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USD	EUR	GBP	JPY
86.83	99.95	116.60	0.59

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INTERNATIONAL NEWS

Maersk Halts Haifa Port Calls, Citing Israel-Iran Safety Risks

Maersk is temporarily pausing vessel calls and suspending cargo acceptance at Israel's Port of Haifa as the country's conflict with Iran drags out.

The ocean carrier made the decision late Thursday after analyzing threat risk reports, "particularly the potential risks of calling specific Israeli ports and their implications for the safety of our crews."

Haifa, the third-largest city in Israel by population and host of the Israeli Defense Force's naval base, is one of the areas that has been hit with missile strikes from Iran as the Middle Eastern countries trade blows. The conflict began after talks for a nuclear peace agreement between the U.S. and Iran broke down, leading Israel to attack the latter's nuclear facilities and military targets on June 13.

The container shipping giant will still call the Port of Ashdod as it arranges alternative transportation options for customers.

"We are in close contact with customers who may be impacted by this decision and are working to provide alternative transport solutions to minimize disruption," said Maersk in a Thursday update. "We will continue to closely monitor the situation and stand ready to reassess this decision as soon as it is safe and feasible to do so. Further updates will be shared as new information becomes available."

The decision follows an earlier call to suspend air operations in Israel after the government shut down Tel Aviv's Ben Gurion Airport. The airport has been shuttered for scheduled flights for over six days as airspace remains closed throughout Israel, Iran and neighboring Iraq.

The Port of Haifa has not taken any damage from the missile attacks, but a nearby oil refinery was forced to shut down after a power station was damaged.

"The Port at Haifa is Israel's busiest and most important link enabling international trade and exports as well as receiving and processing import containers supplying goods to the local population," said David Gonzalez, an analyst and logistics research vice president in a note to clients published Thursday night.

"Any degree of constraint to the accessibility of these and other ports in the region will add significant pressure to the remaining infrastructure as companies scramble to secure capacity and services to other entry and exit points across the region."

Other container shipping companies thus far are still serving the port, including Israel-based ZIM and Mediterranean Shipping Company (MSC). But Maersk's decision is one that could possibly sway firms to reconsider.

"Conflict in the Middle East has seen elevated risk and associated operational costs for ocean container shipping trades transiting the Arabian Gulf, such as security measures, higher bunker fuel prices and burning more fuel due to faster sailing through high-risk areas," said Peter Sand, chief analyst at Xeneta, who noted the lack of decisive moves by carriers in announcing service changes. "There is clearly a serious risk of further escalation in this conflict and the potential for disruption to supply chains and spike in freight rates."

According to Sand, the conflict has already contributed to a one-month 55 percent increase in average ocean freight spot rates on the trade from Shanghai to Jebel Ali—the Arabian Gulf's largest port. Average spot rates now stand at $2,761 per 40-foot container, well ahead of the $1,783 calculated as of May 20.

Maersk has been no stranger to avoiding potential trouble areas in the Middle East, with the company rerouting vessels away from the Red Sea since late 2023, when the Houthis began attacking commercial vessels with missiles and drones.

Although the Houthis have not attacked container shipping throughout 2025, the carrier and most of its competitors have stood firm that they will not traverse the waterway until safety is guaranteed.

According to a threat circular from Ambrey, Israel-affiliated vessels passing through the Red Sea remain at high risk. Additionally, U.S., U.K., and allied-affiliated vessels may face heightened risk if their nations participate in military action against the Houthis or Iran, the security firm says.

Maersk's role in transporting Israeli cargo has ruffled some feathers among pro-Palestine activists protesting the ongoing Israel-Hamas war in Gaza.

The company has come under scrutiny for its transfer of military equipment like combat vehicles and fighter jet parts.

Maersk contends that while it carries military equipment to Israel, it does not transport weapons or ammunition to the area, or any other conflict zones.

Various protests have broken out related to Maersk's positioning, with the most high-profile occurring in Copenhagen, where climate activist Greta Thunberg served as part of the demonstration.

Thunberg and a group of other activists were later detained on a Gaza-bound flotilla by Israeli officials after attempting to bring humanitarian aid to the region. The detainees were brought to Israel before they returned to their home countries.

Source: fibre2fashion.com– June 20, 2025

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Global FDI falls 11% in 2024 amid mounting uncertainty: UNCTAD

Global foreign direct investment (FDI) fell by 11 per cent in 2024 to $1.49 trillion, marking the second consecutive year of decline and confirming a deepening slowdown in productive capital flows, according to the UN Trade and Development (UNCTAD).

Although headline FDI appeared to rise by 4 per cent to $1.5 trillion, the increase was largely due to volatile financial conduit flows through several European economies, which often serve as transfer points for investments, as per the World Investment Report 2025 released by UNCTAD.

Investment dropped sharply across developed economies, particularly in Europe. Developing countries appeared broadly stable, with a marginal 0.2 per cent rise. However, this concealed a deeper crisis, as capital is stagnating or bypassing sectors that matter most—such as infrastructure, energy, and technology.

"Too many economies are being left behind not for a lack of potential—but because the system still sends capital where it's easiest, not where it's needed," said Rebeca Grynspan, UN Trade and Development secretary-general. "But we can change that.

If we align public and private investment with development goals and build trust into the system, domestic and international markets will bring scale, stability and predictability. And today's volatility can become tomorrow's opportunity."

Regionally, Africa surged 75 per cent due to a major Egyptian project. Asia retained its top position despite a 3 per cent dip, and Latin America declined by 12 per cent. Among vulnerable groups, FDI rose in least developed countries (9 per cent) and small island states (11 per cent) but fell 10 per cent in landlocked nations.

Investment in development-critical sectors showed worrying signs. International project finance dropped 26 per cent, with renewable energy (-31 per cent), transport (-32 per cent), and water/sanitation (-30 per cent) most affected.

Despite a 14 per cent rise in digital economy FDI—driven by Information and Communication Technology (ICT) and semiconductors—80 per cent of new digital projects were concentrated in just 10 countries, leaving many developing nations behind due to gaps in infrastructure, policy, and skills, added the release.

UNCTAD stressed that bridging the estimated $4 trillion annual financing gap for sustainable development in developing economies requires coordinated reforms and long-term, inclusive capital. It proposed a seven-point agenda focusing on better governance, digital infrastructure, innovation ecosystems, skill-building, and global digital investment standards.

Source: fibre2fashion.com– June 23, 2025

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Textile recycling could cut CO_2 by 440,000 tonnes a year: Research

Reaching a modest 10 per cent textile-to-textile recycling rate by 2035 could cut CO_2 emissions by 440,000 tonnes annually and reduce water scarcity impacts by over 3 per cent—or 8.8 billion m^3 world equivalent, according to findings from the IVL Swedish Environmental Research Institute.

Despite rising concerns over fast fashion's sustainability, global textile-to-textile recycling remains critically low—at only around 1 per cent. However, advanced recycling technologies could lift that rate to 26 per cent by 2030.

