IBTEX No. 79 of 2025 June 18, 2025

Currency Watch			
USD	EUR	GBP	JPY
86.29	99.31	116.14	0.59

INTERNATIONAL NEWS	
No	Topics
1	US Companies Take Trump Tariff Suit to Supreme Court
2	Euro area's trade surplus estimated at $11.48 bn in Apr 2025
3	China records 5.8% industrial growth in May, 6.3% in Jan-May period
4	Amid Israel-Iran Tensions, Shipping Slows Down in Strait of Hormuz
5	China: Early signs of cotton yarn production cuts emerge
6	China: How competitive are imported cotton yarn amid low prices?
7	Monthly Cotton Economic Newsletter: June 2025
8	Turkiye's trade sales volume up 9.6% in April, textiles retail slumps
9	UK clothing exports fall 14% in April amid weak EU demand
10	China's online exports surge past $278.59 bn in 2024

INTERNATIONAL NEWS

US Companies Take Trump Tariff Suit to Supreme Court

American businesses that filed a joint lawsuit against President Donald Trump's tariffs have petitioned the Supreme Court to hear the case, effectively sidestepping a lower court in search of a speedier resolution.

The plaintiffs, two toy importers called Learning Resources and Hand2Mind, saw an Illinois federal court rule in their favor in late May after filing a lawsuit against the president alleging that he overstepped his authority in utilizing the International Emergency Economic Powers Act (IEEPA) to impose sweeping tariffs. But the court's decision, along with a parallel ruling from a New York-based Court of International Trade, was put on hold amid appeals from the Trump administration.

In light of the impact of the duties on U.S. businesses importing goods from overseas, the plaintiffs argued that challenges to the administration's tariff regime can't wait for the normal appellate process to play out—even on an expedited timeline. They asked the Supreme Court to swiftly grant a review the lower court's decision.

According to the complainants, "the President with the stroke of a pen increased the Nation's effective tariff rate tenfold to the highest it has been in more than a century"—an act that he is attempting to justify through the unprecedented use of IEEPA, and one that will cost Americans "billions of dollars."

IEEPA, a little-known trade rule signed into law by President Jimmy Carter, allows the president to regulate international commerce in the event of a national emergency caused by an "unusual and extraordinary threat" to the country's security or economy. It authorizes the Commander in Chief to use economic sanctions—like freezing assets or blocking transactions—to thwart foreign influence by bad actors, from terrorists to cyber criminals.

But the plaintiffs in the suit against Trump argued that IEEPA doesn't give the president the power to impose sweeping tariffs on trade partners across the globe—or sanction his ability to leverage duties in any way. They pointed to the rulings of the Court of International Trade, as well as the federal district court that decided their case, underscoring that both found the administration's tariffs unlawful.

"But as of last week, both lower court injunctions have been stayed pending appeal. Even as these punishing tariffs cause American businesses and consumers to bleed billions of dollars each month, there will be no relief any time soon," they wrote. With much confusion swirling around the lawfulness of the tariffs and the president's authority to impose them, the plaintiffs asked that the Supreme Court rule simply on the question of whether IEEPA authorizes the president to impose tariffs.

"That pure question of law, implicating core separation-of-powers concerns, is in fact the only merits question that the government believes courts have the power to answer. It will inevitably fall to this Court to resolve it definitively," the petition read.

Learning Resources and Hand2Mind are among a bevy of plaintiffs—including more than a dozen states' attorneys general, and a handful of businesses—that have taken on Trump for what they perceive to be an unjust and unsubstantiated use of tariffs. And there's no question of timing when it comes to elevating the issue to the Supreme Court, as the administration's three-month deferral of so-called reciprocal duties is set to expire on July 9, ushering in a flood of double-digit duties on goods from across the globe.

Treasury Secretary Scott Bessent hinted last week that Trump might be willing to push out that deadline in the interest of continuing negotiations with trade partners—specifically, 18 of the most prominent countries or trade blocs doing business with the U.S. Last week, the administration touted an interim trade deal with China, wherein the sourcing titan will pay 55 percent duties on imports into the U.S. after a 90-day cooling off period. The finer details of that agreement have not been released.

Outside of China, only the United Kingdom has reached a deal with the U.S. during the negotiating period. Announced in early May at an Oval Office signing, the deal—which lowered tariffs on British cars as well as steel, aluminum and aerospace equipment—was finalized by Trump and U.K. Prime Minister Keir Starmer on Monday.

Source: sourcingjournal.com– June 17, 2025

HOME

****

Euro area's trade surplus estimated at $11.48 bn in Apr 2025

Euro area recorded a trade in goods surplus of €9.9 billion (~$11.48 billion) with the rest of the world in April 2025, down from €13.6 billion in April 2024, according to first estimates by Eurostat. Meanwhile in the same period the European Union (EU) recorded a €7.4 billion (~$8.58 billion) surplus in trade in goods with the rest of the world, down from €12.8 billion in April 2024.

Exports of goods totalled €243 billion for euro area, marking a 1.4 per cent decline compared to €246.5 billion in the same month last year. Imports from the rest of the world stood at €233.1 billion, a rise of 0.1 per cent compared with April 2024 €232.9 billion.

In April 2025, the euro area balance declined significantly compared to March 2025, with the total surplus dropping from €37.3 billion to €9.9 billion. This decrease was mainly driven by a substantial reduction in the surplus of the chemicals sector, which fell from €42.8 billion to €22.1 billion.

However, when compared to April 2024, the drop of euro area balance appears more moderate (down by €3.7 billion). This year-over-year (YoY) decrease is largely attributable to the lower surplus in the 'machineries & vehicles' sector, which declined from €16.8 billion to €12.8 billion. The deficit of energy products showed a modest improvement of €0.5 billion compared to the same month of the previous year.

In January to April 2025, the euro area recorded a surplus of €71 billion, compared with €68.6 billion in January-April 2024.

Between January and April 2025, euro area exports of goods to the rest of the world rose to €1,004.9 billion, marking a 5.5 per cent increase compared to the same period in 2024, while imports grew by 5.6 per cent to €933.9 billion. Intra-euro area trade also saw a modest rise, reaching €878.9 billion, up by 0.8 per cent YoY.

In April 2025, extra-EU goods exports amounted to €218.2 billion, a decline of 1.9 per cent from €222.4 billion in April 2024. Imports from non-EU countries rose slightly by 0.5 per cent, reaching €210.7 billion compared to €209.7 billion a year earlier.

The EU balance declined to €7.4 billion in April 2025, down significantly from €35.5 billion in March 2025. This drop was primarily driven by the contraction of the chemicals sector surplus, which fell from €41.6 billion to €20.4 billion—a reduction of over 50 per cent.

However, compared to April 2024, when the total surplus was €12.8 billion, the decrease was more modest, amounting to €5.4 billion. The YoY decline is largely attributable to the balance of the 'machineries & vehicles' sector, which dropped from €21 billion in April 2024 to €15.2 billion in April 2025.

In January to April 2025, the EU recorded a surplus of €58.9 billion, compared with €63.7 billion in January-April 2024.

From January to April 2025, extra-EU exports of goods increased to €908.5 billion, up 6.4 per cent compared to the same period in 2024. Imports also rose by 7.5 per cent, reaching €849.6 billion. Intra-EU trade climbed to €1,379.5 billion, reflecting a 0.9 per cent rise over January—April 2024.

