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Exporting Excellence 70

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Currency Watch			
USD	EUR	GBP	JPY
86.61	99.83	116.79	0.60

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INTERNATIONAL NEWS

CBI revises down UK GDP growth to 1.2% for 2025

The UK's GDP growth is forecast at 1.2 per cent for 2025, down from an earlier estimate of 1.6 per cent, and 1 per cent for 2026, revised from 1.5 per cent, according to the Confederation of British Industry (CBI).

The downgrade reflects increasing domestic cost pressures and continued global uncertainty. In its latest Economic Forecast, the CBI noted that while the year began with promising growth, momentum has slowed due to persistently weak demand, cautious business sentiment, and rising employment costs.

Employment costs, driven by increases in National Insurance contributions, reduced thresholds, and a higher National Living Wage, have hit labour-intensive sectors like retail and hospitality particularly hard. These pressures are expected to reduce hiring, raise prices, squeeze profit margins, and limit wage growth.

Business investment, already dampened by the Autumn Budget, is forecast to grow only modestly due to temporary spikes in the first quarter (Q1) 2025. CBI survey revealed that capital expenditure intentions are at their weakest in nearly five years.

International factors also pose risks. Higher US tariffs are expected to modestly reduce UK exports and investment, while overall global volatility continues to weigh on business sentiment.

On the consumer front, household spending is expected to gradually strengthen in 2026, supported by rising real incomes, lower interest rates, and easing inflation. However, inflation is set to stay above 3 per cent through 2025 due to high energy and regulated prices before softening to 2.5 per cent next year.

Labour market conditions are forecast to soften, with unemployment rising to 4.8 per cent and wage growth easing in 2026. Meanwhile, interest rates are projected to fall gradually, reaching 3.5 per cent by early 2026 as the Bank of England cautiously moves towards its 2 per cent inflation target.

Despite these adjustments, the UK's long-term growth prospects remain constrained by poor productivity. Output per worker is expected to stay below pre-pandemic trends, posing a continued drag on economic progress and living standards.

"Our latest Economic Forecast underlines the challenges facing businesses and the wider economy as they're buffeted by domestic and global headwinds. The unpredictable global outlook combined with rising employment costs, gloomy business sentiment, and subdued investment intentions means it's more important than ever that government pulls all the levers it can to set the UK on a path to sustainable growth," Louise Hellem, chief economist at CBI, said in a press release. "The spending review signalled a downpayment on hardwiring the growth mission into government priorities, with targeted investment that will raise the long-term ceiling of the economy. But we know that the innovation, investment, and jobs necessary for growth will come from business, not Whitehall, and that government must work with business to create the right conditions to help shift the economy out of low gear."

"With GDP set to remain modest in 2026, there is an important opportunity for the government to fire up the growth agenda in the forthcoming Industrial Strategy. With the cumulative burden of increased costs being felt by firms across the economy, it is vital the Industrial Strategy helps drive a thriving environment for all businesses. A missing part remains a joined-up people strategy to make sure our industries have the skills, and the labour needed to go after growth opportunities. Unlocking investment through a comprehensive skills strategy, funding the growth & skills levy, tackling high energy costs for UK firms, and setting out a national strategy on tech adoption could help to establish a reinvigorated partnership model for effective collaboration between both government and business," added Hellem.

Source: fibre2fashion.com– June 20, 2025

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Japan's clothing imports decline 2.9% to $1.7 bn in May 2025

Japan's imports of clothing and accessories fell by 2.9 per cent to 251,551 million yen (~$1.736 billion), accounting for 2.9 per cent of the country's total imports, which stood at 8,772,602 million yen, according to provisional data from Japan's Ministry of Finance.

Imports of textile yarn and fabric dropped by 8.9 per cent to 93,495 million yen, representing 1.1 per cent of total imports.

Meanwhile, Japan's exports of textile yarn and fabric rose by 2.5 per cent to 69,307 million yen during the same period. Exports of textile machinery increased by 13.3 per cent to 24,271 million yen, contributing 0.3 per cent to total exports, which stood at 8,134,992 million yen in the same month.

In fiscal 2024–25 (April–March), imports of clothing and accessories rose by 5.2 per cent to 3,764,657 million yen (~$26.440 billion), while imports of textile yarn and fabric increased by 2.7 per cent to 1,174,598 million yen.

Exports of textile yarn and fabric during the fiscal grew by 6 per cent to 850,139 million yen, whereas textile machinery exports declined by 12.6 per cent to 280,408 million yen.

In fiscal 2023–24, imports of clothing and accessories declined by 1.7 per cent to 3,564,850 million yen (~$23.107 billion), and imports of textile yarn and fabric dropped by 10.4 per cent to 1,143,805 million yen. During the same period, exports of textile yarn and fabric stood at 802,178 million yen, while textile machinery exports totalled 320,947 million yen.

In fiscal 2022–23, clothing and accessories imports reached 3,619,550 million yen (~$25.05 billion), while textile machinery exports amounted to 306,781 million yen.

Source: fibre2fashion.com– June 17, 2025

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UK manufacturers drop US as top export market amid trade woes: Survey

UK manufacturers have dropped US out of the top 3 global export growth markets for the first time, according to a major survey. It has now fallen to fourth place, with manufacturers now favouring Asia/Oceania and the Middle East in response to mounting trade barriers and economic unpredictability, as per the Make UK/BDO Q2 Manufacturing Outlook survey.

Historically a consistent second to the EU, the US' diminished appeal comes as six in ten UK firms anticipate a decline in export volumes to the country. A similar share (63 per cent) expects their business to suffer due to tariffs, while nearly a third (30 per cent) are reconsidering their supply chain sources, revealed the survey.