The research, which examined five key recycling processes and used Monte Carlo modelling, showed a 92 per cent probability of reducing climate impacts and a nearly 100 per cent chance of bringing water scarcity improvements. The average reduction in climate impact of the new approach, compared to 'business as usual', was 0.5 per cent.

With the EU aiming to make all textiles placed on the market durable, repairable, and recyclable by 2030 under its Sustainable and Circular Textiles Strategy, the study underscores the need for policy support to scale fibre-to-fibre recycling. This includes improvements in textile collection and sorting, quality of recycled fibres, and mechanisms such as taxes on virgin materials to shift industry norms.

Researchers emphasise that while recycling must increase, the processes themselves also require enhanced efficiency to ensure that recycled fibres can effectively replace virgin counterparts. The findings add weight to calls for coordinated EU action under frameworks like the Energy Efficiency Directive and Circular Economy Action Plan.

Source: fibre2fashion.com– June 23, 2025

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More trouble for global trade due to Strait of Hormuz disruption

Nearly two years after shipping was disrupted in the Red Sea due to attacks by Houthi rebels , the Strait of Hormuz, a narrow waterway at the mouth of the Persian Gulf, is now in the centre of global supply chain disruption with shipping affected due to the Israel-Iran war.

This is bad news for India, as it is heavily dependent on this Strait for import of oil and fertilisers from the region. More importantly, a number of Indian seafarers currently on board oil tankers owned by global companies are stranded in the Strait, shipping industry sources said.

The Strait of Hormuz handles around 26 per cent of the world's oil trade. There is a spillover effect on shipping in the narrow waterway critical for all the six oil-rich nations (Gulf Cooperation Council) Saudi Arabia, UAE, Kuwait, Qatar, Oman and Bahrain.

The ports of Jebel Ali, Fujairah, Sohar and Ras Laffan are located in this waterway that handles more than 17 million barrels per day, according to data available in the public domain.

"Oil prices will spike. There will be a surge in freight rates, insurance cost will increase, ports of Oman will see a surge in volume, charter hire will be at elevated levels," said an official of a large shipping line, noting that there will also be security risk.

Currently, there are close to 50 large oil tankers scrambling to leave the Strait of Hormuz. Looks like the oil industry is expecting the Strait to be blockaded in the coming days, Spencer Hakimian, Founder of the US-basd Tolou Capital Management, said in a social media post on Sunday.

West Asia is also a major exporter of fertilizers and its feedstocks (16.3 per cent of the global seaborne total). Major recipients include India, Brazil, and China.

Also, the region provides substantial volumes of limestone to India and Bangladesh, as well as cement and clinker to Africa, according to Kpler, a data and analytics platform, providing intelligence tools for trade.

On the impact for Indian seafarers, J Krishnan of S Natesa Iyer Logistics LLP, a leading freight forwarder, said that the disruption in the Strait will have issues like physical safety of crew, assets safety and possible environmental impact of oil spill if any of the vessels takes a hit. The disruption could lead to soaring oil prices that will impact every citizen, he noted. Vessels cannot be abandoned by crew and they need to be navigated to safe havens as early as possible. This is the immediate concern, he added.

"So far there's been no disruption, and hopefully that would not happen. Insurance rates have risen marginally, however tanker rates have firmed up, the situation remains fluid though," said CV Subba Rao, Managing Director, Sanmar Shipping Ltd.

Another industry source said oil tankers have been asked to cross the Strait of Hormuz during the daytime only.

An industry official said there will not be impact on fertiliser movement from West Asia as most of the shipments will continue to use Suez Canal route as usual. But, whatever marginal import coming from Iran, due to sanctions, will be completely stopped. The delay due to fertiliser shipments coming via Good of Hope will continue to remain.

Sources in cooperative major IFFCO, which has a joint venture urea production facility in Oman, said that Urea from the OMIFCO plant is shipped from Sur Port on the coast of Oman down south of Muscat and it does not come from Strait of Hormuz. Only if ships carrying fertilisers coming from up North of Sur may be impacted from the closure.

Another industry source said that it depends on the ship carrying the fertiliser whether it wants to sail through Strait of Hormuz. He said a vessel getting loaded on Sunday may start off Oman coast in a day or two which will be clear soon depending on the situation.

Source: thehindubusinessline.com– June 22, 2025

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How 'Made in USA' will unravel without immigrants

Before sunrise on June 6, US Immigration and Customs Enforcement (ICE) agents stormed into Ambiance Apparel in downtown Los Angeles (LA), detaining over 40 immigrant workers. The raid—part of a coordinated strike on four local manufacturers—ignited street protests following an unsustainable period of tension.

Even as Washington pushes tariffs and 'Made in USA' campaigns to revive domestic manufacturing, its aggressive immigration enforcement is currently gutting the workforce that keeps many factories running.

For decades, immigrant labour—documented and undocumented—has been the invisible thread holding American apparel together. Now, as ICE raids empty workshops and tariffs strangle supply chains, the industry faces a reckoning. The question is not whether the US wants to manufacture clothes domestically—it is whether it is willing to keep the workers who make it possible.

LA's cut-and-sew hub

LA's Fashion District is the beating heart of US apparel manufacturing stretching across 100 blocks and 4,000 businesses, and it is immigrants who primarily work at the cutting tables, sewing machines and pressing stations.

"Garment factories in the US have always run on immigrant labour," Susan Scafidi of the Fashion Law Institute told Vogue, pointing to waves of European, Latin American and Asian workers who built the trade.

When ICE stormed Ambiance Apparel early this month, it did not just arrest workers—it shattered an ecosystem, according to the LA Times.

Within days, the district's bustling streets turned ghostly. Wholesale shops sat empty and factories halted mid-production. Sales fell by 50 per cent as panic spread. Some owners, fearing more raids, pre-emptively shut down, idling both legal and undocumented workers.

Policy at odds
Since returning to office, President Trump has escalated workplace raids nationwide, targeting everything from warehouses to garment factories.

This crackdown coincides with his administration's aggressive push to revive US manufacturing through tariffs. While one policy aims to 'liberate' American industry from foreign competition, the other is systematically dismantling its workforce.

Nearly one-third of America's 300,000 garment workers are immigrants—about 30,000 undocumented.

"These aren't jobs Americans are lining up for," says Scafidi.

Export implications

The happening in Los Angeles also carries implications beyond California, because the US still maintains a significant textile and apparel manufacturing base in other regions—from garment factories in New York and Texas to textile mills in the Carolinas and Georgia. These businesses not only serve domestic consumers but also feed a robust export market for US-made fabric and fashion.

According to the Office of Textiles and Apparel (OTEXA) under the US Department of Commerce, the country's exports of textiles and apparel consistently total roughly $22–25 billion per year.

American-made yarns, fabrics and clothing are shipped to markets like Mexico, Canada, Honduras and beyond, sustaining jobs and revenue at home.

Fewer garments produced domestically means fewer goods available for export, potentially widening the US trade deficit that tariffs are meant to shrink.

