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85.61	100.84	117.66	0.60

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INTERNATIONAL NEWS

China Warns Nations Not to Sign Trade Deals With US at Its Expense

Beijing has doubled down on a warning to other countries not to broker trade deals with the United States if they come at China's expense.

Following declarations from members of the Trump administration last week that a trade agreement had been reached after weeks of tension and multiple international sit-downs between Chinese and American officials, the Chinese Commerce Ministry released comments over the weekend that seem to indicate the truce may be a tenuous one.

On Saturday, a Ministry spokesperson said China stands in firm opposition to any trade agreements made with the U.S. that could threaten its interests in exchange for relief from sweeping duties.

"If such a situation arises, China will not accept it and will take resolute countermeasures to safeguard its legitimate rights and interests," the spokesperson said in response to a media inquiry about the state of America's trade talks with other nations as the 90-day pause on President Donald Trump's "Liberation Day" tariffs winds down.

"Since April, the United States has been pushing so-called 'reciprocal tariffs' on its trade partners. This is a typical act of unilateral bullying that seriously undermines the multilateral trading system and disrupts the normal international trade order," they said, according to state-sponsored media outlet Xinhua.

China urged countries across the globe to aim to resolve their trade issues with the U.S. with an eye toward fairness and justice, while upholding and defending established international trade rules. "It is proven that only by firmly defending its principle and position can a country truly protect its legitimate rights," the Ministry spokesperson said.

These comments come just days after Trump acolytes touted their success in convincing China to lower trade barriers surrounding the export of rare earth minerals, like magnets, that the U.S. aims to purchase for use in several critical technologies.

In early June, Trump squashed a previous agreement brokered in Geneva in May, saying that China refused to cooperate after the fact. U.S. Trade Representative Ambassador Jamieson Greer accused China of violating the terms of the trade truce by restricting the export of the minerals and placing U.S. companies on blacklists.

The White House has released very little other information about the contents of the China agreement, including whether tariff rates have been changed, though China said in a statement on the matter on Friday that it plans to "review and approve the export applications of controlled items that meet the conditions in accordance with the law." It also said it expects the U.S. to "cancel a series of restrictive measures taken against China accordingly."

With the July 9 tariff deadline looming, some administration officials, like Treasury Secretary Scott Bessent, have hinted that the president might be willing to move the goal posts to give trade partners more time to come to the table with terms for new deals.

Last week, he said he could see a scenario where all deals are wrapped up by Labor Day—a significant extension of the administration's previously stated timeline. Commerce Secretary Howard Lutnick said that about 10 deals could be finalized imminently.

However, Bessent changed his tune on Monday, saying that while some countries are negotiating in good faith, others "should be aware that if we can't get across the line…we could spring back to the April 2 levels," referring to the double-digit duty rates set by the president on Liberation Day.

Trump also pushed back on hints that the tariff pause could be extended on Sunday, appearing on Fox News to say that letters to trading partners would be sent out "pretty soon," informing them of the decided upon tariff rates. "We'll look at how a country treats us; are they good, are they not so good? Some countries we don't care, we'll just send a high number out," he said.

Source: sourcingjournal.com– June 30, 2025

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Asia-to-North America Air Cargo Demand Plunges 10.7% After De Minimis Suspension

Air cargo demand from Asia to North America declined 10.7 percent annually in May in the month following the U.S. closure of the de minimis trade exemption for goods imported from China.

Despite the double-digit collapse on the all-important trade lane, which carries the largest market share in the industry at 24.4 percent of cargo-tonne kilometers (CTKs), overall air cargo demand worldwide increased 2.2 percent during the month.

Willie Walsh, director general of the International Air Transport Association (IATA), which released the data on Monday, called the global demand growth "encouraging news."

"A 10.7 percent drop in traffic on the Asia-to-North America trade lane illustrated the dampening effect of shifting U.S. trade policies," said Walsh in a statement. "Even as these policies evolve, already we can see the air cargo sector's well-tested resilience helping shippers to accommodate supply chain needs to flexibly hold back, re-route or accelerate deliveries."

Although seasonally adjusted month-over-month data saw global air cargo demand contract by 1 percent, IATA called May's weakening numbers "less dramatic than feared by many."

Capacity, measured in available cargo tonne-kilometers (ACTK), increased by 2 percent from the year-ago month, with Asia-Pacific based airlines seeing a capacity increase of 5.7 percent. According to the industry body, belly-hold cargo capacity gained 5.8 percent year-over-year and 5.5 percent month-over-month in May 2025, marking the highest jump since 2019.