The findings aligned with separate data from the National Association of Manufacturers, which showed optimism among US manufacturers has plunged to its lowest level since the pandemic. A striking 77 per cent of American manufacturers identified trade uncertainty as their primary concern.

The outlook for UK manufacturing appears increasingly bleak. Make UK has slashed its 2026 manufacturing growth forecast from 1 per cent to -0.5 per cent, following an expected contraction of -0.2 per cent in 2025 and stagnation in 2024. The data points to a worrying trend of prolonged industrial decline.

Make UK has urged the government to prioritise a robust industrial strategy, warning that the UK's high industrial energy costs must be tackled to reverse the sector's downturn.

"While at first glance the headline numbers may not look too bad, manufacturers are facing a gathering storm of huge uncertainty in one of their major markets, a skills crisis and eye watering energy costs which are providing a harsh reality for many," said Seamus Nevin, chief economist at Make UK.

"In response, it is essential that the forthcoming industrial strategy takes bold measures to bring down the cost of energy and takes equally radical action to ensure companies can access the people they need to take advantage of a more competitive landscape. If these two issues are not addressed, then we will face the serious prospect of the UK accelerating into de-industrialisation," added Nevin.

"This quarter's results are a testament to the increasingly challenging landscape our British manufacturers are operating in. The forecasted decline in growth is concerning and the delayed industrial strategy won't help to assuage uncertainty in the sector," said Richard Austin, head of manufacturing at BDO.

"That said, there remains pockets of positivity. Growing output levels are proof of manufacturer's resilience and last month's trade deals should remove barriers as UK companies seek new trading partners and opportunities for growth. As always, they need urgent clarity and targeted investment from the government if this recovery is to continue into next quarter," added Austin.

The UK manufacturing output rebounded to 9 per cent in Q2 from -1 per cent in Q1, with total orders improving to -2 per cent from -6 per cent, according to the latest manufacturing outlook survey. The export orders rose to 7 per cent, offsetting weak domestic demand (-1 per cent).

Looking ahead, output is forecast to reach 11 per cent, with exports expected to climb to +22 per cent, surpassing long-term averages. However, recruitment remained flat at 1 per cent, and investment intentions continued to slide, falling to 2 per cent from 5 per cent in Q1. Make UK has warned that if this trend persists, investment could turn negative later in 2025—posing risks to much-needed industrial growth.

Source: fibre2fashion.com– June 19, 2025

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China expands zero-tariff policy, offers 100% tariff relief to LDCs

China has expanded zero-tariff treatment to cover 100 per cent of imported products from least developed countries (LDCs) maintaining diplomatic ties with Beijing. This enhanced policy, which came into effect on December 1, 2024, raises the previous product coverage from 98 per cent to full tariff-line inclusion. China has informed the World Trade Organization (WTO) of its decision.

At a recent WTO meeting in Geneva, the Chinese delegation presented the policy as part of the country's wider strategy to deepen trade relations with LDCs and African nations. As part of this approach, China also announced its intention to apply the 100 per cent zero-tariff treatment to all 53 African countries with which it maintains diplomatic relations, as reported by Chinese media outlets.

In addition to tariff relief, China pledged increased support for African LDCs through enhanced trade facilitation, technical training, and skills development programmes. These initiatives are aimed at boosting economic growth, fostering development opportunities, and strengthening the participation of African economies in global trade.

Highlighting the importance of maintaining a stable international trade environment amid current global uncertainties, China urged all WTO members to defend open and inclusive trade systems. It also called for collective action to support LDCs through preferential access and capacity-building assistance.

This initiative was supported by the WTO member states, added the media reports.

Source: fibre2fashion.com– June 19, 2025

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Brazil cotton prices ease in early June, exports & harvest lag

Cotton prices in Brazil showed marginal fluctuation in early June, with the CEPEA/ESALQ Index falling by 1.21 per cent to BRL 4.3643 (~$0.79) per pound on June 16 compared to May 30, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

Sellers aimed to clear 2023-24 stock while buyers focused on future contracts. As of June 7, only 1.4 per cent of the 2024-25 crop had been harvested, according to National Supply Company (CONAB).

Secretariat of Foreign Trade at the Ministry of Economy (SECEX) data reveals Brazil exported 2.61 million tons of cotton between August 2024 and early June 2025, down three per cent year-on-year. May shipments dropped 19.6 per cent from April and 16.2 per cent from May 2024. Early June volumes also fell 11.5 per cent compared to the same period last year, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Globally, ICAC projects cotton area for 2025-26 to reach 31.49 million hectares, with output forecast at 26.031 million tons, a slight 0.11 per cent decline. Global consumption is expected to rise by 0.56 per cent to 25.693 million tons, still 1.3 per cent below supply.

Source: fibre2fashion.com– June 18, 2025

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Rethinking Textile's Future: Innovations in sustainable fibers and circularity

The textile industry is increasingly focusing on natural fibers and circularity, with new research and initiatives pointing towards a more sustainable future for fashion. Efforts are underway to redefine existing perceptions of fiber production and implement groundbreaking technologies for environmental responsibility.

Recalibrating cotton's water footprint

New global research from the International Cotton Advisory Committee (ICAC) challenges long-standing assumptions about cotton's water usage. The study, analysing cotton production data from 271 locations in 38 countries, reveals that cotton's irrigation water use is significantly lower than commonly believed. While cotton occupies approximately 2.92 per cent of the world's arable land, it accounts for only 2.76 per cent of total global agricultural irrigation water. The average irrigation water used globally for cotton production was found to be 2,346 liters per kg of lint. Importantly, the majority of the water used in cotton cultivation, around 74 per cent, originates from rainfall, not irrigation.