President Trump, however, is unlikely to be daunted by all of this disruption. "I am not looking to make T-shirts, to be honest," he told reporters on May 25. "I am not looking to make socks. We can do that very well in other locations. We are looking to do chips and computers and lots of other things, and tanks and ships."

Source: fibre2fashion.com– June 22, 2025

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UK fashion, textile sector compliance set to improve with launch of new tool

To assist UK fashion and textile enterprises in navigating the intricate regulatory environment, the Manchester Fashion Institute has launched a new digital tool called Fashtrax. The institute's Textiles Transparency Team (MFITT), which is a division of Manchester Metropolitan University, created the compliance tool.

Fashtrax is intended to offer clear compliance guidelines, especially in light of upcoming laws such as the EU Digital Product Passport (DPP). Fashtrax links industry, academia, and technology providers to offer solutions that tackle practical problems. Using information from the UKRI-funded Legi-Standards database project, it combines over 40 environmental standards with over 100 regulations.

The Compliance Navigator, a diagnostic tool that offers tailored suggestions based on numerous company-specific characteristics like size, product type, and supply chain footprint, is at the heart of the Fashtrax platform. With a complete release planned for late 2025, the Compliance Navigator is presently in development and will test with 20 industry partners this summer.

The platform is supported by InterAct, a network run by the Economic and Social Research Council and a US $ 7.29 million Made Smarter Innovation initiative. The UK Fashion and Textile Association (UKFT) also supports the tool.

According to project co-lead Julie Hodson, Fashtrax is made to make compliance easier in a complicated environment. SMBs frequently lack the means to stay up with the numerous regulations, especially those pertaining to sustainability and transparency. That is changed by this platform, which provides tools and insights that are easy to use.

According to Dr. Hilde Heim, co-founder and co-lead of MFITT, this is about future-proofing UK fashion. With transparency and innovation at the core of their business models, Fashtrax enables brands to rapidly and affordably adjust to changing regulations. In terms of preparing producers for the digitalisation of the fashion supply chain, Fashtrax represents a significant advancement. It boosts competitiveness, sustainability, and innovation in the UK apparel industry.

Research, education, and policy-making have already been impacted by the program. It has strengthened MFITT's standing in the SAFE group's supply chain transparency research and sparked fresh teamwork to develop a user-focused version of the platform.

The results of Fashtrax are shared via a number of platforms, including webinars and presentations to prominent institutions like the UKFT and the Joint Research Centre of the EU Commission.

A number of UK organisations, including WRAP and the British Fashion Council, are interested in Fashtrax. It will soon be presented to the government's Circular Economy Taskforce and the British Standards Institution (BSI).

Source: apparelresources.com– June 21, 2025

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New Zealand apparel imports at $417 mn in Jan–Apr; China leads market

New Zealand’s apparel imports were slightly lower at $417.438 million during January–April 2025, compared to $422.976 million in the same period last year. China retained its leading position in New Zealand’s apparel market, although its share has shown some volatility in recent years.

China’s market share also declined slightly, falling to 60.47 per cent in the first four months of the current year, down from 60.73 per cent during the same period last year. New Zealand’s apparel imports from China eased to $252.422 million from $256.888 million, according to Fibre2Fashion’s market insight tool TexPro.

In 2024, New Zealand’s total apparel imports amounted to $1,177.409 million, down from $1,194.349 million in 2023. The country had imported apparel worth $1,274.679 million in 2022. The trend indicates a continued decline in inbound shipments over the past two years.

New Zealand’s apparel imports from China were valued at $790.912 million in 2022, representing 62.05 per cent of the total. This dropped to $703.278 million in 2023, with the share falling to 59.38 per cent. Imports from China further declined to $684.959 million in 2024, accounting for 58.18 per cent of total apparel imports.

In volume terms, New Zealand imported 58.481 million pieces of garments during January–April 2025. Of this, 33.992 million pieces were sourced from China, giving China a 58.12 per cent share by volume for the period, as per TexPro.

During January–April 2024, New Zealand had imported 59.569 million pieces of garments, including 34.748 million pieces from China. China’s share in volume terms stood at 58.33 per cent.

Source: fibre2fashion.com– June 23, 2025

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Germany's industrial textiles exports fall, imports slightly up in Q1

Germany's exports of industrial textiles declined by 6.15 per cent to $671.2 million in the first quarter of the current year. Its imports of these products slightly increased to $330.131 million during the same period. While strong exports of industrial textiles reflect the country's manufacturing strength, it also imports similar products to meet domestic industrial demand.

Germany had exported industrial textiles worth $715.437 million in January–March 2024, while its imports in the same segment stood at $322.991 million, according to Fibre2Fashion's market insight tool TexPro.

Excluding the US and China, all top export destinations for Germany's industrial textiles in the first quarter of 2025 were European countries. Poland was the largest market, with shipments valued at $50.890 million, accounting for 7.58 per cent of Germany's total industrial textile exports. Exports to the US were valued at $43.786 million (6.52 per cent), followed by Italy at $43.767 million (6.52 per cent), France at $31.708 million (4.72 per cent), and Romania at $26.495 million (3.95 per cent).

Germany sourced industrial textiles for its industries from countries such as China, Italy, Poland, Luxembourg, and Switzerland. In January–March 2025, it imported $41.313 million worth of these products from China, accounting for 12.36 per cent of the total. Imports from Italy were valued at $31.634 million (9.47 per cent), Poland at $29.402 million (8.80 per cent), Luxembourg at $27.709 million (8.29 per cent), and Switzerland at $27.384 million (8.20 per cent).

According to TexPro, Germany's industrial textile exports totalled $2,704.9 million in 2024 and $2,723.178 million in 2023. Imports during these years were valued at $1,257.129 million and $1,340.749 million, respectively.

Source: fibre2fashion.com– June 22, 2025

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Vietnam cautions bizs as Middle East conflict threatens global trade

Vietnam's Industry and Trade Ministry (MoIT) recently cautioned domestic businesses to closely monitor the escalating Israel-Iran condlict that threaten to disrupt global trade.

Addressing a press conference, Tran Thanh Hai, deputy director of MoIT's Agency of Foreign Trade, called for rigorous scrutiny of export-import contracts, particularly key terms concerning freight charges, delivery schedules, insurance coverage, and force majeure provisions, to shield against disruptions.

He cautioned businesses against the risks of leaning too heavily on a single market or shipping lane.

He advocated diversification into new markets and finding logistics partners with safer routes.

Supply chain resilience, he insisted, hinges on contingency plans – alternative raw material sources or, perhaps, the adoption of multimodal transport solutions like international rail freight, which could optimise costs and ensure timely deliveries, according to domestic news agency.

Maintaining open lines with import partners is also key to navigating volatile conditions, he noted.

He urged companies to work closely with shipping lines, airlines and freight forwarders to monitor routes, transit times and potential surcharges while exploring broader cargo insurance to cover risks like war and terrorism.

He also called for heightened vigilance against foreign exchange risks.

