member states in achieving full defence readiness by 2030. The target is to mobilise additional defence expenditure of up to 1.5 per cent of the GDP. Based on projections of gradual progression, defence investment could reach at least €800 billion over the next four years.

The scope of the WP points to opportunities for Indian defence industries to acquire or establish start-ups and small and medium enterprises (SMEs) in Europe.

Both Europe and India have recently been tested for their defence preparedness. In the short term, the emphasis in Europe is on replenishing stocks of ammunition, weapons, and military equipment. This may provide an opening for India to export ammunition to Europe.

The Indian defence sector has received a boost in the aftermath of military tensions with China and, more recently, with Pakistan. India's defence exports have surged to a record high of approximately Rs 23,622 crore (US$2.76 billion) in the financial year 2024–25. A foundation has been laid for a higher quantum of exports in the future.

In the wake of the high-level visits this year, India should endeavour to explore sales of Advanced Towed Artillery Guns (ATAGs), the Pinaka Multi-Barrel Rocket Launcher, air defence missiles, and radars that meet NATO standards. The focus in the WP on critical and foundational technologies — such as artificial intelligence, quantum, biotechnologies, and hypersonic technologies — and their classification as dual-use with both economic and military implications offers India a chance to collaborate with EU member states.

The strong undercurrent of commitment in the WP to enhancing Ukraine's defence and security capacities is noteworthy. The new policy is oriented toward sharing the EU's military mobility corridors, space assets, and services with Ukraine. The key, therefore, lies in Indian companies being part of the landscape in the EU, and perhaps in Ukraine as well, at an early stage in the process of internal integration and harmonisation of the regulatory framework. India should explore opportunities for acquisitions and joint research in defence technologies. As such, the EU has welcomed India's interest in joining projects under its Permanent Structured Cooperation (PESCO) and in engaging in negotiations for a Security of Information Agreement (SoIA).

India should closely study the evolving EU model of defence preparedness and adopt best practices to refine its own roadmap toward atmanirbharta in aerial mobility — particularly the development of domestic civil transport aircraft manufacturing and maintenance, repair, and overhaul hubs. The EU's defence omnibus package offers India a chance to collaborate with the EU on cross-certification of defence products and mutual recognition of certification, creating the basis for a future market for India's military and dual-use products.

The changes in the EU may also provide job opportunities for Indian skilled professionals to work in the defence industrial complex across the EU. It is vital for India to engage each of the EU members on migration and mobility issues in the context of the ongoing FTA negotiations.

The EU's harmonisation of rules and procedures for defence procurement could lead to some changes in export regulations. Major European producers of defence equipment could find their capacities committed to national needs or to the ReArm Europe Plan. India would have to examine the impact, if any, on its supply chains originating in Europe.

India could explore the possibility of joining the EU Defence Innovation Scheme (EUDIS), drawing from its experience in initiatives such as the INDUS-X with the US — though this may require some special arrangements, since entities participating in EUDIS projects are generally required to be located in the EU or Norway with local legal identity and control. Further, with the emphasis on infrastructure in the WP, Indian engineering, procurement, and construction companies should explore the potential for securing contracts for the expansion of EU multimodal corridors, including ports and terminals.

The emergence of the EU defence union will mark a scaling up of all existing European defence and security structures. The rapid rearmament of Europe is seen as a bulwark against Russia, reasserting Europe's strategic autonomy in securing itself as well as Ukraine, and strengthening the EU's defence contributions to the still valid transatlantic partnership. As an aspiring global power and strategically autonomous pole, India should invest strongly in the partnership with the EU.

Source: indianexpress.com– June 16, 2025

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Exporters' logistics costs may jump 20%

India's exports could face 15-20% higher logistics costs due to the Israel-Iran tensions, experts said.

The Pakistan air route is already closed to India's carriers and now the closure of Iran's airspace will add to air cargo costs.

The higher fuel costs will make sea transport costlier-crude was trading 8% up at press time.

"We are watching the situation. There could be a temporary disruption of some exports, but it is too early to say," said an official.

In FY25, India's goods exports to Israel were $2.1 billion and imports were $1.6 billion, while with Iran, the shipments were $1.2 billion and $441.9 million, respectively.

While the supply of rough diamonds from Israel to India could get impacted, New Delhi may still be able to supply cut and polished diamonds to countries that otherwise depend on Israel for the precious stones.