Source: fibre2fashion.com– June 17, 2025

HOME

****

China records 5.8% industrial growth in May, 6.3% in Jan-May period

China's value-added industrial output of major enterprises, whose annual primary business revenue reaches or exceeds 20 million yuan (~$2.79 million), rose by 5.8 per cent year-on-year (YoY) and 0.61 per cent compared to April, according to the National Bureau of Statistics (NBS). Within key sectors, manufacturing output increased by 6.2 per cent, while mining expanded by 5.7 per cent.

Equipment manufacturing saw a robust 9 per cent YoY growth, 3.2 percentage points (pp) higher than the overall industrial average. High-tech manufacturing followed closely, up by 8.6 per cent—2.8 pp faster than the broader industrial sector.

Over the January-May period, the cumulative value added by large industrial enterprises climbed by 6.3 per cent YoY.

Business sentiment showed marginal improvement as the manufacturing purchasing managers' index (PMI) edged up to 49.5 per cent in May, a 0.5-point rise from April. Meanwhile, the production and operation expectation index reached 52.5 per cent, increasing by 0.4 pp.

Profits of industrial enterprises with annual revenues above 20 million yuan totalled 2.12 trillion yuan (~$295.26 billion) in the first four months of 2025, marking a 1.4 per cent annual increase.

The industrial sector displayed resilience and potential, supported by ongoing structural upgrades and targeted policy measures, NBS spokesperson Fu Linghui said. He emphasised strong gains in high-end manufacturing, the digital economy, and clean energy sectors, which are driving long-term transformation.

However, Fu also cautioned about persistent external uncertainties and domestic pressures, calling for sustained efforts to enhance innovation and ensure high-quality development, as per Chinese media reports.

Source: fibre2fashion.com– June 17, 2025

HOME

****

Amid Israel-Iran Tensions, Shipping Slows Down in Strait of Hormuz

The escalating conflict between Israel and Iran has not had a direct impact on global freight yet, but shipping companies are growing leery of traversing through the Strait of Hormuz, the channel that connects the Persian Gulf to the Arabian Sea.

While the trade chokepoint remains open for business, traffic through the strait dwindled over a week's span, according to data from the Joint Maritime Information Center (JMIC).

In an advisory update on Monday, JMIC illustrated that 147 cargo-carrying vessels sailed through the Strait of Hormuz on June 9, three days before Israel carried out a series of airstrikes against Iranian nuclear facilities. By June 15, only 111 vessels were passing through.

According to the JMIC, threat levels for ships operating in the Strait of Hormuz, Arabian Gulf and Northern Arabian Sea remain elevated.

JMIC was clear in its advisory that "there are no confirmed indications of an immediate threat to maritime traffic," but confirmed reports of electronic interference affecting vessels' ability to accurately transmit positional data via automated identification systems (AIS) in both the strait and the Arabian Gulf.

Jakob Larsen, head of security at international shipowners' association BIMCO, told CNBC the conflict resulted in a "modest drop" in the number of ships sailing through the area.

The attacks on Iran have created some concern that the country's military will block off access to the strait, which hosts the flow of approximately 20 percent of the world's liquid oil supply, according to the U.S. Energy Information Administration.

But such a closure would impact container shipping operations as well, even though only 2 percent to 3 percent of estimated global container traffic passes through, according to data from Container Trade Statistics (CTS).

Major Middle Eastern transshipment hubs in the UAE, including Dubai's Jebel Ali Port and Abu Dhabi's Khalifa Port, would lose access to the vessels and their cargo. These ports play a significant role in trade across the Middle Easta and facilitate large volumes of sea-to-air relay shipments, while also linking the region to markets in the Indian subcontinent and Africa.

"A ripple effect of such action would be a sharp increase in handlings in transshipment hubs outside of the Persian Gulf with high risk of a wider Asian congestion issue," said Lars Jensen, CEO of Vespucci Maritime, in a post on LinkedIn. "It would be a major problem related to imports and exports to and from Saudi Arabia, UAE, Qatar, Bahrain, Kuwait and Iraq. Likely we would see container lines not affiliated with the conflict trying to pick up the slack from those affected—same as we have seen for Red Sea transits."

As such, capacity concerns could spring up if too many vessels are instead forced to stop at other already crowded transshipment ports, whether it Shanghai, Singapore or the Port of Colombo in Sri Lanka—ultimately resulting in more shipping delays.

"Any closure of the Strait of Hormuz would see services rerouted, with increased reliance on India West Coast ports for connecting the Far East to the Indian subcontinent," said Peter Sand, chief analyst at Xeneta. "The inevitable disruption and port congestion, as well as the potential for higher oil prices, would cause a spike in ocean freight container shipping rates, with carriers likely also pushing for a 'security surcharge' on these trades in the coming days."

On Monday, Maersk slapped a $4,000 peak season surcharge on all containers exiting the Middle East and Indian subcontinent on the way to the North American West Coast set to go into effect July 16. Hapag-Lloyd is adding its own $1,000 surcharge on all containers shipping from those origin regions to all ports in North America, which will begin July 15.

There's also the concern of spiking war-risk insurance premiums, which had been prevalent in Red Sea travels and a reason many container shipping companies havankers e still opted to avoid the waterway.

Until June 13, the additional premium for a commodity's transit through the Persian Gulf was around 0.05 percent of the cargo's value for companies with annual sales of $500 million or higher, and closer to 0.1 percent for others, according to S&P Global Commodity Insights.

But as the conflict escalates, costs could potentially double, the firm says.

As uncertainty surrounds the Strait of Hormuz and the Middle East, two oil tankers collided and caught fire near the conduit on Tuesday morning. One of the tankers, the Adalynn, evacuated 24 people. Personnel on the second tanker, the Front Eagle, were reported safe. No injuries or spillage were reported.

British maritime security monitor Ambrey said that the collision was "not security related."

In the wake of the collision, Qatar asked liquefied natural gas (LNG) vessels to wait outside the Strait of Hormuz until they're ready to load amid escalating tensions in the region, according to Bloomberg.

Iran has interfered with container shipping in the Strait of Hormuz in the past, having seized the 14,000 20-foot equivalent unit (TEU) MSC Aries ship last April. Although Iran released the crew the next month, the country still retained control of the vessel.

Source: sourcingjournal.com– June 17, 2025

HOME

****

China: Early signs of cotton yarn production cuts emerge

June is traditionally the off-season for the textile industry. Although ZCE cotton futures saw a price rebound due to macro optimism from China–U.S. trade negotiations, and some spinning mills raised their offers for pure cotton yarn by 200 yuan/mt, actual transaction volumes remained limited due to the lack of strong downstream demand. Most factories continued to sell at previous price levels.

Cotton yarn prices have underperformed cotton prices, leading to deteriorating profit for spinning mills in June. Spinning mill profits have been declining since April, with losses emerging in June. As of now, inland spinning mills are incurring cash flow losses of over 500 yuan/mt, while spinning mills in Xinjiang have also started to experience losses, although their cash flow remains relatively healthy at over 1,000 yuan/mt. As a result, production cutbacks have begun to increase, primarily among inland mills.