Source: fibre2fashion.com– June 22, 2025

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Bangladesh: Why local garment industry must go nano

The rhythmic clatter of sewing machines may still define Bangladesh's garment factories, but in the near future, that familiar sound could fade beneath the shimmer of self-cleaning fabrics and the quiet of nanotechnology at work.

As global apparel production enters a new era of advanced materials and smart design, nanotechnology, engineering at the molecular level, is set to transform what garments are, not just how they are made. For Bangladesh, the world's second-largest apparel exporter, the question is no longer whether to adopt nanotech, but how quickly it can catch up.

Nanotechnology may sound futuristic, but it is already here. It is woven into the fibres of jackets that never need washing, T-shirts that repel coffee spills, and hospital garments that kill bacteria on contact.

These nano-enhanced fabrics retain their natural texture, weight and breathability while adding remarkable functions such as water resistance, stain repellency, UV protection and antimicrobial properties. By creating an ultra-rough surface at the microscopic level, these fabrics cause liquids to bead up and roll off.

The result? Higher-value, longer-lasting and smarter clothing, precisely what premium markets are willing to pay more for.

And the market is growing fast. According to Research and Markets, the global nanotechnology clothing industry is projected to reach $12.1 billion by 2025, growing at nearly 25 percent a year. Leading this shift are countries such as the United States, Germany, China and Japan.

If Bangladesh wants to remain competitive globally, not just as a mass producer but as an innovation leader, it must act now.

The global apparel narrative is shifting. Western consumers and buyers increasingly demand not only ethical labour and sustainability, but also performance and personalisation. While Bangladesh's ready-made garment sector still relies on low-cost labour and bulk output, that model is wearing thin.

Nations that integrate technology are moving up the value chain, earning more by producing less, but producing smarter. For Bangladesh, the current formula of "more shirts for less" is becoming obsolete.

The integration of nanotechnology offers a way forward. By transitioning towards smart textiles, Bangladesh can expand into high-margin sectors such as sportswear, outdoor gear, military-grade fabrics, medical apparel and sustainable fashion. These are not niche markets; they represent the future of global clothing demand.

Of course, embracing nanotech will not be easy. It will require investment in research and development, collaboration between universities and the private sector, and a shift in mindset from low-cost production to value-driven innovation.

But we do not have to stay behind.

Some Bangladeshi factories are already experimenting with artificial intelligence and Internet of Things technologies. The next step is to incorporate nanotech at scale, partnering with global research hubs, forming public-private partnerships, and integrating nano-capable processes into textile parks and export processing zones.

The government should provide fiscal incentives and regulatory frameworks that attract nanotech investment while ensuring worker safety and environmental compliance.

It is also essential to train a new generation of textile engineers and workers who can navigate these emerging technologies. Just as we once trained millions to operate sewing machines, we must now train thousands to work with smart fibres, specialised coatings and responsive materials.

The stakes are high. Bangladesh's garment industry employs over four million workers and contributes more than 80 percent of the country's export earnings.

But its dominance is under threat, from rising regional competitors, changing buyer demands, climate compliance pressures and automation-driven job loss.

The nano revolution offers not only a way to stay relevant but also a chance to redefine Bangladesh's leadership in global fashion manufacturing.

Imagine a future where labels read not just "Made in Bangladesh" but "Engineered in Bangladesh". That future is within reach, but only if we act boldly today.

Source: thedailystar.net– June 23, 2025

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NATIONAL NEWS

Record export orders, strong demand pushes India's PMI to 14-month high in June

India's private sector activity accelerated sharply in June as companies ramped up production to meet surging domestic and international demand, according to a survey released on Monday that showed record export growth and robust hiring.

The HSBC Flash India Composite Purchasing Managers' Index (PMI), compiled by S&P Global, jumped to a 14-month high of 61.0 this month from 59.3 in May, exceeding a Reuters poll forecast for a modest lift to 59.4.

The 50-mark separates growth from contraction and the latest data showed nearly four years of sustained expansion.

Services gained momentum with the activity index rising to 60.7 from May's 58.8 — the strongest since August last year — while manufacturing gained pace thanks to robust output. Its PMI climbed to 58.4 in June from 57.6.

“New export orders continued to fuel private sector business activity, especially in manufacturing,” noted Pranjul Bhandari, chief India economist at HSBC.

This expansion was driven by favourable demand as composite new orders grew at the fastest pace in 11 months. Goods producers experienced a more pronounced upturn than services firms.

International sales saw a remarkable rise, with overall new export business at the highest since the data started to be collected in September 2014. However, service providers recorded slower growth in export business compared to last month.

“The combination of robust global demand and rising backlogs prompted manufacturers to increase hiring,” added Bhandari.

Manufacturing employment growth reached a peak not seen since the series began over two decades ago. Service providers also continued adding jobs at a solid pace, albeit slower than in May.

Meanwhile, overall price pressures eased slightly with input cost inflation softening to a 10-month low, allowing firms to limit price hikes to remain competitive. That resulted in a slower rate of output price rises from May's six-month high.

That comes after data showed inflation eased to an over 6-year low in May, allowing the Reserve Bank of India to focus on supporting economic growth and cutting interest rates amid rising uncertainty from US trade tariffs.

Despite positive private sector performance, business confidence dipped to its lowest in just over two years. Manufacturers expressed slightly improved optimism while service providers tempered their expectations for the coming year.

Source: thehindubusinessline.com– June 23, 2025

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Steering the Indian economy amidst global troubles

The global economy is undergoing a significant transformation, marked by shifts in trade policies and continuing geopolitical tensions. We see a return of trade wars, the review of tariffs by countries as well as a surge in negotiations for bilateral trade agreements. These have led to heightened uncertainties, impacting not just trade but also financial markets and economic growth prospects.

With global trade dynamics evolving rapidly, it could lead to a structural realignment of global trade with long-term implications for trade and investments. Businesses will have to weigh the short-term challenges as well as long-term opportunities. Industry has to re-strategise amid rising costs, disrupted supply networks, and asymmetric information.

The United States is India's largest export destination accounting for nearly one-fifth of India's merchandise exports. Therefore, uncertainties in the tariff regime in this market severely impact the business of Indian exporters. For certain sectors such as marine, apparel, carpets, gems and jewellery, pharmaceuticals, auto components, and electronics, India's dependence on the U.S. market is very high. Additional tariffs would erode margins of these exporters, particularly Micro, Small and Medium Enterprises (MSME)s and make their exports unviable.

Possible issues

However, the imposition of the U.S.'s reciprocal tariffs itself remains uncertain given the possibility of interim deals and trade agreements that the U.S. is negotiating with many countries (including India) and also the recent order of the U.S. Court of International Trade challenging the imposition of reciprocal tariffs.

Under such uncertain scenarios, one cannot even accurately assess whether Indian exporters will get any relative tariff advantage vis-à-vis competing countries such as China, Bangladesh or Vietnam that was considered a high probability in the initial assessment when reciprocal tariffs were announced.