IATA already lowered its 2025 air cargo demand forecast at the start of June amid the projected impacts of the de minimis suspension, as well as the tariffs the Trump administration placed on U.S. trade partners.

Total demand is projected to increase only 0.7 percent this year to 275.7 billion CTKs, down from the initially estimated 6 percent CTK growth in December.

A monthly freight report from international freight forwarder Dimerco Express Group released Sunday indicated that air freight demand from China to the U.S. and E.U. remains weak, with "no signs of recovery" in e-commerce volumes. As a result, scheduled freighter flights continue to be cancelled.

China-U.S. cargo volumes have declined by as much as 60 percent, the report said, with e-commerce bookings down approximately 50 percent in May and June since de minimis was halted.

FedEx recently backed this data, saying that China-to-U.S. volumes "deteriorated sharply" in early May, resulting in flat international export revenue for the fourth quarter.

Rates out of China have still been falling as the demand declines persist, with weekly China-to-North America weekly prices falling 2 percent to $5.18 per kilogram, according to a July 24 update from Freightos.

While the IATA indicated the practice of front-loading cargo into the U.S. via air had likely run its course ahead of the July 9 tariff deadline for most country-specific tariffs, the Dimerco report said that demand out of Southeast Asia—particularly from Thailand and Vietnam—is starting to pick up due to the upcoming deadline.

Unlike all regions of China and Hong Kong, in which U.S.-bound cargo demand is categorized as "soft," the Southeast Asian markets are expected to see an upturn in demand, or already have tight space.

Air freight capacity and rates remain stable out of Vietnam, according to Dimerco, but freight rates may rise in early July as the tariff deadline approaches. For Thailand, the freight forwarder recommends importers to book cargo to the U.S. and Canada one week ahead, as current rates are high.

India's air freight rates are expected to increase as well as disruptions to global shipping routes are posing challenges for the country's export sector. According to the Dimerco report, tensions in the Middle East may affect capacity and rates for shipments between the E.U., the U.S. and the Indian subcontinent.

As June marks the end of the quarter, air freight backlogs out of Singapore are expected to build in July, driven by increased manufacturing activity in electronics and garments.

Although rates could see an increase out of southeast Asia in July, it will come after a global cooling down period in part because of the de minimis suspension.

According to IATA, cargo freight rates across all trade lanes declined for the first time in 2025 in May, by 2.9 percent year over year and 3.7 percent month over month.

More recent data indicates that rates are still down from 2024 levels worldwide. According to WorldACD, which analyzes more than 500,000 transactions per week, rates were $2.43 per kilogram for the week of June 16-22, down 1.2 percent from the year-ago period, but up 1.7 percent from the $2.39 per kilogram the week prior.

Source: sourcingjournal.com– June 30, 2025

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Why Boosting U.S. Manufacturing Hinges More on Training and Technology Than Tariffs

Today, the American fashion industry imports the vast majority of its goods, but supply chain upheaval and trade uncertainty are convincing more brands to take another look at U.S. manufacturing.

As speakers explained during Sourcing Journal's recent webinar, "Reshoring Reality: Turning Turmoil into Domestic Opportunity," moderated by senior news and features editor Kate Nishimura, there are a number of benefits to moving production back home. For one, shorter lead times allow companies to be more responsive in their buying, ordering goods that are more apt to sell. Being closer to production also provides better oversight into quality and supports collaboration during product development.

"Brands saw during the pandemic how fragile overseas production can be, and onshoring gives them more control, less risk and the ability to diversify where and how their goods are made," said Betsy Franjola, founder of Hocking Hills Garment Center.

Tariffs may be top of mind, but the speakers don't see them as a major driver or incentive toward increasing U.S.-based sourcing and manufacturing. While the stated intent of the duties is partly to boost factory jobs, the current tariff plan put forth by the Trump administration would not have been Reshoring Initiative president Harry Moser's "first choice" to bring more production stateside. He would rather see a more modest 10 to 15 percent tariff instituted on a long-term basis like 10 years so that companies feel confident making investments. As job creation data shows, the threat of tariffs has actually had the opposite effect. "So far, the tariffs have clearly slowed down the rate of reshoring," said Moser. "Because of all the concerns, the uncertainty, the companies have sort of put the brakes on until they find out what the reality is going to be."