Although operating rates have begun to decline, large-scale production cuts have yet to occur, mainly because inventory pressure at spinning mills is still manageable. The chart below shows that while inventories have gradually accumulated since April, the pace has been slow. In comparison, Xinjiang mills-with larger capacity-face greater inventory pressure than inland mills. So far, there have been few reports of production cuts in Xinjiang, but if the current trend continues and inventories build up quickly, more production reductions are likely in the near future.

Previously, we anticipated that large-scale production reductions could begin in late June, and current signs suggest that this is starting to take shape. As for cotton yarn prices, despite the short-term positive sentiment from China–U.S. trade talks, tariffs have not been reduced, and global geopolitical tensions continue to weigh on macro conditions. Additionally, the tightness in commercial cotton inventories is likely to have limited impact on cotton yarn. Even if tightness persists temporarily, the expected increase in new cotton harvests will likely drive cotton prices down again. Unless there is strong demand support in August–September-which currently seems unlikely-cotton yarn prices are still expected to face downward pressure in the short term.

Source: ccfgroup.com– June 17, 2025

HOME

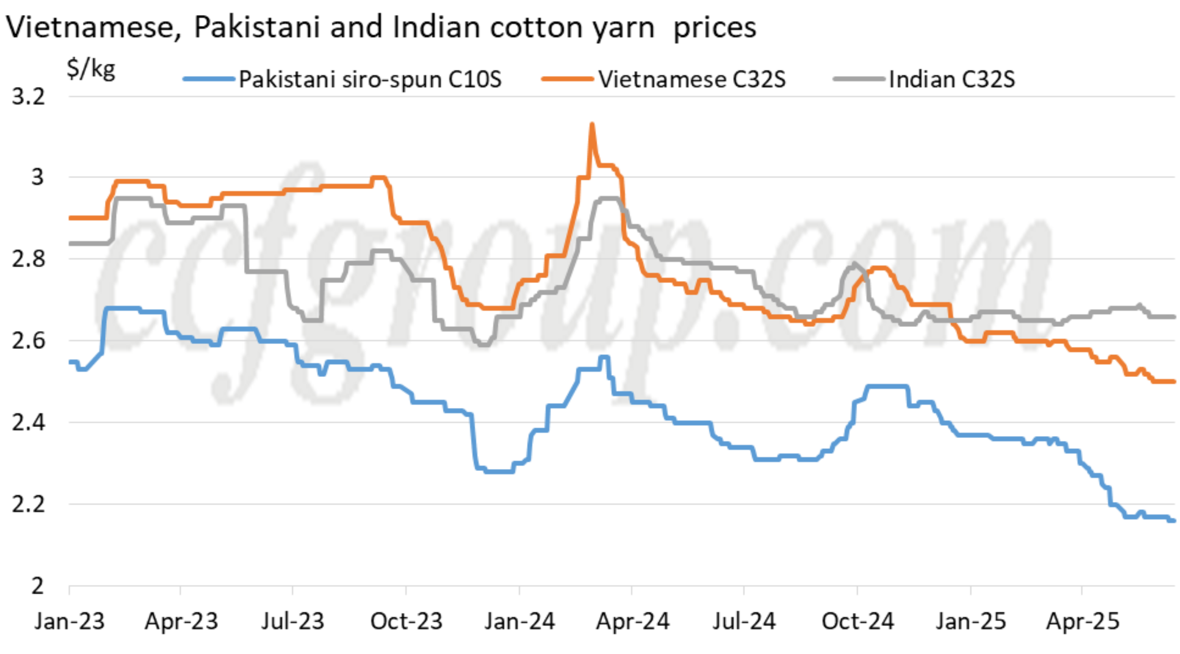
****

China: How competitive are imported cotton yarn amid low prices?

Since April, cotton yarn export prices from Southeast Asia (excluding India) have declined steadily, with orders plummeting. Although Chinese buyers resumed transactions after May's temporary tariff easing, it failed to sufficiently support yarn prices.

Currently, mainstream export prices for Vietnamese and Pakistani cotton yarn have hit multi-year lows-notably, Vietnamese ring-spun cotton yarn 32s has rarely dropped below $2.50/kg in recent years, leaving mills under significant short-term loss pressures.

Against the backdrop of urgent overseas order-taking demands and favorable exchange rates, import opportunities for some specifications have once again become promising. Will there be a potential increase in subsequent domestic inflows?



China's cotton yarn import demand is still constrained by multiple factors. Foremost is the high-cost imported yarn inventory purchased before April's price drops-now a financial burden due to steep devaluation, coupled with substantial interest and storage costs.

Specifications	Traded price($/kg)	Reference Cost (yuan/mt)	Domestic corresponding price (yuan/mt)
Vietnamese C32S for weaving contamination controlled	2.49	20600	20500-20600
Vietnamese high-count compact-spun C32S for knitting contamination free	2.65	22000	21200-21400
Vietnamese C32S for knitting contamination free	2.55	21100	20800-20900
Indian compact-spun C21S	2.4	20600	19800-20000
Vietnamese open-end yarn 21s contamination free	1.95	16300	16200-16300
Indian open-end yarn 10s contamination controlled	1.6	13800	13800-14000
Specifications	Traded price($/pcs)	Reference Cost (yuan/mt)	Domestic corresponding price (yuan/mt)
Pakistani second-line siro-spun carded 10s contamination free	405	18500	18500-18800
Pakistani first-line siro-spun carded 10s contamination free	420	19200	19000-19500

Many importers, though eager to procure cheaper yarn to lower average inventory costs, face capital constraints. Repeated experiences of failed expectations or loss-taking sales have further heightened caution toward overseas yarn procurement, as evidenced by frequent distress sale notices, indicating significant costs to reset inventory positions.

On the demand side, weaving mills confront heavy sales pressure after June, with purchasing power declining steadily. The oversupply of domestic cotton yarn has become acute during the off-season, shifting import demand focus back to price and quality competitiveness after traceable export orders dwindled.

As shown in the figure above, the price spread between imported yarn and domestic mainstream cotton yarn has gradually narrowed, bringing relief to importers. A cotton yarn trader In Jiangsu and Zhejiang noted: "Domestic yarn suffers from severe product homogenization and overly transparent pricing.

During market downturns, major Xinjiang and inland mills prefer direct deals with stable weaving clients, leaving minimal profit margins for intermediaries." When import costs align closer with domestic prices, it creates new opportunities while reducing reliance on U.S.-China trade talks.

The recent short-term strength in ZCE cotton futures has injected modest confidence, with distributors reporting slight improvements in inquiries and transactions for both imported and domestic yarn this week. Some large domestic mills subsequently raised yarn offers, lifting end-users market prices, which may enhance value preservation or even appreciation potential for already-contracted imported shipments upon arrival.

Source: ccfgroup.com– June 17, 2025

HOME

****

Monthly Cotton Economic Newsletter: June 2025

Recent Price Movement

Cotton benchmarks were range-bound over the past month.