Experts and economists have highlighted that the direct impact of these tariffs (if implemented) on the Indian economy is expected to be limited due to India's resilient external economy, particularly rising contribution of services exports, high remittances, adequate forex reserves and low current account deficit. However, the uncertainties surrounding the tariffs are detrimental for exporters planning new orders and also their impact on decision making. In addition, there is a risk of increased threat of dumping into India by China and the Association of Southeast Asian Nations looking to redirect their surplus production.

Medium- to long-term opportunity

Despite the global headwinds, India stands to benefit with the right strategy. The global restructuring of trade offers India an opportunity to become an integral part of the renewed global supply chains. India needs a three-pronged strategy — to manage external shocks; to ensure domestic economic resilience and to leverage a window of opportunity to enhance its global exports. These key policy actions can be considered.

First, India has taken a proactive approach by engaging early in Bilateral Trade Agreement (BTA) negotiations with the U.S. Being the first to conclude such an agreement could give India a first-mover advantage. The BTA must be crafted to ensure zero tariffs on sectors critical to India’s interests, while cautiously opening up areas without compromising national priorities.

India’s service exports to the U.S. remain robust and it must be ensured that these are not impacted. Liberalisation of tariffs with the U.S. should be approached on a strictly bilateral basis. Addressing non-tariff barriers (NTBs) will be critical. Possibilities of mutual recognition agreements must be explored. A swift yet balanced trade deal will be key.

Second, the conclusion of an FTA with the U.K. is a huge positive. India must now pursue other key FTAs with equal vigour. The early conclusion of an FTA with the European Union, Comprehensive Economic Cooperation Agreement with Australia and other important partners will offer Indian exporters enhanced market access in alternative markets.

Third, strengthening import monitoring mechanisms becomes important in wake of a greater risk of dumping into India. Trade remedial measures should be deployed swiftly to protect domestic industries from economic damage.

Fourth, sustaining public capital expenditure is vital in maintaining growth momentum amid global headwinds. Continued public capex will ensure that the domestic economy remains resilient and also help to crowd-in private investments over the medium term.

Fifth, monetary policy should continue to remain accommodative. With inflation currently under control and projected to be lower in coming quarters, further rate cuts by the Reserve Bank of India will help propel growth.

Sixth, anchor potential foreign investments across sectors looking to diversify their supply chains from China, Vietnam and other countries. A focused approach would be required to target global companies to set up shop in India.

Expedite reforms

Finally, work towards next generation reforms and regulatory reforms — as proposed in the last two Union Budgets — must be expedited. Production-Linked Incentive (PLI) schemes must be expanded to include other potential sectors (e.g., hearables and wearables, IoT devices, battery raw materials). These will help scale up manufacturing, attract investment in critical sectors, and build self-reliance.

While global uncertainties pose undeniable challenges, they also offer an opportunity for India to emerge as a global manufacturing hub and be an integral part of the global supply chains. Through strategic trade negotiations and structural reforms, India can weather the storm and emerge stronger.

Industry needs to re-strategise amidst rising costs, disrupted supply networks and asymmetric information.

Source: thehindu.com– June 23, 2025

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How new-age apparel brands are stitching the next wave of growth

Recently, The Bear House, a men's apparel and accessories brand, raised ₹50 crore in a Series A funding round led by JM Financial India.

In May, Snitch, a direct-to-consumer (D2C) menswear brand, raised ₹279 crore, led by 360 One Asset Management Fund, in a Series B round.

In April, The Souled Store, known for quirky clothes, and backed by investors like Elevation Capital and RPSG Ventures, acquired Redwolf to strengthen its pop culture merchandise business. It has licences of iconic brands such as One Piece, Naruto and Marvel. It is now gearing up for an initial public o□er.

SEWING UP FUNDS

At a time when the broader apparel segment has been facing headwinds, D2C fashion brands have been rapidly scaling up and securing funds. On one hand, these newage brands are charting a brisk o□line expansion, and on the other they are using quick-commerce to deliver fashion at speed.

According to industry estimates, the D2C fashion space in India is projected to reach $10 billion by FY28, fuelled by rising online adoption, led by Gen Z consumers, and a growing demand from Tier-II and Tier-III cities.

The Bear House co-founder Harsh Somaiya said the brand is looking to open about 25 o±ine stores this fiscal year, to strengthen its omni-channel play.

So, what is making the D2C brands tick? "A lot of the traditional brands have not adapted to the shift in consumer preferences. The younger generation of consumers are demanding newer designs, fits and styles at a much faster pace.

We launch close to 300 styles per month and have close to 65 per cent repeat rates — higher than industry average. We leverage social media to sell an entire look or vibe, rather than just products. We are constantly listening to our customers," Somaiya explains.

TECH AND TEXTILES

Investor appetite for this space is not ebbing. Shuchi Pandya, Principal at Fireside Ventures, observes

that the D2C segment in fashion and apparel has been displaying strong resilience and growth. The VC firm has invested in Fable Street, Newme and Terractive. “Demand remains robust. We see alphas in fashion in two key areas — use of tech to manage supply chain; and use of innovative materials and fabrics suited for Indian weather,” Pandya says, pointing to a rising investor interest in the premium space and menswear.

According to Tracxn, over the past year, D2C apparel brands in India secured $77.1 million funding. While the quantum is about 34 per cent lower year-on-year, it reflects resilience during challenging macroeconomic conditions.

“Despite a slowdown in funding, the strong backing for innovative brands like Newme and Wrogn demonstrates enduring investor confidence and growth potential in India’s D2C apparel sector. Companies that present strong unit economics, capital e¥ciency, clear product dierentiation, and leverage o±ine and online channels effectively will continue to gain investor interest,” Neha Singh, CEO and co-founder of Tracxn, said.

DATA POWER

Vedang Patel, co-founder of The Souled Store, said hyper-personalisation through data and AI, and a growing preference for sustainable, value-driven brands is driving growth for D2C brands.

“A datadriven approach enables quick design iterations and better inventory control, improving profitability. Strong community engagement and a focus on everyday casual wear have helped maintain a steady demand,” Patel added.

SPEEDY DELIVERY

Platforms such as Zepto, Slick, Knotgram, and M-Now (Myntra) are enabling D2C brands to o□er instant deliveries in 10-60 minutes. This opens a new frontier of expansion for the new-age brands.

Shivam Tripathi, co-founder of Newme, is confident that new-age fashion brands will lead the next wave of growth in the apparel market. He is betting big on quick commerce. "We are running quick fashion delivery in high-demand pin codes across Bengaluru and NCR. We have been receiving strong customer love. Our plan is to scale up the channel to more pin codes and metros," he added.

He said the brand is focusing on delivering the latest trends at speed, including dresses, tops and bottoms, jewellery, and ancillaries like nails, shapewear. After 200 per cent growth last fiscal, he expects more in FY26, backed by advanced supply chain and data science inputs to o☐er a wider variety of trends across broader fashion categories.

Somaiya, too, sees a major role for quick commerce; his brand will leverage its stores to deliver rapidly within a 5 km radius, he says.