This revised understanding is attributed to methodological improvements and the widespread adoption of water-efficient irrigation systems like furrow, sprinkler/pivot, and drip irrigation, which have largely replaced traditional flood irrigation methods.

Advancing organic cotton and traceability

The Organic Cotton Accelerator (OCA) has reached a milestone, with over 100,000 farmers enrolled in its Farm Programme for the 2024-25 cotton season. During the 2023-24 season, 82,264 farmers in India and Pakistan, including 35,070 in-conversion farmers, participated across 106,010 hectares, earning an average premium of 8 per cent above market price.

The program has grown its network to include 18 brands, 14 implementing partners, and 11 seed partners. By the end of the season, 92 per cent of available organic cotton produced under the program was procured at higher prices by participating brands.

A detailed life cycle assessment (LCA) of Indian cotton production, commissioned by the OCA and conducted by South Pole, provides new insights into the environmental performance of organic versus conventional cotton systems across India's major growing regions.

Organic systems performed better in almost every category, with the greatest relative improvements seen in hybrid and irrigated contexts. For instance, organic cotton under rainfed conditions showed a 35 per cent lower climate impact compared to conventional rainfed systems, while in irrigated contexts, the gap widened to 36 per cent, and in hybrid systems, it reached 62 per cent. These differences are primarily attributed to reduced fertilizer inputs and lower on-field emissions of nitrous oxide.

Click here for more details

Source: fashionatingworld.com– June 19, 2025

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Vietnam’s apparel shipment to ASEAN eases 5.5% to $170 mn in Q1

Vietnam’s apparel exports to the Association of Southeast Asian Nations (ASEAN) countries reached $170.266 million during January–March 2025. This represented a decline of 5.50 per cent compared to exports of $180.2 million in the corresponding period of the previous year.

The ASEAN member countries include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam, and Timor-Leste (East Timor).

Vietnam had exported apparel worth $202.595 million during October–December 2024. Therefore, shipments in the latest quarter declined by 15.84 per cent on a quarter-on-quarter basis, according to Fibre2Fashion's market insight tool, TexPro.

Despite this recent dip, Vietnam’s exports to the bloc had seen impressive growth in the previous years. Outbound trade stood at $370.799 million in 2020 and more than doubled to reach $762.480 million in 2024.

Trade data from TexPro revealed that exports were severely affected in 2020 due to COVID-related disruptions but rebounded to $408.522 million in 2021. Shipments then surged by 56 per cent to $640.675 million in 2022, followed by $657.203 million in 2023 and $762.480 million in 2024.

Vietnam also exported fabric worth $157.486 million in the first quarter of 2025, up 17.16 per cent from $134.188 million in the same quarter of the previous year. However, it was slightly lower than the $158.002 million exported in Q4 2024.

On an annual basis, the country exported fabric worth $606.089 million in 2024, a 12.43 per cent increase from $539.497 million in 2023. Earlier figures show fabric exports of $587.282 million in 2022, $572.244 million in 2021, $569.386 million in 2020, and $392.716 million in 2019.

Source: fibre2fashion.com– June 19, 2025

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Vietnam’s textile industry surges ahead, fueled by strong alliance: insider

Despite mounting pressure from the global market, Vietnam’s garment and textile industry is bouncing back and has demonstrated remarkable resilience, driven by strong alliance in the sector and strategic adaptability, according to Chairman of the Vietnam Textile and Apparel Association (VITAS) Vu Duc Giang.

He told the press on June 19 that the business community has maintained composure and confidence while identifying ways to remove bottlenecks amidst the US’s reciprocal tariffs.

The sector’s five-month exports rose 9% year-on-year to 17.58 billion USD, he said, projecting first-half shipment could exceed 22 billion USD, with full-year revenues potentially reaching 47-48 billion USD, thanks to a series of breakthroughs in business operation and flexible order coordination strategies among enterprises.

Giang highlighted that Vietnam's textile exports have shown robust growth not only in traditional markets like the US, where Vietnam now surpasses China in garment export value, but also in emerging regions including the Middle East and Africa, spanning more than 130 global markets.

The industry's performance has been powered by bold investments in modern production lines, enabling Vietnamese firms to produce complicated products which were exclusive to advanced economies.

He said a critical factor in this success has been the collaboration among enterprises, from order sharing and market information to domestic distribution networks, ensuring companies advance together rather than stand in isolation.

He stated that VITAS has served as a trusted partner who always listens to the industry’s concerns and proposes recommendations to the Government to address challenges.

Environmental sustainability has emerged as a cornerstone of the industry's development strategy, Giang said, announcing that the association will host multiple investors in environmentally compliant textile dyeing industrial parks in Ho Chi Minh City on June 25, demonstrating Vietnam's commitment to green transformation and its pledges made at UN Climate Change Conference in Glasgow (COP26).

Digital transformation has been the focus of the sector, with various products launched on the e-commerce marketplaces which have earned international recognition for product quality and reliability.

Amidst globalisation where markets compete not only on price but also on brand value and cultural identity, Vietnam's textile industry is steadily establishing its unique character and reputation, according to Giang. He held that press has a significant role to play in helping consumers identify quality products while avoiding counterfeit goods, thereby building trust in Vietnamese products and brands.

Source: vietnamplus.vn– June 18, 2025

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Bangladesh: US buyers delay apparel orders over pending tariff call25

Local apparel makers are seeing delays in the confirmation of work orders for the next summer season, as US retailers and brands wait for the final decision on reciprocal tariffs by the US administration, expected in early July.

Western buyers usually place orders for upcoming seasons, such as summer and autumn, between June and September.