- With the nearby July NY/ICE futures contract heading into expiration, open interest has been shifting into the December contract. Prices for the December contract traded within a relatively tight range between 67 and 70 cents/lb over the past month.
- The A Index was steady between 77 and 79 cents/lb.
- The Chinese Cotton Index (CC Index 3128B) increased slightly in international terms, rising from 88 to 92 cents/lb. In domestic terms, prices rose from 14,100 to 14,600 RMB/ton. The RMB strengthened from 7.25 to 7.18 RMB/USD.
- Indian spot prices (Shankar-6 quality) drifted marginally lower, from 82 to 80 cents/lb from 14,100 to 14,600 RMB/ton. In domestic terms, prices eased from 54,500 to 54,000 INR/candy. The INR was stable near 85 INR/USD.
- Pakistani spot prices stayed close to 72 cents/lb over the past month. In domestic terms, values held at 16,700 PKR/maund. The PKR consistently traded around 282 PKR/USD.

Supply, Demand & Trade

Relative to last month, the latest USDA forecasts for 2025/26 suggest slightly lower global production (-800,000 bales, from 117.8 to 117 million) and slightly lower global consumption (-300,000 bales, from 118.1 to 117.8 million). The figure for world beginning stocks was reduced -1.2 million bales (to 77.3 million), and the net result for global ending stocks was a -1.6 million bale reduction (to 76.8 million bales).

The largest country-level changes for 2025/26 production projections were for India (-1 million bales to 23.5 million), the U.S. (-500,000 bales to 14 million), Pakistan (-300,000 bales to 5.2 million), and China (+1.0 million to 30 million). There was also a sizable reduction to the Indian production figure for 2024/25 (-1 million bales to 24 million).

For mill use, the largest changes were for India (-500,000 bales to 25.5 million), Turkey (-200,000 bales to 7.3 million), Bangladesh (-100,000 bales to 8.4 million), and Egypt (+400,000 to 1.2 million).

The global trade estimate for 2025/26 was unchanged month-over-month at 44.8 million bales. For imports, the largest changes were for China (-500,000 million bales to 6.5 million), Turkey (-200,000 bales to 4.8 million), Bangladesh (-100,000 bales to 8.4 million), Pakistan (+300,000 bales to 5.3 million), and Egypt (+400,000 1.1 million). For exports, the largest changes were for Australia (+100,000 bales to 5 million) and Brazil (+300,000 to 14.3 million). There was a sizable change to the 2024/25 export figure for the U.S. (+400,000 bales to 11.5 million).
Price Outlook

Among the developments in U.S. trade policy over the past month were two court rulings that questioned the legal authority for many of the tariff announcements made this year. Both rulings were immediately appealed by the administration. While the appeal process has been underway, tariff rates were left unchanged at the levels in place when these rulings were made in late May. These rates are scheduled to remain in effect at least until July 31, when another set of court arguments will begin.

In the meantime, bilateral negotiations continue. The deadline for agreements for most countries is approaching (July 9), but the only deal that has been announced so far is with the UK. It is possible that other deals could include provisions involving purchases of U.S. exports (similar to the Phase One deal), potentially including cotton, but since no other agreements have been announced, no details are available. If deals are not reached by the deadline, the “reciprocal” tariffs that were announced on April 2 are threatened to go into effect.

While any eventual enduring set of U.S. trade policies remains unknown, they can be expected to have implications for global macroeconomic conditions as well as demand throughout supply chains. In updated figures released this week, the World Bank suggested global economic growth would be half a point lower than they were projecting at the start of the year (currently 2.3 percent for 2025) and forecast sluggish conditions could continue for at least the next couple years. Within supply chains, decision makers are having to gauge the evolving outlook for consumer spending while attempting to position orders against the volatile situation around tariff costs.

The latest available U.S. import data is for April, which was the first month that widespread tariff increases went into effect. Despite higher tariffs, there was not a significant pullback in the volume of apparel imports. In April, the weight volume of U.S. apparel imports, reflective of the amount of fiber being imported, was actually higher month-over-month in seasonally-adjusted terms (+5.6 percent for all fibers, +8.1 percent for estimated cotton content). This suggests retailers may have been pulling some orders forward. In future releases, data will reveal if there could be a corresponding pullback, but it will take several months for policy volatility to settle and then another couple months for data availability to catch up with policy developments.

While the demand outlook will remain clouded as long as trade policy is unsettled, the situation on the production side of the balance sheet is evolving. The largest year-over-year decrease in production had been forecast for China, where a retreat from last year's record yields was expected to result in a 3 million bale decline.

Early on, weather conditions have proven favorable again this year (for the 2025/26 crop) and the size of the decrease was already reduced by a million bales (2024/25 production was 32.0 million, current forecast for 2025/26 is 30.0 million). Along with ample domestic stocks, a larger Chinese harvest in 2025/26 could dampen Chinese import demand.

For global exportable supply, a key variable is the U.S. weather. West Texas has been getting moisture, but excessively wet conditions in states east of Texas have delayed and prevented some planting. A smaller U.S. crop implies lower global exportable production, but the build in U.S. stocks in 2024/25 and the series of record Brazilian harvests could limit any concerns of scarcity.

Source: sourcingjournal.com– June 17, 2025

HOME

****

Turkiye's trade sales volume up 9.6% in April, textiles retail slumps

Turkiye's trade sales volume grew by 9.6 per cent in April 2025 compared to the same month in the previous year, according to Turkish Statistical Institute. Retail sales volume for textiles, clothing, and footwear declined sharply by 18.4 per cent YoY and 4.3 per cent MoM in April.

The wholesale trade rose by 8 per cent, while retail trade saw a robust 11.5 per cent year-over-year (YoY) growth.

However, on a month-over-month (MoM) basis, trade activity showed signs of moderation. Overall trade sales volume declined by 3.1 per cent from March 2025. Within this, the wholesale trade segment experienced a 6.1 per cent drop, partially offset by a 2.8 per cent rise in retail trade volume.

Source: fibre2fashion.com– June 18, 2025

HOME

****

UK clothing exports fall 14% in April amid weak EU demand

United Kingdom's clothing exports fell by 14.12 per cent year on year to £231 million (~$313.30 million) in April 2025, down from £269 million in April 2024, according to the UK's Office for National Statistics (ONS). The decline reflects subdued demand, particularly from Europe, a key market for UK clothing. On a monthly basis, exports also dropped by 7.96 per cent from £251 million in March 2025.

Textile fabric exports in April 2025 declined slightly by 0.42 per cent year on year to £237 million, compared to £238 million in April 2024, and were down 4.20 per cent from £247 million in March 2025. Textile fibre exports registered a sharper fall, down 24.59 per cent to £46 million in April 2025 from £61 million a year earlier and £75 million the previous month.

In the first quarter of 2025, clothing exports totalled £712 million, compared to £833 million in Q1 2024 and £881 million in Q4 2024. Textile fabric exports stood at £665 million, down from £698 million in Q1 2024 and £669 million in Q4 2024. Fibre exports reached £192 million, compared to £162 million in Q1 2024 and £206 million in Q4 2024.

For the full year 2024, the UK's clothing exports declined by 11.74 per cent to £3,320 million (~$4,186.53 million). Textile fabric exports remained stable at £2,733 million, while fibre exports rose to £707 million.

In 2023, clothing exports declined to £3.772 billion (~$4.88 billion) from £3.931 billion in 2022 and £4.263 billion in 2021. That year, textile fabric exports reached £2.737 billion and fibre exports £667 million, compared to £2.716 billion and £616 million, respectively, in 2022.