"Speed-led fashion commerce is projected to grow 5X by 2028 to a $1-billion opportunity," said Sharon Pais, Chief Business Officer, Myntra.

Meanwhile, the biggies of the apparel industry are acquiring D2C brands and going omni-channel to cater to the tech-savvy, new-age customers. Certainly, the apparel category is opening its seams wide.

Source: thehindubusinessline.com– June 23, 2025

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US intervention in Israel-Iran war increases risks for India's export-import

With the US entering the Israel-Iran war with its strikes on Iran's key nuclear sites, Indian exporters and importers have turned more jittery as retaliation by Tehran could increase transit risks in the region and destabilise global trade further.

The Commerce & Industry Ministry is continuing to closely watch the situation as it develops and is in touch with stakeholders to take appropriate action when required, especially if there is a wider regional escalation, a source tracking the matter said.

"For India, this is a moment of high stakes—demanding its most delicate diplomatic balancing act yet to safeguard core interests and steer clear of entanglement in a spiralling global conflict," pointed out Ajay Srivastava from GTRI.

Geopolitical developments, such as the US strikes on Iran, have the potential to create uncertainty in global trade, particularly in terms of logistics, insurance costs, and regional supply chain disruptions, said Ajay Sahai, Director General, Federation of Indian Export Organisations.

"While it's too early to assess the full impact, such tensions often lead to increased volatility in oil prices, currency movements, and shipping routes—all of which are relevant to exports," Sahai told businessline.

Developing situation

The Commerce Department, held a meeting with stakeholders, including shipping lines and air cargo operators, on Friday.

"It is a fast developing situation. Things have become more volatile after the US entered the war. One doesn't know what Iran will do in retaliation and how things will pan out. The government is keenly watching the developments and is in touch with all stakeholders," the source said.

At the moment, there is not much the government could do in terms of addressing the situation, said Pankaj Chadha, Chairman, EEPC India. "We are all just hoping that the war does not expand," he added.

Exporters and importers are apprehensive that the Red Sea route, which is used for connecting with Europe, many African countries and parts of the US, may be affected by the conflict. If the Strait of Hormuz is shut down by Iran, as is being feared, things may worsen and India's oil supplies, too, will be hit.

While India's trade with Iran has gone down to about $1.7 billion over the years due to the US sanctions on oil and is not a very significant part of the country's total trade, New Delhi's main worry is about protecting its investment in the Chabahar port. The port, once fully developed, would provide connectivity to Afghanistan and Central Asia, bypassing Pakistan, and help India develop its ties with the region.

A wider regional escalation could threaten India's much larger trade with the broader West Asian region — including Iraq, Jordan, Lebanon, Syria, and Yemen — where Indian exports total $8.6 billion and imports stand at $33.1 billion, said Srivastava.

"Any disruption to shipping lanes, port access, or financial systems in this corridor would severely impact India's trade flows, inflate freight and insurance costs, and introduce fresh supply chain risks for Indian businesses," he added.

Source: thehindubusinessline.com– June 22, 2025

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Exporters suggest shifting shipments from Bandar Abbas port to Chabahar amid Iran-Israel conflict

Exporters have suggested shifting cargo movement from Bandar Abbas port to the Chabahar port in the wake of Iran-Israel conflict, stating any further escalation in the war would severely impact trade with Afghanistan, Central Asia, and Russia, an industry official said on Friday.

The official also said that the air freight rates have already seen a 15 per cent rise, and traders expect both air and sea freight costs to increase further if the conflict escalates.

This was suggested during a meeting convened by the commerce ministry on assessing impact of the war on India's trade. It was chaired by Commerce Secretary Sunil Barthwal.

The official also said that while there has been no immediate impact on shipments to Iran, disruptions are likely if the situation worsens.

"If Bandar Abbas port doesn't function, it will affect exports not only to Iran but to Afghanistan and Central Asia also. We have been informed that there is adequate capacity at Chabahar, and this needs to be explored urgently," the exporter said.

The official, who attended the meeting, said that the secretary assured that the feasibility of shifting operations to Chabahar port would be examined. A Federation of Indian Export Organisations (FIEO) official said that they would soon hold a meeting with Chabahar port authorities on the issue of shifting the movement of consignments.

"We will enquire about the facilities at the port," the official said, adding, "The shifting call will have to be taken by the shipping lines. DG shipping would look into that."

If Strait of Hormuz gets impacted due to the war, "we have to look at Fujairah port in UAE and Oman port", the official said.

FIEO flagged that as of now, Iran's Bandar Abbas port is operational and being used for cargo movement to Afghanistan and other CIS (Commonwealth of Independent States) countries, including Russia.

However, if the conflict continues beyond Monday, the route may be impacted.

"In case ship movement in the Persian Gulf is blocked, exports to Gulf and Mediterranean countries will also suffer. Currently, buyers have put orders on hold, and exporters are delaying shipments due to concerns that goods may get stuck at ports, leading to heavy demurrage," another industry official said.

Although certain factors remain beyond control, in the current circumstances, focus on Chabahar Port -- an Indian-managed port in Iran -- could help the industry.

There is connectivity via Dubai and direct linkage from Kandla Port.

Due to the conflict, Basmati rice exports to Iran have reportedly stopped, and shipments to the Middle East have become expensive.

An exporter said there is a need to improve Chabahar's connectivity to Uzbekistan by engaging local players who may otherwise lose business if Bandar Abbas operations are affected.

As per the exporting community, freight has risen by USD 500-600 per 20-feet container. Ocean freight from Indian ports to EU and Mediterranean ports has surged by USD 1,000 per TEU (twenty-foot equivalent unit).

The meeting was attended by senior officials from the petroleum, commerce, shipping, and financial services, revenue departments, along with representatives from shipping lines, cargo handlers, and airport authorities.

While the Red Sea route remains unaffected and 90 per cent of Indian cargo currently moves via the Cape of Good Hope, concerns were raised about potential disruptions at the Strait of Hormuz.

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.

Meanwhile, the exchange of strikes between Iran and Israel has entered the second week on Friday even as President Donald Trump weighed US military involvement and new diplomatic efforts appeared to be underway.

At the same time, Iran's foreign minister is in Geneva for holding talks with his counterparts from France, Germany and the UK and the European Union's foreign policy chief. It is the first face-to-face meeting between Western and Iranian officials since the start of the conflict.

Source: economictimes.com– June 21, 2025

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West Asia conflict: Exporters in dire straits as Hormuz trade route erupts

Shippers and logistics firms in India — key to the export–import (exim) trade — now fear no quick relief from the global shipping crisis in the Strait of Hormuz, which now is at the verge of closure. This follows the US bombing of three Iranian nuclear sites on Sunday and subsequent Iranian strikes on Israel.

"Freight rates have started rising, and the situation is volatile. With the US hitting critical Iranian nuclear sites, retaliation is expected, and tensions will stay high. This will affect oil prices and shipping charges. War risk premiums are already being added to shipments. Exporters have started feeling the heat in both air and sea freight," said Dushyant Mulani, chairman of the Federation of Freight Forwarders' Associations in India.