Still, there are companies forging ahead with U.S. production, such as Hocking Hills Garment Center in Southeast Ohio that opened last fall. Although onshoring has its positives, after decades of predominantly offshoring, it is not a simple task to bring factories back stateside. "Building a new domestic sewing factory from the ground up isn't easy, especially here in the U.S., where we have allowed so much of our manufacturing capacity and our workforce to erode over the decades," said Franjola.

Panelists agreed that talent is a top hurdle. Without a readily available labor force of skilled sewists, individuals must be recruited into the field and then trained. One group that could step in are immigrants from countries with more emphasis on sewing skills. Justin Hershoran, senior solutions architect at Aptean, gave the example of a company in Kentucky that is employing refugees from Haiti. "We have a huge resource in the country of immigrants—especially undocumented immigrants—many of whom did sewing in their home country before they came here," said Moser. "Instead of deporting them, why not set up a system where they can work and make a fair income, and at the end of five years…or 10 years get a citizenship. It would solve two problems at the same time."

Adding another barrier, the U.S. has historically not been very competitive from a cost perspective. Total costs are roughly 50 percent higher than in China, and 10 to 20 percent greater than other developed nations. But as Moser pointed out, FOB cost isn't everything. Instead, the Reshoring Initiative suggests what it calls a Total Cost of Ownership model that takes into account other factors including freight, duties, stockout risk and the cost of inventory.

Technology can help on both the training and pricing fronts. By leveraging digitalization, such as automated machines, companies can shorten the learning curve for new operators compared to more manual production equipment like sewing machines. They can also potentially produce more volumes with fewer employees. Technology also makes the work more appealing and engaging—helping to attract new manufacturing talent—and incentivizes productivity. "Labor is going to be more expensive. But there are so many tools out there, from software to machinery, to help reduce that number," said Hershoran.

With Aptean's Shop Floor Control (SFC) solution, which digitalizes production operations including scheduling, data collection and more, customers have typically seen roughly 15 percent savings. SFC can also integrate with platforms like product life cycle management (PLM) to connect production with planning and design teams. "It's mission critical to be able to not just know this information as it happens, in real time, but be able to respond to it," said Hershoran. "The quicker you can respond, obviously, the quicker you can deal with issues that slow down your production or stop production."

Hocking Hills Garment Center is in the process of integrating Shop Floor Control in its operations to help track progress on projects while also allowing workers to understand how their contributions fit into the bigger picture. “Integrating tech like Aptean, it’s more than streamlining the operations, it really reinforces our mission, which is building a modern people-centered factory that brings American manufacturing back with purpose and being smart about it,” said Franjola.

Onshoring won’t be a fit for everyone. Per Franjola, it works best for brands seeking out partners to develop “elevated” products that require craftsmanship, those who value sustainability and ethics and labels that frequently launch new collections. Her advice is to “start small. Test a capsule or a single style. See the benefits of working domestically,” she said. “For that white space where flexibility, quality and efficiency meet, I really believe that U.S. manufacturing can be a game changer for brands.”

Source: sourcingjournal.com– June 30, 2025

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Egypt's T&A market to grow at 5.13 % CAGR from 2025-33: IMARC Group

Egypt's textile and apparel (T&A)market is projected for substantial growth, with a CAGR of 5.13 per cent from 2025 to 2033, according to IMARC Group's latest research. This optimistic forecast is driven by robust government support, the industry's strategic geographical location, the enduring appeal of Egyptian cotton, a growing focus on sustainability, and the expanding reach of e-commerce.

The Egyptian government has been actively bolstering the textile and apparel sector through targeted policies and significant investments. Initiatives include modernizing public-sector textile factories and establishing new industrial zones to boost production capacity. Policies like tax breaks and streamlined regulations are also attracting investment and helping companies scale their operations.

A key pillar of Egypt's textile industry is its renowned long-staple cotton, often called 'white gold.' The superior quality of this cotton makes it a preferred choice globally for premium clothing and home textiles, benefiting local manufacturers and drawing international brands seeking luxury materials.

Egypt's strategic proximity to major markets like the United States, Europe, and the Middle East offers a significant logistical advantage. With 15 commercial ports and efficient shipping routes, Egypt can ensure faster delivery times; for example, shipments can reach the US in just 12 days, a stark contrast to the month-plus transit times from some Asian ports.