Source: fibre2fashion.com– June 18, 2025

HOME

****

China's online exports surge past $278.59 bn in 2024

China's cross-border e-commerce exports have surpassed 2 trillion yuan in 2024—around $278.59 billion—marking a new milestone, according to the General Administration of Customs (GAC).

Exports rose 16.9 per cent year on year (YoY) to 2.15 trillion yuan, pushing total cross-border trade volume to 2.71 trillion yuan.

The US remained China's top e-commerce export destination, accounting for 36.2 per cent of total shipments, followed by the UK (11.7 per cent) and Germany (5.7 per cent). On the import side, US goods led with a 15.8 per cent share, while Japan and Germany contributed 10.5 per cent and 9.8 per cent, respectively, a state-controlled media outlet reported.

Consumer goods dominated exports, making up 97.5 per cent of the total. GAC official Cai Junwei, speaking at the 2025 China Langfang International Economic and Trade Fair, highlighted the sector's role in overcoming traditional trade barriers and supporting market expansion amid global economic uncertainty.

Source: fibre2fashion.com– June 18, 2025

HOME

****

H&M, Nordic businesses seek suppliers in Vietnam

Swedish multinational fast fashion retailer H&M and other Nordic businesses will send a delegation to the Vietnam International Sourcing 2025, slated for early September in Ho Chi Minh City, to seek business partnerships.

H&M's first presence at the event and the participation of other Nordic companies affirm their growing interest and strong shift in finding supplies in Vietnam. This also opens up opportunities to enhance the position of Vietnam's export sector in the international market.

According to the Vietnam Trade Office in Sweden, this year, the office will accompany the Nordic business delegation to the event. The delegation will feature big names in the fields of retail, consumption, logistics and sustainable production.

Notably, the participation of H&M - one of the world's largest fashion corporations - is considered a special highlight, opening up many cooperation opportunities for Vietnamese businesses in the fashion, textiles and sustainable supply chains.

In 2023 and 2024, the Vietnam Trade Office in Sweden also organised Nordic business delegations to Vietnam with the participation of brands such as IKEA, Gothenburg Port, F&H, and Scanesia. They sought supply sources, surveyed Vietnamese businesses' situation and reached cooperation agreements with Vietnamese partners.

The 2025 Vietnam International Sourcing is expected to attract more than 500 exhibitors and over 300 international buyer delegations. Key industry groups to be displayed include food and beverages, consumer goods, furniture, fashion, raw materials and supporting industries.

Beyond exhibition, there will be many sideline activities such as seminars, business-to business (B2B) trade connections, survey programmes, and factory and industrial park tours. They will focus on standards for exports to the European market, green transition, logistics and international branding.

Source: vietnamplus.vn– June 18, 2025

HOME

****

Bangladesh: Apparel owners fear Iran-Israel war fallout on exports

A red-hot Middle-East turmoil fuelled by the Iran-Israel war may affect Bangladesh's garment business as global oil prices could spike and increase operational costs locally. And such production-cost escalation would bite trade returns on the country's cardinal export product-readymade garments or RMG, the bigger one of two pillars of foreign-exchange reserves, after remittance.

"The Iran-Israel war could be a new challenge for the local garment industry that could result in rise in global oil prices. And sustaining the competitiveness amid such situation could be very challenging," says Mahmud Hasan Khan Babu, the newly elected president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He made the remark at the charge-handover ceremony of the BGMEA held Monday at its Uttara office in the capital. The newly elected BGMEA board of directors led by president Mahmud Hasan Khan took charge of the trade body for the term 2025-2027. Outgoing administrator Anwar Hossain and the members of Support Committee of BGMEA handed over the responsibility to Mr Khan and the new board, in a transition from the stop-gap arrangement made following the July-August political changeover. The new office bearers include first vice-president Salim Rahman, senior vice-president Inamul Haq Khan and vice-presidents Mijanur Rahman, Md Rezwan Selim, Vidiya Amrit Khan, Md Sehab Udduza Chowdhury and Mohammad Rafique Chowdhury.

The other Board-of-Directors members from Dhaka are Shah Rayeed Chowdhury, Mohammed Abdur Rahim, Faisal Samad, Md. Hasib Uddin, Mohammed Abdus Salam, Nafis-Ud-Doula, Sumaiya Islam, Fahima Akhter, Majumdar Arifur Rahman, Anwar Hossain Chowdhury, Sheikh Hossain Muhammad Mustafiz, Kazi Mizanur Rahman, Joarder Mohammed Hosne Quamar Alam, A.B.M. Shamsuddin, Asef Kamal Pasha, Dr. Rashid Ahamed Hossaini, Faruque Hassan, Rumana Rashid, Mohammed Sohel and Samiha Azim while Directors from Chattogram include Md. M. Mohiuddin Chowdhury, Syed Mohammed Tanvir, Sakeef Ahmed Salam, Md. Shaif Ullah Mansur, Enamul Aziz Chowdhury, SM Abu Tayyab and Rakibul Alam Chowdhury.

Source: thefinancialexpress.com.bd – June 17, 2025

HOME

****

NATIONAL NEWS

India's textile sector may gain edge as Vietnam deals with labour costs, Bangladesh faces political instability: Report

India's textile sector may gain a competitive edge in the global market due to rising labour costs in Vietnam and ongoing political instability in Bangladesh, two of its key export rivals, according to a report by Systematix Research.

The report, however, highlighted that the near-term outlook for the sector remains challenging. Tariff-related uncertainties may force exporters to absorb part of the additional costs, putting pressure on margins.

Companies are also expected to pass on a significant portion of these costs to consumers, which could lead to higher textile and apparel prices and potentially reduce demand from key markets like the US.

The report pointed out that global macroeconomic shifts are gradually working in India's favour. With Bangladesh facing political instability and Vietnam seeing a rise in labour costs, India is expected to become a more attractive sourcing destination for global retailers.

It said "India's textile industry seem strong, as channel inventories seem to be normalising at the global retailer level, there is a likelihood of the US raising tariffs for China, labour costs are rising in Vietnam and Bangladesh is seeing political instability". Despite these long-term positives, Indian textile companies reported a muted performance in the fourth quarter of FY25.

Amid tariff uncertainty, the revenue of the companies rose by 5 per cent year-on-year (YoY), EBITDA declined by 3 per cent and profit after tax (PAT) grew by only 3 per cent YoY, mainly due to weak volumes and ongoing uncertainty around tariffs.

"Textile companies reported muted revenue/EBITDA/PAT performance of +5 per cent/-3 per cent/+3 per cent YoY, respectively, due to tepid volumes, amid tariff uncertainty," the report stated.

Spinning companies, however, saw a marginal improvement in gross margins, supported by a 10 per cent YoY and 2 per cent quarter-on-quarter (QoQ) drop in cotton prices, and stable yarn prices, which were down 3 per cent YoY and flat QoQ.

Garments showed strong recovery, with normalising retailer inventories pushing up sales volumes by 10 per cent YoY and 20 per cent QoQ. On the other hand, home textiles continued to witness weak demand, with volumes falling by 9 per cent YoY and 6 per cent QoQ. Nevertheless, stable cotton prices, favourable forex rates and a continued focus on operational efficiency are likely to support profitability for Indian textile firms.