This year, US buyers are booking production slots as usual but are taking longer to confirm orders, according to manufacturers.

They say work orders from US-based retailers and brands are still slow, as buyers are in a wait-and-see mood now.

For now, exporters are busy shipping apparel for the upcoming Christmas season. These shipments are expected to continue until the first week of October.

Like other countries, these consignments from Bangladesh will face an additional 10 percent baseline tariff imposed by the Trump administration.

In early April, US President Donald Trump announced high reciprocal tariffs on imported goods, set to take effect from April 9. But just before the date, he announced a three-month pause, pushing the deadline to July 9.

Local exporters are hoping Washington will reconsider the proposed rates for key sourcing countries such as Bangladesh.

Faruque Hassan, managing director of Giant Group, said that under the new tariff plan, Bangladeshi products would face the highest rate after China, at 26 percent, including the additional 10 percent baseline tariff.

Hassan expressed hope that the US would not impose such a high rate, pointing out that it would be the steepest ever for Bangladeshi goods in the American market.

He said the US work orders for the next season are yet to pick up, as buyers are waiting for the final decision on the tariff.

Between January and April this year, garment exports from Bangladesh to the US, the country's largest single-nation market, rose by 29.33 percent year-on-year to $2.98 billion, according to data from the Office of Textiles and Apparel (OTEXA).

The US imported $26.22 billion worth of apparel during this period.

On a fiscal year basis, garment exports to the US increased by 19.23 percent to $7.03 billion during July to May, according to the Export Promotion Bureau (EPB).

Exports have grown as US retailers and brands sourced goods globally to avoid the impact of Trump's high reciprocal tariffs.

Since the Covid-19 pandemic, the garment sector in Bangladesh has faced repeated challenges, including the Russia-Ukraine war, global inflation, conflict in Gaza, tensions between India and Pakistan, re-routing of shipments from the Suez Canal, and, recently, the Iran-Israel conflict.

Domestically, the sector has struggled with shortages of gas and electricity, labour unrest, and uncertainty during the political changeover last year.

"Despite global and local challenges, export data shows that apparel shipments to the US are still growing," said Ramzul Seraj, managing director of Elite Garments Ltd, which exports mainly to the US.

He also said the inflow of work orders from the US is still unchanged, as it continues as it was earlier.

However, Sharif Zahir, managing director of Ananta Group, which also ships a large portion of its production to the US, said order inflow may remain slow for another three months due to buyer indecision over the Trump tariffs and wider economic and political uncertainty.

He noted that some US retailers and brands have shared part of the 10 percent additional tariff, covering up to five percent themselves, although the duty is supposed to be paid by importers.

Some exporters said buyers have sought to divide the extra cost among the main partners, with fabric suppliers, manufacturers, and importers each sharing around three percent.

"Work orders from US-based retailers and brands are still slow as they are in a wait-and-see mood now," said Mahmud Hasan Khan Babu, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The BGMEA president said that there might be some uncertainty for the next season until the final decision comes about the Trump tariffs.

Source: fashionatingworld.com– June 19, 2025

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Bangladesh: New BGMEA Chief Warns of Shipping Disruption From Iran-Israel Conflict

The Iran-Israel conflict could raise costs for the readymade garment (RMG) industry in Bangladesh, according to the new head of the South Asian country's biggest apparel association.

Mahmud Hasan Khan Babu, the recently elected president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), pointed to oil prices as a catalyst for potential headwinds in his inaugural remarks at the trade group's complex in Dhaka on Monday.

"Oil price volatility resulting from the conflict will directly affect the energy and logistics expenses of our industry," Babu said. "If oil prices go up, there will be a spillover effect and the RMG sector will not be immune from the danger."

As both Israel and Iran continue to trade strikes, the new BGMEA president also shared concerns with Bangladeshi publication The Business Standard over potential disruption of global shipping routes, making parallels to the industry's experiences since the Red Sea crisis began in late 2023.

"We already faced major disruptions from the Houthi attacks, which cost us time and additional charges due to longer shipping routes to avoid danger," Babu told the publication on June 13. "Our effort to ease port congestion would worsen further if shipping lines were hampered."

Apparel carries Bangladesh's export economy, with the country exporting $36.6 billion in RMGs throughout the first 11 months of the 2024-2025 fiscal year through May, according to the Export Promotion Bureau.

That represents 81.3 percent of the $44.9 billion in Bangladesh's total exports. Worries of slower, more expensive shipping could damage the apparel industry's competition with other foreign markets, the association notes, which could ultimately hinder the country's wider economy.

During his inaugural speech in Dhaka, Babu called out other concerns facing the RMG industry, including the reciprocal tariffs placed on the country by the U.S., India's suspension of transshipment facilities for Bangladeshi exports, and other economic topics including high inflation, rising wages and elevated interest rates.

At the event, which celebrated the handoff of BGMEA leadership to a new 35-member board of directors, Babu pledged to advocate for the establishment of a dedicated government ministry for the RMG sector. Garments typically fall under the purview of the country's commerce ministry, but Babu has argued that the industry has gotten too big to not have its own representation in government.

While Bangladesh's apparel industry is apprehensive of the current geopolitical environment, it is also dealing with a slowdown of cargo in and out of the country's largest seaport.

Chattogram Port, also known as Chittagong Port, is seeing significant congestion in the wake of the Eid al-Adha holiday, which lasted from June 5-9. In the seven days prior to June 13, the average waiting time for a vessel at the port was 5.6 days, according to Kuehne+Nagel's weekly port operational update.

Normal waiting times at the port are typically estimated at one to two days. A report from supply chain publication The Loadstar said roughly 100 vessels are awaiting to dock at the port.