Sustainability is also reshaping Egypt's textile landscape. As consumer demand for eco-friendly products rises, manufacturers are increasingly adopting organic cotton, recycled polyester, and energy-efficient production methods. The Egypt Cady Textiles factory, which opened in 2023, exemplifies this shift with its focus on eco-friendly production.

Moreover, the rise of e-commerce is transforming how Egyptian textiles and apparel reach consumers. Social media platforms, coupled with influencer marketing and targeted advertisements, are boosting sales by enabling direct brand-to-customer connections. Local fashion brands, for instance, leverage Instagram to showcase trendy designs and drive online sales.

Finally, a burgeoning trend of local fashion brands is emerging, blending Egypt's rich cultural heritage with contemporary designs. The Egyptian Chamber of Apparel and Home Textile Industries (ECAHT) actively supports these brands, promoting Egypt's unique identity worldwide.

Brands focusing on authentic Egyptian cotton apparel are gaining traction for their quality, invigorating the industry and creating opportunities for designers to innovate for both local and international consumers seeking distinctive, high-quality products rooted in tradition.

Source: fashionatingworld.com– June 30, 2025

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China Dominates Textile Machinery Investment as Global Shipments Show Divergence in 2024

China continues to be the largest investor in new textile machinery, according to 47th annual International Textile Machinery Shipment Statistics (ITMSS) released by the International Textile Manufacturers Federation (ITMF).

The 2024 survey was compiled in cooperation with more than 200 global textile machinery manufacturers. The report covers six segments of textile machinery: spinning, draw-texturing, weaving, large circular knitting, flat knitting, and finishing.

Overall, ITMF said global textile machinery shipments show mixed performance in 2024.

In spinning, deliveries of short-staple spindles and open-end rotors slowed. The total number of shipped short-staple spindles decreased by 3.8 million units in 2024 to a level of 5.92 million. Though Asia and Oceania claimed 90 percent of the shipments, deliveries were down 36 percent compared to 2023. Shipment to Africa, Europe, North and Central America saw double-digit increases.

South America and Eastern Europe were outliers of the downward trend, where shipments increased 1.7 percent and 10.5 percent, respectively.

Global shipments of long-staple (wool) spindles increased to 600,000 units in 2024, driven by a rise in deliveries to Asia and Oceania and Eastern Europe

Global shipments of shuttle-less looms increased by 32 percent to 226,000 units. Deliveries in the categories “air-jet” and “water-jet” grew by 10 percent and 56 percent, respectively. The number of “rapier and projectile” looms declined 7 percent 25,000 units.

Asia and Oceania was the main destination for shuttle-less looms with 97 percent of worldwide deliveries. The main investor in all loom categories was China where shipment grew.

Global shipments of large circular knitting machines decreased 15 percent to 28,000 units in 2024. However, the number of shipped electronic flat knitting machines increased 16 percent. Asia and Oceania was the world's leading investor in circular and flat knitting machinery.

ITMF noted mixed results in the finishing category. Participating companies reported a 53 percent decrease for dyeing for Dyeing – Line, CPB and a 390 percent for Dyeing – Line, Hotflue.

The number of "jigger dyeing beam dyeing" shipped in 2024 decreased 44 percent to 371 units. Deliveries of "air jet dyeing" and "overflow dyeing" rose 18 and 5 percent, respectively.

The texturing machinery category saw the largest gains. Global shipments of single heater draw-texturing spindles, which are mainly used for polyamide filaments, increased 95 percent from nearly 43,000 units in 2023 to 84,000 units in 2024. China, Vietnam, and India were the 3 main investors in this segment.

Deliveries of double heater draw-texturing spindles, which are mainly used for polyester filaments, grew 80 percent, with 95 percent going to China.

Source: sourcingjournal.com– June 30, 2025

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Denmark's Q1 apparel imports from Turkiye fall 6.9% in Q1

Denmark's apparel imports from Turkiye declined by 6.9 per cent to $87.722 million in the first quarter of the current year, compared to $94.260 million in the same period last year.

During January–March 2025, Denmark's cotton garment imports stood at $56.044 million, accounting for 63.89 per cent of total apparel imports. Cotton garments thus dominated the country's apparel trade with Turkiye, according to Fibre2Fashion's market insight tool TexPro.

Imports of man-made fibre garments totalled $18.787 million, making up 21.42 per cent of the total, while garments made from other types of fibre accounted for $12.088 million, or 13.78 per cent.