Source: thehindubusinessline.com– June 17, 2025

HOME

****

Union Minister of Commerce and Industry Shri Piyush Goyal Embarks on Official Visit to the United Kingdom from 18–19 June 2025

Union Minister of Commerce and Industry Shri Piyush Goyal is on a high-level official visit to the United Kingdom from 18th to 19th June 2025. The visit underscores India's strategic focus on strengthening its economic and trade partnership with the UK, particularly in the backdrop of the announcement by the two Prime Ministers to conclude the India–UK Free Trade Agreement (FTA).

At a time of evolving global trade dynamics, Shri Goyal's visit aims to accelerate bilateral engagements, harness emerging opportunities, and lay a robust foundation for a forward-looking, resilient, and mutually beneficial economic relationship.

During the visit, Shri Goyal will hold a bilateral meeting with the UK Secretary of State for Business and Trade, Mr. Jonathan Reynolds. Both leaders will review the progress made in the ongoing FTA negotiations and chart out a clear, time-bound roadmap for its finalisation and implementation.

The Minister will also meet the UK Chancellor of the Exchequer, Ms. Rachel Reeves, to discuss macroeconomic priorities, financial cooperation, and investment facilitation between the two countries.

In addition, the Minister is scheduled to engage with Secretary of State for Culture, Media and Sport, Ms. Lisa Nandy to explore avenues of collaboration in creative industries and innovation-driven sectors.

Shri Goyal will participate in multiple high-impact sessions at the prestigious India Global Forum (IGF), including the Mainstage Plenary, the Future Frontiers Forum, and a roundtable titled 'From Agreement to Action: UK–India FTA'.

These engagements will bring together global business leaders, investors, and policy experts to deliberate on the strategic contours of the India–UK economic corridor and the transformative impact of the proposed FTA.

Business engagements will form a central pillar of the visit. The Minister is expected to interact with leading CEOs and industry stakeholders from key sectors including shipping, fintech, logistics, and advanced manufacturing, with a view to deepening commercial linkages and promoting cross-border investments.

The visit comes at a pivotal moment for India–UK relations. With a shared ambition to convert vision into action, Shri Goyal's interactions will reinforce mutual trust, unlock new pathways of cooperation, and advance a shared commitment to inclusive, sustainable, and high-impact economic growth.

Source: pib.gov.in– June 17, 2025

HOME

****

India should hold its ground in trade negotiations with the EU

Talks on a free trade agreement (FTA) with the EU are underway and Indian industry has much at stake. To make export headway, India Inc needs a wide range of European barriers lowered. The EU's CBAM is just one of them.

The World Trade Organization (WTO) has been of scant effectiveness against US President Donald Trump's sweeping unilateral tariffs. Wielding the shield of 'national security,' the first Trump presidency levied 25% tariffs on imports of steel and 10% on aluminium.

India challenged these and later withdrew its case at the WTO on account of a 'mutual settlement,' though the US never withdrew those additional tariffs. WTO panels initiated by other members, including Norway, Switzerland and China, ruled in 2023 that the tariffs did not pass the 'national security' test.

The US, however, ignored these rulings. Trump's second presidency has seen the national security shield cast wider, first for sweeping Liberation Day tariffs against over 90 countries, and more recently, for a 50% tariff against steel and aluminium imports.

A group of businesses in the US successfully challenged the Liberation Day tariffs, but the administration has appealed the decision. India has so far not retaliated. The UK may reportedly get a conditional exemption from the 50% tariff on steel under a US-UK free trade agreement (FTA), although Tata Steel as a big UK steelmaker may not get that benefit as US import rules require steel to be "melted and poured" in the country of origin, in this case the UK. It is difficult to envisage a more stark repudiation of the rule of law.

Amid the disarray, FTAs have become more relevant than ever to India's trade interests. New Delhi is in the thick of negotiations with the US and EU, having recently announced a deal with the UK. The EU, however, is no stranger to unilateral actions. It is, in fact, the chief architect of 'green protectionism'—steps sought to be justified at the altar of climate change. At the heart of both the US and EU measures is the purported belief that these would protect the competitiveness of local industries.

While Trump's trade policy antics grab headlines, the EU's measures—ranging from its Carbon Border Adjustment Mechanism (CBAM) and EU Deforestation Regulation (EUDR) to environmental reporting and sustainability due-diligence mandates for corporates—pose significant challenges for Indian industry.

India's exports of nearly $100 billion to the EU, comprising mainly fuels, textiles, machinery, chemicals, automobiles, gems, steel and pharma products, account for about 14% of its total merchandise exports. Given this strategic relationship, key concerns must be addressed before finalizing the India-EU FTA.

For steel and aluminium, even if the EU's current Most Favoured Nation (MFN) duty rates are reduced to zero in the FTA, the CBAM would negate that benefit. Also, the CBAM's impending expansion to indirect emissions from electricity will make the duty impact much greater, effectively blocking exports to the EU. The EU's proposed de minimis threshold exempting small importers from CBAM obligations offers little relief, particularly for smaller producers which already face numerous non-tariff barriers.

In addition, the EU has safeguard measures in place for various categories of steel imports, including tariff rate quotas that may be extended to other metals. The recently announced European Steel and Metals Action Plan will further tighten trade defence measures, presenting further challenges for our exports to the EU. India will need to negotiate each of these aspects carefully under the bilateral FTA to mitigate the impact on Indian industry.

The EU proudly claims the EUDR will guarantee that the products EU citizens consume do not contribute to deforestation or forest degradation worldwide. Underneath that claim, however, lies clever legal drafting that will advantage EU's own producers over importers.

The EUDR obligates importers to ensure that imports are not from land that has been deforested or subject to forest degradation since 31 December 2020. Degradation is defined as conversion of primary forests or naturally regenerating forests into plantation forests or other wooded land. It is estimated that the EU has only 2-3% primary forest cover, while India has almost 23%, which makes the disproportionate impact evident.

The EU's sustainability directives, while aiming to increase business transparency and accountability, will raise India's Inc's cost of doing business in that region. It is no longer sufficient for a company to ensure compliance with labour and environmental laws; it will also have to take responsibility for compliance by each player in its direct and indirect supply chain.

The EU is also reportedly seeking a chapter on Energy and Raw Materials in the FTA. We should be wary of obligations curtailing India's policy space for local sourcing or putting in place export restrictions and offering fiscal incentives for its own capacity creation. The EU's emphasis on securing access to raw materials for its own green transition can be in sync with our goals only if there is a level playing field for Indian access to resources and technologies, and India not treated as a mere raw material supplier.

Achieving a win-win in EU-India negotiations needs us to take each of these aspects into account.

Source: livemint.com– June 16, 2025

HOME

****

Amid trade war with US, China's export to India surged 12% in May 2025: GTRI

Amid tariff war with US, China increases its exports to other countries like India, European Union (EU), and the Association of Southeast Asian Nations (ASEAN) as per the May trade data, stated a report by the Global Trade Research Initiative (GTRI).