The congestion comes as the port continues to handle containers in droves, both from the ships at berth and from 19 private inland container depots established outside of the hub.

In a 24-hour span starting the morning of June 8, only 437 20-foot equivalent units (TEUs) of import containers were delivered and transferred, according to Bangladeshi publication The Daily Star. On an average day, the port will see about 4,500 TEUs moved.

On June 9 and June 10, workers at the port transported 1,381 TEUs and 1,787 TEUs, respectively.

The congestion caps off a year where the port still moved more cargo than ever.

According to the Chattogram Port Authority, the port handled a record 3,171,779 20-foot equivalent units (TEUs) in the 2024-25 fiscal year as of June 15. The number is a 4.6 percent increase from the previous fiscal year, when not accounting for the final 15 days of June.

The record number came even as Bangladesh experienced nationwide student protests that resulted in a government overhaul, on top of additional factors that led to major delays at Chattogram like flooding and a software glitch within its customs clearance systems.

The authority recently proposed a 70 percent to 100 percent tariff hike for cargo handling at the port to Bangladesh's shipping ministry. According to the group, the added rates would cover the rising costs of nearly 50 services, including port dues, berthing fees, forklift charges, and utility costs.

Port officials argue that Chattogram's fees remain far below regional peers, as unloading one TEU costs $100 in Colombo, $75 in Singapore, and just $43.40 at Chattogram, according to The Business Standard.

Some parties have sought to give some pushback on the tariff, with former BGMEA director Belayet Hossain telling the publication that a more phased increase was necessary.

"A 10 percent to 20 percent rise is manageable," Hossain said. "Anything more will hurt at both ends—raw material imports and finished goods exports."

Nurul Qayyum Khan, president of the Bangladesh Inland Container Depot Association, agreed that a 15 percent hike would be more reasonable, noting that businesses already have to deal with currency depreciation, freight costs and rising port storage rents.

Source: sourcingjournal.com– June 19, 2025

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NATIONAL NEWS

Union Minister of Commerce & Industry, Shri Piyush Goyal Showcases India's Strategic Economic Vision at India Global Forum 2025 in London

Union Minister of Commerce & Industry, Shri Piyush Goyal showcased India's strategic global outlook and economic leadership at the India Global Forum (IGF) 2025 in London today. His visit marks a significant moment following the historic signing of the India–UK Free Trade Agreement (FTA) in May 2025.

Delivering the keynote address at the IGF Mainstage Plenary Session titled "From Agreement to Action: The UK–India FTA," the Union Minister reaffirmed India's commitment to transitioning the FTA from a negotiated text into a transformative economic partnership. He was joined in conversation by the UK Secretary of State for Business and Trade, Mr. Jonathan Reynolds, with moderation by international journalist Mr. Mark Barton.

Union Minister Shri Goyal described the FTA as a reflection of shared ambition between two vibrant democracies. He stated that the agreement not only enhances bilateral trade, but also demonstrates India's ability to negotiate balanced and future-oriented trade frameworks aligned with its national interests.

Outlining the next phase of implementation, Shri Goyal highlighted key priorities such as strengthening institutional mechanisms for joint governance, unlocking early benefits for SMEs and startups, and facilitating smooth mobility of skilled professionals across sectors.

On June 19th, the Union Minister participated in a special session on "UK–India Science, Technology and Innovation Collaboration" at the Science Museum in London. The session explored opportunities for UK stakeholders to contribute to India's expanding investments in digital public infrastructure, sustainable manufacturing, and green technologies. Discussions also covered efforts to make India a global manufacturing hub through Make in India, PLI schemes, and enhancing collaboration in sectors such as fintech, artificial intelligence, and creative industries.

The Free Trade Agreement's role in deepening cooperation in critical technologies, defence production, and advanced manufacturing was also highlighted. The session further examined how innovations like UPI and CoWIN can be scaled globally through bilateral collaboration.

The Minister's participation underscores India's continued commitment to strengthening its comprehensive strategic partnership with the United Kingdom. By leveraging the India–UK FTA, both nations aim to unlock new avenues in goods, services, technology, and innovation for shared prosperity.

Source: pib.gov.in– June 19, 2025

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Govt seeks industry inputs on problems in India-ASEAN FTA utilisation

In a bid to increase Indian exporters' utilisation of the India-ASEAN free trade agreement, which is way below 50 per cent, the government is collecting inputs from the industry to understand the possible reasons behind the underutilisation or non-utilisation to rectify the problems.

"The Commerce Department wants to evaluate the operational challenges, procedural bottlenecks, or market-related barriers that may be preventing optimal use of the AITIGA framework," a source tracking the matter told businessline.

Formally known as the ASEAN-India trade in goods agreement (AITIGA), the free trade pact implemented in 2010 has resulted in a steady widening of trade deficit between India and the ten-member bloc. The members include Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar and Cambodia.

India's exports to the ASEAN bloc declined 5.7 per cent to $38.96 billion in FY25 while imports increased 5.6 per cent to $84.16 billion, increasing the trade deficit to $45.2 billion from about $8 billion in 2010.

Moreover, more than half the exports taking place from India to the ASEAN countries are happening outside the free trade framework with exporters paying regular import duties (MFN rates) and not the preferential or zero-duties agreed under the pact.
India-ASEAN AITIGA

"The review of the India-ASEAN AITIGA is on, and the problems related to the ASEAN bloc identified by the Commerce Department could be taken up at the discussions," the source said.

As certificate of origin (COO) testifying that a particular product originates from the partner country is crucial to getting benefits under the FTA, the Commerce Department asked exporters a series of questions around it.