Ajay Sahai, director general of Federation of Indian Export Organisations (FIEO), said the closure of the Pakistan air route and the Iran air route will add to costs.

"Shipping lines disruption is expected on the Red Sea and Suez Canal route. Earlier, trade had begun through the Red Sea, but now voyages will become irregular, bringing huge uncertainties," Sahai said.

Generally, air freight is 7-8 times costlier than sea freight.

"There could be a small hit to food exports, but we don't see a concern there because food-related disruptions are usually resolved at the earliest," said another official.

The recent gradual movement of Indian export consignments was being seen as one of the drivers for the country's goods and services exports to cross $900 billion in FY26.

The gradual movement signalled a cautious recovery in shipments after months of disruptions on the route caused by regional tensions. Around 80% of India's merchandise trade with Europe passes through the Red Sea, and substantial trade with the US also takes this route.

Source: economictimes.com– June 14, 2025

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Centre defers QCO on textile machinery to 2026

Surat: The ministry of heavy industries, Govt of India, has extended the implementation of the Quality Control Order (QCO) on textile machinery to Sept 2026. The QCO was earlier scheduled to be enforced from August 2025, but various industry stakeholders, including textile manufacturers, had raised concerns.

On August 28, 2024, the ministry had issued the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order 2024, making the QCO mandatory for weaving and embroidery machines, including their assemblies and sub-assemblies.

The Southern Gujarat Chamber of Commerce and Industry (SGCCI), under the leadership of its immediate past president Vijay Mevawala, had made several representations to the Centre. "This will benefit the industry, and the growth cycle will continue in the textile sector in the region. We thank the govt for considering trade and industry's viewpoint," said Mevawala.

SGCCI president Nikhil Madrasi added, "This decision enables Indian manufacturers to produce high-speed weaving and embroidery machinery on par with imported ones, furthering the 'Make in India' vision.

"Recently, SGCCI vice-president Ashok Jirawala, former president Ashish Gujarati and other industrial bodies met Union minister for heavy industries HD Kumaraswamy in New Delhi to urge deferment of the QCO. They argued that Surat, the country's largest MMF textile hub, annually imports 2,500 to 4,000 high-speed weaving and embroidery machines, many of which are not yet made domestically.

Given that MMF continues to dominate textile investments — particularly in waterjet, airjet, and rapier machines — the industry had sought time until domestic manufacturing capacity matched import quality. The Centre's latest decision comes as a major relief for the sector.

Source: timesofindia.com– June 15, 2025

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'Source from India' feature on Trade Connect ePlatform made available for all status holder exporters

The Directorate General of Foreign Trade (DGFT) has made available 'Source from India' micropage hosting service on the 'Trade Connect ePlatform' to all status holder exporters.

Trade Connect ePlatform (www.trade.gov.in) was launched earlier to serve as a comprehensive hub of information and services on international trade with all related stakeholders, including Indian Missions Abroad, Export Promotion Councils, EXIM Bank, Department of Commerce, and DGFT.

'Source from India' is a flagship feature on the Trade Connect ePlatform, which was introduced to be a one-stop reference point for international buyers to discover accomplished Indian exporters from whom to source.

The feature allows exporters to create their own macrophages, where they can provide their product details and their entity's credentials.

"Micropages of the exporters are publicly made visible on 'Source from India' page of Trade Connect ePlatform (https://www.trade.gov.in/pages/sourcefrom-india) once approved," according to DGFT.

To start with, Three-, Four- and Five-star Manufacturer exporters had been previously invited to create their 'Source from India' micropages on a pilot basis.

"It is now informed that the Source from India micropage hosting service on Trade Connect ePlatform will be available to all Status Holder exporters (with valid Import Export Code not in (Denied Entity List)). Further broad basing of availability of the service to other IEC holders will be done going forward and changes will be notified once implemented," DGFT said this week in a notification.

As per the DGFT definition, Status Holders are business leaders who have excelled in international trade and have successfully contributed to the country's foreign trade.

DGFT said Indian missions abroad have also been duly sensitised to use 'Source from India' as a reference point for addressing the sourcing needs of foreign buyers who approach the missions with requests to help find Indian suppliers for various products.

Export Promotion Councils and Industry associations are also requested to inform their members about the same and encourage participation of all eligible members. (ANI)

Source: tribuneindia.com– June 15, 2025

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