The report highlighted that China's latest trade data for May 2025 shows a significant shift in its export destinations, with a sharp decline in shipments to the US. As per the report, while China's overall exports rose modestly by 4.6 per cent, from $302.1 billion in May 2024 to $316.2 billion in May 2025, its exports to the US fell drastically by 34.5 per cent, from $44 billion to $28.8 billion during the same period. This steep drop in trade with the US is being offset by increased exports to other regions.

Exports to the EU rose by 12 per cent to $49.5 billion, to ASEAN by 15 per cent to $58.4 billion, and to India by 12.4 per cent to $11.13 billion. This redirection in trade indicates how global supply chains are quickly adapting amid rising geopolitical and economic tensions. The report also warned countries to be cautious of any aggressive export push that could lead to the dumping of goods.

GTRI said, "A dramatic decline in China's shipments to the US is being partially offset by increased exports to other markets. Countries should watch out for any incidence of export push by dumping." India's own trade numbers confirm this shift. Although India's total merchandise imports slightly declined by 1.8 per cent year-on-year, from $61.7 billion in May 2024 to $60.6 billion in May 2025, the fall was mainly due to lower imports of oil and gold. If petroleum, gold, and diamonds are excluded, imports rose by 12 per cent, from $36.8 billion to $41.2 billion.

Two major categories led this import growth: electronics, which rose 27.5 per cent to $9.1 billion, and machinery and computers, which increased by 22 per cent to $5 billion. A significant part of these imports came from China, as India's combined imports from China and Hong Kong surged by 22.4 per cent to $12 billion from $9.8 billion last year. On the export side, India's shipments to the US grew by 17.3 per cent to $8.8 billion in May 2025, with smartphones playing a major role in this rise.

The data reflects ongoing trade tensions between the US and China, which may continue unless a tariff agreement is reached. For India, the global environment remains uncertain due to rising conflicts in the Middle East, involving Iran, Israel, Hamas, and the Houthis, which could disrupt key shipping routes and oil supplies. Amid these global shifts, the report outlined that India should remain cautious, focus on balanced trade agreements, and improve the ease of doing business to strengthen its trade position.

Source: thehindubusinessline.com– June 17, 2025

HOME

****

India shares discussion paper ahead of trade discussions with Peru

Ahead of the next round of trade talks, India has shared a non-paper or a discussion paper with Peru, highlighting key asks and pointing out 'sensitive' sectors that it may want to protect, a person aware of the matter said.

The eighth round of negotiation between India and the Latin American nation will take place in Peru in July-end.

"The idea behind sharing the non-paper is to get clarity and direction. It will also ensure that negotiations are not unnecessarily prolonged," the person cited above told Business Standard. Thereafter, offer lists on goods and services for the trade deal will also be shared soon.

Negotiations for the India-Peru Trade Agreement began in 2017 and the fifth round was concluded in August 2019. However, the negotiations came to a pause due to the Covid-19 pandemic. Talks between both nations resumed last February.

Peru is the fourth largest export destination for India in the Latin America and Caribbean region, after Brazil and Chile. Focus on a trade agreement with Peru comes at a time when India has been trying to diversify its exports in terms of products as well as region. It is also a part of a strategy to strengthen economic ties with Latin American nations.

Bilateral trade between India and Peru stood at $5.9 billion in 2024-25. Key Indian exports to Peru include cars, cotton yarn, and pharmaceuticals, while Peru primarily exports gold, copper ores, and concentrates to India. Both countries are keen on building their existing ties and expanding to new areas such as critical minerals and mining, considering that the Latin American nation is a key producer of copper, gold, and silver.

A report released by the Confederation of Indian Industry in April stated that the discovery of substantial lithium reserves in Peru in November 2023 positions the country as an important player in the global lithium market.

“Peru can play a pivotal role in reducing India’s dependence on import of lithium from Asian countries, leading to greater diversification in sourcing inputs for Advanced Chemistry Cells (ACCs) manufacturing. Cooperation in joint mining of critical minerals will aid downstream industries in the broader EV manufacturing sectors of India and Peru,” the report said.

According to a Global Trade Research Initiative’s (GTRI) report released a year ago, gold could be a major concern for India as even minor tariff concessions could lead to a significant increase in imports.

Apart from Peru, India is currently negotiating trade deals with the United States (US), the European Union (EU), Chile, and Oman. A trade deal with the United Kingdom (UK) was finalised last month, but the pact will be signed after completion of legal scrubbing of the document.

Source: business-standard.com– June 17, 2025

HOME

****

India becomes go-to apparel hub as buyers ditch China, Bangladesh

Pune: India's apparel exports continued to grow in double digits, clocking a 11.3% on-year rise in May, showed data compiled by industry body Confederation of Indian Textile Industry (CITI). Exports are getting a boost with buyers in the West increasingly sharpening their focus on India as a reliable apparel sourcing alternative to Bangladesh and China.

Apparel exports accelerated to grow in double digits due to political uncertainties caused by the ouster of the Sheikh Hasina government in Bangladesh last August. Exports surged by 17.3% in September, and further by 24.35% in October.

Many buyers from developed nations are pushing Indian suppliers to expand capacities and get requisite certifications, as the country will get a duty differential advantage over China due to the reciprocal tariffs imposed by the Donald Trump administration.

The export surge is a welcome relief for India's apparel industry which faced two straight years of weakness after the pandemic.

"There was a fall in India's apparel exports after Covid, as consumers bought fewer newer clothes due to excess purchases made during the Covid period. There was a period of stagnation or degrowth for about two years post Covid," said Sanjay K Jain, chairman, National Textile Committee, Indian Chamber of Commerce. The industry started seeing green shoots of recovery following the regime change in Bangladesh and political turbulence.

Industry leaders said as apparel supplies are a continuous process, buyers do not prefer uncertainties in the supply chain.

Unlike their Indian counterparts, apparel manufacturers in Bangladesh have huge capacities which can cater to bulk orders within a short period.

The Indian industry expects the export momentum to sustain due to the duty differential advantage over China. "There is a big window of opportunity for Indian apparel exporters. The $120 billion US market is the biggest opportunity. All we need is to get the raw material at competitive rates," said Jain.

India has a $10 billion share of the US market, compared to China's $30 billion.

Even as apparel exports continue to gather pace, imports of raw cotton are also increasing as domestic cotton prices are trending higher than international prices. India's cotton imports in 2024-25 are estimated to be more than double that of the previous year.

According to the Cotton Association of India, the country is expected to have imported 3.3 million bales of 170 kilograms of cotton each in 2024-25, up from 1.52 million bales in the previous year.

Source: economictimes.com– June 18, 2025

HOME

****

India's textile & apparel exports rise 5% to $6.1 bn in Apr-May 2025

India's textile and apparel (T&A) exports rose by 5.36 per cent to $6.180 billion during the first two months of the current fiscal 2025–26 (FY26). Of the total, apparel exports achieved double-digit growth, increasing by 12.80 per cent to $2.882 billion, while textile exports eased by 0.39 per cent to $3.297 billion in April–May 2025. The trend continued in May 2025, with apparel and textile exports showing similar patterns.

The country's T&A exports had increased by 5.36 per cent from $5.866 billion during the first two months of the previous fiscal 2024–25. Apparel exports rose by 12.80 per cent from $2.555 billion during the corresponding period, while textile exports declined slightly by 0.39 per cent from $3.310 billion.