Exporters were asked to state whether they are aware of the procedure for applying for COO and whether they faced problems in interpreting the rules of origin for their product category. They were also encouraged to share difficulties in tracing the origin of raw materials or intermediate inputs and mention the challenges and delays in obtaining COOs.

Details were sought on possible experiences of conflicting interpretations of rules between Indian and ASEAN authorities.

Other questions were related to costs involved, including documentation and agency fees, possible difficulties in customs clearance process and inconsistent guidance from logistics providers, agents, or consultants.

Source: thehindubusinessline.com– June 19, 2025

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Govt to meet stakeholders to assess impact of Iran-Israel conflict on trade

The commerce ministry on Friday will meet stakeholders, including shipping lines, exporters, container firms, and other departments, to assess the impact of the Iran-Israel conflict on India's overseas trade and address related issues, an official said.

The industry official said that the meeting will be chaired by Commerce Secretary Sunil Barthwal.

"The meeting is today. We will raise issues related to freight rates," the official said.

Barthwal has earlier stated that India is keeping a close watch on the situation.

Exporters have stated that the war, if escalated further, would impact world trade and push both air and sea freight rates.

They have expressed apprehensions that the conflict may impact the movement of merchant ships from the Strait of Hormuz and the Red Sea.

Nearly two-thirds of India's crude oil and half of its LNG imports pass through the Strait of Hormuz, which Iran has now threatened to close.

This narrow waterway, only 21 miles wide at its narrowest point, handles nearly a fifth of global oil trade and is indispensable to India, which depends on imports for over 80 per cent of its energy needs.

According to think tank GTRI, any closure or military disruption in the Strait of Hormuz would sharply increase oil prices, shipping costs, and insurance premiums, triggering inflation, pressuring the rupee, and complicating India's fiscal management.

Meanwhile, Israel's June 14-15 strike on Houthi military leadership in Yemen has also heightened tensions in the Red Sea region, where Houthi forces have already attacked commercial shipping.

For India, this poses another serious risk. Nearly 30 per cent of India's west-bound exports to Europe, North Africa, and the US East Coast travel through the Bab el-Mandeb Strait, now vulnerable to further disruption, the GTRI has said.

The present conflict that began with an attack on Israel on October 7, 2023, had brought cargo movement through Red Sea routes to a halt due to attacks by Houthi rebels on commercial shipping. After the US intervened with attacks on the rebels, the firing on commercial ships stopped.

Last year, the situation around the Bab-el-Mandeb Strait, a crucial shipping route connecting the Red Sea and the Mediterranean Sea to the Indian Ocean, escalated due to attacks by Yemen-based Houthi militants.

Around 80 per cent of India's merchandise trade with Europe passes through the Red Sea, and substantial trade with the US also takes this route. Both these geographies account for 34 per cent of the country's total exports. The Red Sea Strait is vital for 30 per cent of global container traffic and 12 per cent of world trade.

India's exports to Israel have fallen sharply to USD 2.1 billion in 2024-25 from USD 4.5 billion in 2023-24. Imports from Israel came down to USD 1.6 billion in the last fiscal from USD 2.0 billion in 2023-24.

Similarly, exports to Iran, amounting to USD 1.4 billion, which were at the same level in 2024-25 as well as in 2023-24, could also suffer. India's imports from Iran were at USD 441 million in FY25 as against USD 625 million in the previous year. The conflict adds to the pressure that the world trade was under after the US President Donald Trump announced high tariffs.

Based on the tariff war impact, the World Trade Organisation (WTO) has already said that global trade will contract 0.2 per cent in 2025 as against the earlier projection of 2.7 per cent expansion. India's overall exports had grown 6 per cent on year to USD 825 billion in 2024-25.

Source: business-standard.com– June 20, 2025

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India's trade with GCC in focus amid Iran-Israel ongoing conflict

Amid the ongoing Iran-Israel conflict, traders are worried that conflict will result in disruption and escalate freight costs. Trade with West Asian nations is crucial for India, considering that nearly two-thirds of its import of crude oil and half its inbound shipment of liquefied natural gas pass through the Strait of Hormuz, which Iran has now threatened to close. India's trade with West Asia is crucial, considering that apart from Russia, it imports crude oil from Iraq, United Arab Emirates (UAE) and Saudi Arabia. Among the West Asian nations, the majority of India's trade is with the Gulf Cooperation Council (GCC), comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. However, among the others, the value of trade is limited.

The trade game

India's trade with some West Asian nations in FY25 ($ bn)

Countries	Exports	Change %	Imports	Change %	Trade balance
Iran	1.24	1.5	0.44	-29.3	0.8
Iraq	3.27	-2.4	28.89	-3.6	-25.62
Israel	2.14	-52.6	1.61	-19.6	0.53
Yemen	0.85	-2.3	0.15	-18.8	0.7
GCC*	56.87	0.9	121.69	15.3	-64.82

*Gulf Cooperation Council countries: UAE, Saudi Arabia, Oman, Bahrain, Kuwait and Qatar, Source: Department of Commerce

Source: business-standard.com– June 19, 2025

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India seeks tighter container safety, cargo disclosure norms in IMO meet

After multiple incidents of vessel sinking and fires off Indian coasts, India has asked the United Nations' International Maritime Organization (IMO) to tighten container safety and cargo disclosure norms on a "war footing".

The development comes at the heels of IMO's ongoing session of the Maritime Safety Committee, where India brought up the recent sinking of the Liberian-flagged vessel MSC ELSA 3 and a fire aboard the MV Wan Hai 503, which, according to officials aware of the matter, has still not been completely extinguished.