Iran's Supreme National Security Council will reportedly make a final decision on the strait after its parliament approved its closure on Sunday.

While the decision is not final as of Sunday evening, Iranian high command has reportedly said that it's on the agenda and will done whenever necessary.

The Strait of Hormuz — one of the busiest maritime corridors, carrying roughly 20 per cent of global crude oil — has been impacted by the Iran–Israel conflict for nearly two weeks.

"Conflict in West Asia has seen elevated risk and associated operational costs for ocean container shipping trades transiting the Arabian Gulf, such as security measures, higher bunker fuel prices, and burning more fuel due to faster sailing through high risk areas. This has contributed to a 55 per cent increase in average spot rates on the trade from Shanghai to Jebel Ali — the Arabian Gulf's largest port — compared to one month ago. Average spot rates now stand at $2,761," said Peter Sand, chief analyst at Oslo-based market intelligence firm Xeneta.

Meanwhile, exporters in India have urged the commerce and industry ministry to reroute shipments to Central Asia via Chabahar Port, instead of the widely used Bandar Abbas port in Iran, which has been affected by the crisis, said officials aware of the developments.

Industry players warn that the situation could quickly spiral into higher fuel costs and put pressure on the rupee. “Beyond oil, container and bulk cargo moving through the Red Sea and the Gulf are delayed by rerouting, rising insurance premiums, and logistical bottlenecks. Exporters in India, especially in sectors like basmati rice, pharmaceutical, and engineering goods, are dealing with delays and margin pressures. Some shipments to Iran have already seen freight premiums rise by 20 per cent, while overall sea–air logistics costs are climbing sharply,” said Jitendra Srivastava, chief executive officer of Triton Logistics & Maritime.

To manage the crisis, firms have strengthened cooperation with global maritime authorities to focus on port security, risk coverage, and regulatory alignment. Some have also started nearshoring supply chains and building buffer inventories, he added.

Trump effect cooling

Meanwhile, the frenzy caused by the Trump tariff saga appears to be easing. For the first time in more than a month, London based Drewry’s World Container Index fell 7 per cent to $3,279 per 40 feet container between June 12 and 19, after six weeks of gains. This drop came amid weaker US bound demand.

“Rates from Indian ports, which were firm due to supply chain disruption and strong outbound demand, are now easing. This reflects a broader market adjustment as trade flows stabilise and carriers regain operational capacity. Chartering rates have also come under pressure over the past month. Increased vessel supply and a slowdown in global trade activity have pushed down prices across the container, bulk, and tanker segments,” said Srivastava.

According to Sand, some powerful shippers are starting to push back against higher rates. “Spot rates have peaked, but we could see fluctuations between now and the end of the 90-day lowering of tariffs on US imports from China on 13 August and the rest of the world on 9 July. Until that point, spot rates should remain above the levels seen in May prior to ‘Liberation Day’. Looking further ahead, demand is expected to drop significantly, even if lower tariffs continue after the 90-day pause. Shippers have been front loading imports throughout 2024 and early 2025, so inventories will be brimming once the current cargo rush is over,” said Sand.

The challenges

* Industry players warn situation could spiral into higher fuel costs and put pressure on rupee

* 55% increase in average spot rates on the trade from Shanghai to Jebel Ali, said Peter Sand, chief analyst at Xeneta

* Costs rising due to higher bunker fuel prices, enhanced security measures

* Some shipments to Iran have already seen freight premiums rise by 20%, industry experts pointed out

Source: business-standard.com– June 22, 2025

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Textile industry knits business with AI as companies adopt technology

India's skills in textiles date back to the Indus Valley civilization, which engaged in advanced textile production, notably through its early cultivation and use of cotton. Today, this ancient industry, dominated by small enterprises, is undergoing a transformation by adopting artificial intelligence (AI).

Micro, small, and medium enterprises (MSMEs) are assumed to be slow in adopting technology, but textile hubs like Tiruppur in Tamil Nadu are using AI to revolutionise every stage of manufacturing — from designing and sewing to sorting — as part of a concept called Industry 4.0. AI has helped Tiruppur improve production by at least 10 per cent, as orders return to a region that contributes 55 per cent of the country's total knitwear exports. The AI transition is happening across the entire value chain, from logistics to spinning mills.

Small business leads

As computer-aided design and manufacturing (CAD and CAM) machines become the norm in MSMEs, they are helping minimise materials used for products. Industry players said that due to losses of over 10 years due to Covid-19 and dwindling demand, textile clusters like Tiruppur shied away from modernisation. However, FY25 became a game changer for the industry as knitwear exports from Tiruppur crossed ₹40,000 crore in value for the first time in history.

Favourable international events like a free trade agreement with the United Kingdom, increased orders from the United States as it follows the so-called China Plus One strategy, and Bangladesh's political turmoil have helped the region where new factories are coming up and older ones are modernising, according to the Tiruppur Exporters' Association (TEA).

"People here are putting up new machines and factories. All new machines that we are implementing are AI-based. Earlier, our production efficiency was around 65 per cent. With automation, it has improved to around 75 per cent," said K M Subramanian, president of TEA. AI-inbuilt digital industrial sewing machines of Japanese companies like Yamato, Brother, Juki, Pegasus, and Chinese players like Jack have become part of textile

MSMEs in Tamil Nadu. These machines have features like precision stitching and predictive maintenance for improved production efficiency.

It’s not just Tiruppur, the textile industry is changing nationwide. "We keep hearing that MSMEs are not adopting technology in India. In this case, many people are using smart cutting machines for design and cutting. This helps in reducing wastage," said Chandrima Chatterjee, secretary general of the Confederation of Indian Textile Industry (CITI).

"AI-enabled monitors on top of a production line give signals of defects and help in their early detection. These are very good ways to optimise productivity. CAD-CAM machines are coming up at a faster pace too. Adoption is happening in areas like sorting," Chatterjee said.

SaaS-based platforms like Reverse Resource play a “matchmaker” role in supply chains by digitising, connecting, and scaling up textile recycling. Companies’ need for sustainability is prompting them to use AI for processes and supply chains, according to CITI.

AI transition

Hyderabad-based Allcargo Gati, which is a part of Allcargo Logistics, helped MSMEs in Tiruppur adopt a fully paperless logistics system in 2023. Through a service called eDocket, the company has streamlined supply chains by ensuring faster documentation and enhanced operational efficiency for customers.

Tiruppur’s technology transition is happening as international companies like Decathlon, Marks & Spencer, Tommy Hilfiger, GAP, Carter’s and Walmart increased their demand in the region in the past one year.

The transition is happening “across the value chain”. Subramanian's K M Knitwear (Spinning Division) started a spinning mill in 2007 with 36,000 spindles. Recently, the company started another mill that has AI-driven automated machines that produce 30 tonnes of yarn daily.

“In the first mill, I use 900 labourers, and in the second mill, 270 labourers for the same three shifts,” Subramanian said. Using fewer hands is necessary as the sector faces a nationwide labour shortage.