In May 2025, apparel exports increased by 11.35 per cent to $1.511 billion from $1.357 billion in May 2024, whereas textile exports declined by 2.71 per cent to $1.685 billion from $1.732 billion.

The share of T&A in India's total merchandise exports rose to 8 per cent during April–May 2025 and to 8.25 per cent in May 2025, according to the Ministry of Commerce and Industry.

Within the textile segment, exports of cotton yarn, fabrics, made-ups, and handloom products declined by 1.39 per cent to $1.929 billion in the first two months of FY26. Exports of man-made yarn, fabrics, and made-ups rose by 1.41 per cent to $793.27 million, while carpet exports saw a notable increase of 2.07 per cent to $246.93 million.

In the month of May, exports of cotton yarn, fabrics, made-ups, and handloom products dropped by 4.29 per cent to $966.75 million, while exports of man-made yarn, fabrics, and made-ups decreased by 1.05 per cent to $409.48 million. Carpet exports, however, grew by 1.01 per cent to $132.74 million.

Imports of raw cotton and waste surged by 131.30 per cent to $189.18 million in April–May 2025, compared to $81.79 million during the same period last fiscal. Imports of textile yarn, fabrics, and made-ups rose by 18.92 per cent, increasing from $347.97 million to $413.81 million. In May, imports of raw cotton and waste surged by 133.14 per cent, from

$43.88 million to $102.3 million. Similarly, imports of textile yarn, fabrics, and made-ups rose by 18.68 per cent to $220.69 million in the latest month.

In FY25, the country's apparel exports rose by 10.03 per cent to $15.989 billion, while textile exports grew by 3.61 per cent to $20.617 billion. Imports of raw cotton and waste surged by 103.67 per cent to $1.219 billion, and imports of textile yarn, fabrics, and made-ups increased by 8.69 per cent to $2.476 billion.

In FY24, India's T&A exports stood at $34.430 billion, marking a 3.24 per cent decline from $35.581 billion in FY23. Imports of raw cotton and waste were valued at $598.63 million in FY24, down 58.39 per cent from $1.439 billion in FY23. Imports of textile yarn, fabrics, and made-ups also fell by 12.98 per cent to $2.277 billion.

Sanjay K Jain, chairman of the ICC National Textile Committee and Indian Chamber of Commerce, commented, "India succeeded in achieving double-digit growth in garment exports during the latest reported month as well as cumulatively in the first two months of the current fiscal. Raw cotton imports also increased due to Indian prices being higher than international prices, driven by a higher minimum support price (MSP) and the prevailing import duty."

Source: fibre2fashion.com – June 16, 2025

HOME

****

CCI buys 100 lakh bales cotton at minimum support price

The Cotton Corporation of India (CCI) has purchased close to 100 lakh bales at the Minimum Support Price (MSP) from farmers in the current cotton season and has sold 35 lakh bales in the market.

Lalit Kumar Gupta, the CCI chairman and Managing Director, told The Hindu on Tuesday (June 17, 2025) that the CCI opened more than 500 centres in the cotton-growing areas since the beginning of the season in October 2024.

“The demand for cotton is not much from the textile mills, and if the current market situation persists, the CCI may purchase more cotton at MSP next season,” he said.

Official sources said the outgo for CCI this year for the MSP operations was ₹37,500 crores. With 8 % increase in the MSP for the next cotton season (October 2025-September 2026), the outgo will be higher if the CCI buys more cotton from the farmers at MSP.

Meanwhile, cotton imports saw a 133 % jump last month compared with last May and a 131 % increase in value in April-May 2025 compared with the same period last year.

Nishant Asher, secretary of the Indian Cotton Federation, said International cotton is almost 8 % cheaper than Indian cotton. With the 11% import duty, Indian spinners are getting cotton from other countries at 1%-2% lower prices. However, they are unable to compete in the international market. The import duty is a major deterrent for the competitiveness of the Indian textile industry, he said.

Source: thehindu.com – June 18, 2025

HOME

****

South Indian cotton yarn market struggles amid sluggish monsoon demand

Cotton yarn trade in south India continues to experience sluggish demand during the monsoon season. Although demand for garments made from polyester and other fibres typically improves after May, the rainy season generally leads to reduced demand for cotton garments. Cotton yarn prices have shown no significant movement in the Mumbai and Tiruppur markets. According to market experts, the rising demand for polyester and polyester-cotton (PC) yarns indicates a clear shift away from cotton, as cotton products remain significantly costlier than their polyester counterparts.

The Mumbai market saw stable cotton yarn prices amid subdued demand. Spinning mills and stockists are struggling to find potential buyers. A trader from the Mumbai market told Fibre2Fashion, "Typically, fabric production gains momentum from June to August, driven by export orders and the approaching festive season, which encourages loom owners to increase output. Cotton yarn demand also usually picks up despite the seasonal dip in cotton garment sales after summer. But this year, cotton yarn demand remains very weak, while polyester yarn is in high demand for this time of year."

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,380-1,430 (~$16.00-16.58) and ₹1,340-1,390 per 5 kg (~$15.54-16.12) (excluding GST), respectively. Other prices include 60 combed warp at ₹315-321 (~$3.65-3.72) per kg, 80 carded weft at ₹1,385-1,450 (~$16.06-16.81) per 4.5 kg, 44/46 carded warp at ₹265-272 (~$3.07-3.15) per kg, 40/41 carded warp at ₹248-255 (~$2.88-2.96) per kg and 40/41 combed warp at ₹268-272 (~$3.11-3.15) per kg, according to trade sources.

Spinning mills in Tamil Nadu are also struggling to secure buyers and are being forced to offer higher discounts to attract orders, as the entire textile value chain faces uncertainty. The Tiruppur market reported stable cotton yarn prices. Trade sources noted that local demand is increasingly shifting towards polyester yarn and other low-cost fibres. Garment export orders are also limited due to US tariff issues and other international factors that are deterring foreign buyers. The global market remains uncertain about strong garment sales in the upcoming winter season.

In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹255-263 (~$2.96-3.05) per kg (excluding GST), 34 count combed cotton yarn at ₹266-273 (~$3.08-3.17) per kg, 40 count combed cotton yarn at ₹278-291 (~$3.22-3.37) per kg, 30 count carded cotton yarn at ₹236-241 (~$2.74-2.79) per kg, 34 count carded cotton yarn at ₹241-246 (~$2.79-2.85) per kg and 40 count carded cotton yarn at ₹249-253 (~$2.89-2.93) per kg.

A similar trend was observed in Gujarat's cotton trade. Prices of the natural fibre remained range-bound amid weak demand. Current market dynamics are also discouraging spinners from purchasing cotton. According to sources, the Cotton Corporation of India (CCI) has reduced its sale price due to lower demand. Multinational companies (MNCs) are also unable to sell their stocks at higher prices. The reluctance of spinning mills is contributing to negative market sentiment.

Cotton arrivals were estimated at 5,000–6,000 bales of 170 kg in Gujarat and 18,000–20,000 bales nationwide. Benchmark Shankar-6 cotton was quoted at ₹53,700–54,000 (~$622.58–626.06) per candy of 356 kg, while southern mills were bidding at ₹54,800–55,000 (~$635.36–637.66) per candy.

Source: fibre2fashion.com– June 17, 2025

HOME

****