According to TexPro, Denmark's imports of woven garments stood at $49.388 million, while knitted garments amounted to $38.333 million—representing 56.30 per cent and 43.70 per cent of the total, respectively.

A gender-wise analysis of the trade shows that imports of men's garments were valued at $29.381 million (33.49 per cent), unisex garments at $29.033 million (33.10 per cent), women's garments at $28.834 million (32.87 per cent), and baby garments at $472,731 (0.54 per cent).

Denmark's imports of trousers and shorts from Turkiye reached $36.005 million in the first quarter of this year, making them the leading category with a 41.04 per cent share. Imports of T-shirts stood at $16.724 million (19.07 per cent), jerseys at $8.050 million (9.18 per cent), jackets and blazers at $6.567 million (7.49 per cent), and shirts at $6.488 million (7.40 per cent).

In 2024, Denmark's apparel imports from Turkiye totalled $336.608 million, down 4.27 per cent from $351.624 million in 2023. Imports were recorded at $461.273 million in 2022.

Source: fibre2fashion.com– June 30, 2025

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86% of Vietnamese manufacturers concerned over US tariffs: PwC survey

Vietnamese manufacturers are on high alert due to an uncertain US tariff policy, according to a recent PwC Vietnam survey, which found that 86 per cent of them are concerned or deeply concerned over the tariffs' impact, while 14 per cent are neutral or have slight concern.

Significant challenges anticipated from US tariffs include higher costs (23 per cent) and market shifts (15 per cent), the survey report, titled 'US Tariff Policies: Impact and Pathways' said.

Actions that Vietnamese businesses are taking to prepare for or mitigate the potential impact of such tariffs are classified into three categories.

The first is to reduce trade dependency and control high costs. Accordingly, 44 per cent of businesses are diversifying sourcing to other countries, while 34 per cent are negotiating with existing suppliers, the study revealed.

The second strategy is to enhance operational efficiency. Forty per cent of businesses are automating and streamlining processes, while 32 per cent are improving efficiency and reducing waste.

The third is to protect long-term competitiveness. Forty-one per cent of businesses are looking forward to diversifying into new markets, while a quarter of respondents are adjusting pricing strategies.

Companies are realising the risks of overreliance on a single source like China. Diversifying suppliers, especially towards more stable regions, has become essential. At the same time, many are seeing the opportunity to renegotiate supplier contracts to better control costs and improve cash flow, the study found.

In production, automation and lean models to boost efficiency are being adopted. Exporters and domestic manufacturers are actively integrating into local and foreign direct investment supply chains as a practical strategy to optimise costs and enhance competitiveness.

As traditional export destinations become more unpredictable, Vietnamese firms are expanding into the European Union, the ASEAN bloc and Japan.

Source: fibre2fashion.com– July 01, 2025

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Thailand-Cambodia Border Closures Snarl Regional Trade, Apparel Manufacturing

A long-running border dispute between Thailand and Cambodia has escalated into a full-blown restriction in land border crossings. The move could potentially have a ripple effect on vessels seeking to stop at ports in both countries and compel apparel manufacturers to reevaluate their supply chain operations in the region.

Tensions between the textile-producing nations inflamed in May when armed clashes along the border left one Cambodian soldier dead.

On June 23, the Thai military ordered all permanent and temporary land border checkpoints between Thailand and Cambodia to close. This included suspending all cross-border vehicle movement and trade activities, except for humanitarian purposes, until further notice.

In total, six permanent and 10 temporary checkpoints along the Thai-Cambodian border were shut down.

Since the land border closures, seaports in both countries have remained open. There has been no direct impact on service lines yet, as there has been when India and Pakistan began a trade standoff that has effectively required ocean carriers to prioritize stops at one country over another.

On Wednesday, ocean carrier Hyundai Merchant Marine (HMM) sent an advisory "strongly" recommending customers against dropping off cargo at a Thailand port and using the trade route for in-transit shipments to Cambodia under merchant haulage.

Merchant haulage is a clause in which the shipper is responsible for arranging and paying for the inland transportation of goods, and not the container shipping liner.

"Please be advised that any arrangements made via this route may result in additional costs, longer processing times, and significant delays—all of which will be sole responsibility of the customer," the HMM advisory said. "We kindly ask for your understanding and strongly discourage the use of in-transit arrangements via Thailand to Cambodia."

According to the South Korean container shipping firm, the Royal Thai Army Headquarters has not issued any additional guidance on the situation.