“Across the value chain, such machines have voice control systems. Timing and production display are also maintained,” he said. Operators use their cell phones to track how machines are performing, getting information on efficiency and productivity. “Fully automated machines are coming up.”

Even cottage-level textile units are using AI. “Such small companies, I understand, are resorting to Canva and ChatGPT too to adopt fresh designs so that the most modern global trends are captured locally,” said Aishwarya Jayan, of Tiruppur-based Back Bay India, which became famous for supplying ‘Made in India’ apparel to the retail channels of the International Olympic Committee during last year's Paris Summer Games.

Japan is among countries that have started using sewing robots (stitch bots) to stitch fabric quickly and precisely. Such machines reportedly use advanced sensors, computer vision, and robotic arms to guide needles and thread through textiles with a higher accuracy level. Through programmed movements and machine learning algorithms, they can quickly adapt stitch patterns, tension, and speed, improving productivity.

Indian textile companies are likely to start stitch bots, though not immediately.

“In terms of stitch bots, labour will get replaced. In India, stitch bots are not in high demand, as labour is not a concern for us. Our AI use should be such that labour can also be upgraded and we can optimally use existing trained labour," said Chatterjee.

Source: business-standard.com– June 23, 2025

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India’s apparel sector to grow at 11% CAGR from FY24-29: HSBC report

Signaling a robust expansion, India's apparel sector is projected to grow at a CAGR of 11 per cent from FY24-29. This forecast aligns with the sector's historical performance, having expanded at an 11 per cent CAGR from FY20-24, mirroring India's nominal GDP and private final consumption expenditure (PFCE) growth, according to a new report by HSBC Global Investment Research.

The branded apparel sector expanded at a CAGR of 16 per cent from FY12-24. This growth was largely fueled by increasing market penetration and enhanced affordability. Looking ahead, non-formal wear is expected to lead growth within various apparel sub-segments.

Activewear is predicted to witness the highest growth at a 25 per cent CAGR from FY24-29, a trend stemming from the post-COVID-19 shift towards casual wear. Organized value retail is also poised for substantial growth with a 16 per cent CAGR (FY24-29), benefiting significantly from the ongoing transition away from the unorganized sector.

However, the apparel market remains highly competitive, facing disruptions from e-commerce, the entry of foreign brands, and rapidly changing fashion cycles, the report.

The report identifies two primary business models within the sector: Format-focused (retail outlets with distribution primarily limited to the company's own stores and e-commerce) and Brand-focused (an asset-light business model but working capital-intensive due to a diverse distribution mix). The format model has an advantage due to its broader customer base and better control over their supply chains, the report states. Additionally, formats are better suited to navigate the emerging risks in the apparel space, it adds.

Meanwhile, India’s Textile and Apparel (T&A) exports expanded by 7.4 per cent growth in April 2025 compared to the same month last year. This positive momentum was primarily driven by the strong performance of the apparel segment, which registered a robust 14.43 per cent Y-o-Y growth, according to an analysis of data released by the Ministry of Commerce.

In April 2025, Indian textile exports grew by 2.61 per cent from April 2024, while apparel exports increased by 14.43 per cent to $1.37 billion during the month as against $1.2 billion in April 2024.

Source: fashionatingworld.com– June 20, 2025

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How Tamil Nadu remained a global trade hub for many centuries

The economy of Tamil Nadu has shifted decisively to a high growth trajectory with the service sector contributing more than 54 % of the GDP and the manufacturing sector at around 34%. This figure when seen in the light of historical evidence is neither surprising nor unexpected. Industrial goods have turned up in archaeological excavations at Keeladi, Adichanallur, Kodumanal, Pattaraiperumbuddur and several other places.

The megalithic sites distributed over the dry plains of Tamil Nadu have yielded beads made of carnelian and other semi-precious stones like agate, beryl and amethyst.

The social organization necessary for such sophisticated industrial enterprises is reflected in the development of craft guilds and specialized merchant bodies which traded goods produced in Tamil Nadu, like steel, textiles, ceramics and metalware all across the Indian Ocean from the Red Sea to the Straits of Malacca and beyond.

The history of trade and mercantile activity from the Coromandel Coast to port towns located in present day Malaysia, Indonesia and Vietnam forms the mainstay of research both by Indian and Western scholars.

Inscriptions of the early medieval period in both Tamil and other languages attest to the presence of merchant bodies like the famous "nanadesi" merchants who traded in the "five hundred directions". This particular guild which is revealed in early inscriptions had a long presence and seems to have operated almost till the end of the twelfth century.

Originating in Aihole in Karnataka, this merchant body worked in nagaram or trading centres where they carried out business activities which included sale of commodities which included essentials like rice, salt and cloth.

Luxury goods like silk and aromatic products were dealt with by specialized merchants. Inscriptions from Kanchi Managaram from the early Chola period speak of the active role played by traders carrying out trade in luxury products.

Farm products like arecanuts, flowers, ginger, turmeric figure prominently in medieval inscriptions. Forest products like timber, animal skins and elephant tusks are also known to have formed part of the goods involved in trade. We also have finished goods like iron ingots, gold and silver jewelry and textiles being exported from the region.

The rise of the Cholas in the Kaveri region around the middle of the ninth century AD gave further fillip to the flourishing trade with South East Asia, particularly the Srivijaya empire. Chinese sources speak of trade missions that reached China from the Pandyan kingdom.

The archaeological evidence from the port of Quanzhou suggests that merchants from Tamil Nadu were living in the port and an inscription of AD 1279 points to the presence of a temple at that site. Excavations have led to the discovery of a temple whose fragments are now preserved in the museum. Similarly, an seafaring vessel was recovered from Kadakkarappally, a site in Kerala which can be dated to the medieval period. Artifacts of Tamil origin have been found in South East Asia and these include textiles, religious icons, vessels made of copper and bronze and iron tools and weapons.

Historians are unanimous in placing the Tamil region as a preeminent trading and commercial hub of the medieval period. In AD 1025 when Rajendra Chola I (1014-1044) launched a naval expedition against Srivijaya, it appears that mercantile interests were significantly impacted as several towns and cities in Srivijaya were destroyed.

The trade in goods was sustained by the organized production of artisans in craft centres which contained weavers, carpenters, jewelers, metal workers and potters all of whom carried out their trade in fixed peasant localities termed as nadus.

Merchants and traders belonging to various guilds gathered the goods produced and helped distribute them across the region and through the trans-oceanic routes to China and Southeast Asia.

Marco Polo's testimony of the shipping he witnessed when he arrived at Kayalpattinam suggests that even as late as the 13th century, goods produced in the region were finding their way across the Bay of Bengal.

More recently, we have seen trading communities from South India emerge as entrepreneurs and bankers in different parts of Southeast Asia particularly Malaysia and Myanmar.

Falling back on historical links with regional trading communities, backed by entrepreneurial knowhow and social capital, helped build businesses that could hold their own even against discriminatory practices of colonial rulers.

Source: timesofindia.com– June 23, 2025

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