"These incidents highlight urgent safety concerns regarding cargo carriage on container ships. India urges a global review of packaging, stowage, and monitoring protocols of containerised cargoes, especially lithium-ion (Li-ion) batteries and plastic nurdles. The four incidents in quick succession within three weeks demand immediate action from stakeholders to protect seafarers' lives and the livelihoods of Indian fishermen and coastal communities," the Indian delegation said at the maritime watchdog's safety meeting. India's stand at the meeting is that reliance solely on shipper declarations is not adequate — a call made repeatedly in the past by sector watchers around the globe. Shipowners/managers, especially container shipping lines, must adopt technology and take responsibility to prevent such incidents in a transparent manner.

"What is in a box can't be a mystery anymore. India calls on the IMO to develop stronger regulatory mechanisms for the safety of container ships, cargo management, and crew protection on a war footing," the Indian delegation said.

According to reports, MV Wan Hai 503 was carrying flammable solids (IMO Class 4.1) in 20 containers — including extremely flammable nitrocellulose with alcohol in two containers, naphthalene (crude or refined) in 12 containers, and flammable liquids in multiple containers. The vessel is also carrying over 4,900 kilograms of a spontaneously combustible (IMO Class 4.2) organometallic substance, which can combust when in contact with air and reacts with water. On May 25, MSC ELSA 3 sank 30 nautical miles southwest of Kochi. It carried 13 containers with International Maritime Dangerous Goods cargoes.

Local reports, however, show a continued flow of plastic nurdles on the coast of Kerala, which are being cleaned up by local authorities. The Singapore-flagged Wan Hai 503 suffered an underdeck explosion and fire.

The vessel carried 147 dangerous containers. Firefighting and towing operations, coordinated by the Directorate General of Shipping, are ongoing to prevent ecological harm.

Both these incidents have caused major environmental damage to coastal fishing communities in Kerala — 65 containers have fallen overboard, many yet to be traced.

Two more incidents involving vessels with flammable substances have also taken place in recent weeks off the coasts of Mumbai and Kerala.

Safety investigations are ongoing, and India will share the findings of these probes at the next meeting of the Maritime Safety Committee.

While the next committee meeting is scheduled for May 2026, a meeting of the Marine Environment Protection Committee is scheduled for October.

"Though these incidents involved foreign vessels and crew from other nationalities, we activated rapid search and rescue and emergency response," India said.

Source: business-standard.com– June 19, 2025

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Cotton body wants farmers to get remunerative prices without hurting industry's competitiveness

As the rising minimum support price (MSP) every year poses a challenge to the cotton value chain, the trade has stressed the need to figure out an equitable solution which would help farmers get a remunerative price without hurting the competitiveness of the industry.

The Cotton Association of India (CAI), the apex trade body for the fibrecrop, is of the view schemes like Bhavantar (price deficiency payment scheme), should be considered for the cotton sector. In the price deficiency payment scheme, the difference between the MSP and the market price is paid directly to the farmer, when the market price is lower than MSP.

CAI's views assumes significance as cotton prices have largely been bearish and ruled below the MSP during the current 2024-25 season, forcing the state-run Cotton Corporation of India (CCI) to purchase over 100 lakh bales at MSP.

Bearish market

At the recent CAI meeting, stakeholders representing the entire cotton trade and textile industry emphasised that increasing the Minimum Support Price (MSP) for cotton every year is causing problems. For the kharif 2025 season, cotton MSP has been increased to ₹7,710 per quintal for medium staple cotton, up from ₹7,121 last year. For long staple, the MSP has been increased to ₹8,110 from ₹7,521 . Market prices have been bearish, impacted by weak demand and weak trend in global prices.

"Higher MSPs not only distort market dynamism and hinder the natural price discovery process but also increase production cost for textile mills, leading to potentially higher prices for consumers and also adversely impact the competitiveness of Indian cotton production in the global market.

As this poses threat to the survival of entire value chain, stakeholders exhorted the need for finding an equitable solution for the continue providing remunerative prices to the farmers but without compromising the competitiveness of the trade and industry," CAI president Atul S Ganatra said in a statement.

"Several suggestions, including the need to introduce a Bhavantar-like scheme and also for making a few changes in the CCI's sales policy, were given at the meeting," Ganatra said.

Need for change

Suresh Kotak, Chairman of Textile Advisory Group and the Chairman of Kotak Group of Companies, who also attended the meeting acknowledged the need for making suitable changes in the MSP structure and also the CCI sales policy, CAI said. Kotak noted the suggestions and stated that he would take up the same suitably with the Government, the CAI statement said.

CAI stakeholders, based on the feed back from all the State associations, estimated the ongoing 2024-25 season at 301.15 lakh bales of 170 kgs each. Imports for the year are estimated to more than double to 39 lakh bales (15.20 lakh bales during 2023-24). Domestic demand during 2024-25 season is estimated at 305 lakh bales (313 lakh bales) and exports seen lower at 17 lakh bales (28.36 lakh bales).

CAI estimates the closing stocks for the current season 2024-25 higher at 48.34 lakh bales (30.19 lakh bales).

Source: thehindubusinessline.com– June 20, 2025

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Advantage India! As West moves away from China & Bangladesh, India's apparel exports see big growth; $120 billion US market biggest opportunity

India is fast emerging as an alternate destination for reliable apparel sourcing for buyers in the West, as they move away from Bangladesh and China. India's garment exports maintained robust growth, showing an 11.3% year-on-year increase in May, according to data from the Confederation of Indian Textile Industry (CITI). This export growth provides relief to India's apparel sector, which experienced two consecutive years of difficulties following the pandemic. In the US market, India's share stands at $10 billion, whilst China maintains a $30 billion share.

Buyers from developed countries are encouraging Indian manufacturers to increase production capacity and obtain necessary certifications. This push comes as India stands to benefit from duty advantages over China, resulting from reciprocal tariffs implemented during the Donald Trump administration.

Advantage India

The sector witnessed significant growth following political instability after Sheikh Hasina's government was removed in Bangladesh last August, according to an ET report. Export figures rose by 17.3% in September, followed by a 24.35% increase in October.

"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 apparel sector began showing signs of improvement after the political changes and unrest in Bangladesh. Industry experts noted that due to the continuous nature of apparel production, buyers seek stability in their supply chains.

Bangladesh's apparel sector has substantial manufacturing capabilities, enabling them to fulfil large orders quickly, which differs from Indian manufacturers.

The export growth is expected to continue for Indian manufacturers due to duty advantages compared to 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.

Whilst apparel exports continue to rise, raw cotton imports are increasing as domestic prices exceed international rates. The projected cotton imports for India in 2024-25 are set to more than double compared to the previous year. The Cotton Association of India reports that the nation's cotton imports are expected to reach 3.3 million bales of 170 kilograms each in 2024-25, an increase from 1.52 million bales in the previous year.

Source: timesofindia.com– June 18, 2025

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North Indian cotton yarn faces demand slump amid polyester pressure

North India's cotton yarn trade remained under pressure, with prices largely range-bound in the Delhi and Ludhiana markets. Prices had already declined in Ludhiana earlier this week. According to trade sources, spinning mills are struggling to maintain cotton yarn prices amid weak buyer interest. The influx of imported polyester fabric has further dampened sentiment, as buyers are increasingly opting for cheaper polyester alternatives from China and other countries.

In Ludhiana, demand for cotton yarn remained sluggish. Uncertainty surrounding garment export orders and a shift in domestic demand towards imported polyester fabrics discouraged buyers. Despite the weak demand, cotton yarn prices held steady. A Ludhiana-based trader told Fibre2Fashion, "Current geopolitical factors are a concern for garment export orders. Slower exports will reduce domestic consumption of cotton yarn and fabric. Meanwhile, imported polyester fabric is gaining traction. Fabrics like Tencel and other varieties are not only cheaper but also offer attractive colours and a cotton-like feel, making them appealing to buyers."

In Ludhiana, 30 count cotton combed yarn was sold at ₹256-266 (~$2.95-3.07) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹246-256 (~$2.84-2.95) per kg and ₹251-261 (~$2.89-3.01) per kg, respectively; and carded yarn of 30 count was noted at ₹236-241 (~$2.72-2.78) per kg today, according to trade sources.

Cotton yarn trade in Delhi was similarly limited, with prices hovering around previous levels. Trade sources indicated that both spinning mills and stockists are facing difficulty in finding buyers. Domestic demand in the value chain is weakening as consumers opt for polyester and other lower-cost garments. The ongoing Iran-Israel conflict has also affected market sentiment, raising concerns about possible disruptions in shipment movement.

In Delhi, 30 count combed knitting yarn was traded at ₹260-261 (~$3.00-3.01) per kg (GST extra), 40 count combed at ₹285-286 (~$3.29-3.30) per kg, 30 count carded at ₹234-236 (~$2.70-2.72) per kg, and 40 count carded at ₹259-261 (~$2.99-3.01) per kg today.

The recycled yarn market in Panipat also saw poor demand from the downstream industry. Export demand ahead of the winter season remains sluggish. The domestic textile sector is wary due to ongoing geopolitical tensions in the Middle East. Prices of recycled yarn, cotton comber, and recycled polyester staple fibre remained steady.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹75-78 (~$0.86-0.90) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹52-55 (~$0.60-0.63) per kg, 20s recycled PC yarn (Grey) at ₹101-103 (~$1.16-1.19) per kg and 30s recycled PC yarn (Grey) at ₹130-135 (~$1.50-1.56) per kg. Cotton comber prices were noted at ₹98-101 (~$1.13-1.16) per kg and recycled polyester fibre (PET bottle fibre) at ₹74-79 (~$0.85-0.91) per kg today.

Cotton prices in north India edged up slightly due to reduced supply and tightening availability. Prices rose by ₹10 per maund (37.2 kg), with seed cotton arrivals expected to decline over the next 8–10 days. Traders noted that, despite weak demand, prices firmed as ginners and stockists aim to recover holding costs during the upcoming lean supply season. The domestic market remained unaffected by weaker ICE cotton trends.

Cotton arrivals in north India totalled 550 bales (170 kg each), including 400 bales in Haryana and 150 in upper Rajasthan. No new arrivals were reported in lower Rajasthan and Punjab. Cotton prices ranged from ₹5,720–5,730 (~$65.94–66.06) per maund in Punjab; ₹5,550–5,600 (~$63.98–64.56) in Haryana; and ₹5,690–5,790 (~$65.59–66.75) in upper Rajasthan. In lower Rajasthan, prices stood at ₹53,300–54,800 (~$614.44–631.74) per candy of 356 kg.

Source: fibre2fashion.com – June 19, 2025

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Welspun Living, NSDC partner to launch large-scale skilling programme for textile sector

Home textiles manufacturer Welspun Living Ltd on Thursday said it has inked an agreement with the National Skill Development Corporation (NSDC) to launch a large-scale skilling and employment initiative focused on operator-level roles in the textile sector.

Under this initiative, Welspun Living will train and certify 1,000 candidates in its pilot phase, with at least 50 per cent women participation, particularly from underrepresented regions such as the North-Eastern states and Uttarakhand, the company said in a statement.

The total investment for the program amounts to Rs 4.25 crore.

Source: ptinews.com– June 19, 2025

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