Aside from HMM, none of the other major carriers have delivered advisories to customers on how to approach trade with either country.

"Clearly shippers with any other carrier will face the same problem if planning to move cargo over land between Thailand and Cambodia," said Lars Jensen, CEO of container shipping consultancy Vespucci Maritime, in a LinkedIn post Thursday.

However, Cambodia-bound ocean shipments via Thailand may also face delays, according to an analysis from Kuehne + Nagel.

The logistics giant listed Thailand's Laem Chabang Port as "slightly disrupted," saying that congestions at two major terminals have improved over the past week and truck waiting times have reduced to three hours.

During the week prior, the port racked up delays for export shipments because of a shortage of containers at the Lat Krabang Inland Container Depot in Bangkok. This due to a lack of available truck drivers to transport empty containers from Laem Chabang to Lat Krabang.

Despite this week's improvements, "fluctuations may occur from day to day," the Kuehne + Nagel update read. "Turnaround time between Laem Chabang and the Lat Krabang area has improved to an average of three to five days, and is expected to remain stable. The port is allowing early export gate-ins on application."

The border concerns could have impacts on apparel companies with manufacturing operations based in Cambodia as well, even pushing them to seek new suppliers for the duration of the closure.

According to a report from Nation Thailand, many Cambodian buyers have been forced to source products elsewhere, with some Thai manufacturers now needing to delay shipments or suspend operations—particularly for factories in Cambodia reliant on Thai raw materials, such as garments.

The border drama unfolds as both countries are currently in negotiations with the U.S. in the hope of conjuring up new trade deals. As part of his wider array of country-specific “reciprocal” tariffs on U.S. trade partners, President Donald Trump hit both neighboring southeast Asian nations with high tariffs at the start of April.

Cambodia was slapped with a 49 percent tariff, while duties on Thailand goods reached 36 percent. Those tariffs got a 90-day reprieve shortly after to make room for the negotiations, with both countries since having 10 percent baseline tariffs on all products exported to the U.S.

The countries have a deadline of July 9 before the tariffs revert to their initially proposed figures, although the White House referred to the target date as “not critical” on Thursday.

Trump said during a press conference Friday morning that he plans to send a letter to all countries next week, informing them of their tariff rate. The president acknowledged that July 9 was not a fixed date.

“We can do whatever we want. We could extend it. We could make it shorter,” Trump said. I’d like to make it shorter. I’d like to just send letters out to everybody: ‘Congratulations. You’re paying 25 percent.’”

Source: sourcingjournal.com– June 30, 2025

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Against the odds, Bangladesh gains ground in US apparel market

Garment shipments from Bangladesh have maintained steady growth among the top 10 exporters to the USA over the past five years, helping the country secure its position as the third-largest apparel exporter to the US market.

The United States is Bangladesh's single largest export destination. Between 2020 and 2024, exports grew by 40.45 percent, according to data from the US Office of Textiles and Apparel (OTEXA).

In 2020, Bangladesh exported garments worth $5.22 billion to the US. By 2024, this figure rose to $7.34 billion, showing how local exporters remained resilient despite multiple global and domestic crises.

These challenges included the Covid-19 pandemic, global inflation, the Russia-Ukraine war, rising fuel prices, the Israel-Palestine conflict, factory shutdowns, and labour unrest. Despite these, Bangladesh's apparel sector held firm in one of its key markets. The US's overall apparel imports rose by 23.72 percent over the same period, according to OTEXA data.

Although some countries recorded higher growth rates, Bangladesh's large export volume and consistent performance helped it retain a leading position. American consumers, retailers, and brands responded positively to Bangladesh's improved product quality and workplace safety.

The south Asian country's progress in compliance and innovation also helped build buyer confidence, contributing to stable orders and growing shipments. Meanwhile, China has been steadily losing its share in the US market since 2018. That year, then-President Donald Trump imposed higher tariffs on Chinese imports, including garments. The duties increased further during his second term.

In 2022, China exported garments worth $21.75 billion to the US. This amount dropped to $16.50 billion by 2024, making China the biggest loser in terms of value, according to OTEXA. Bangladesh, in contrast, gained from the shift in sourcing, reflecting growing interest from US buyers looking beyond China.

Vietnam benefited the most from this shift. Its garment exports to the US rose from $12.56 billion in 2020 to $14.98 billion in 2024, and the upward trend continues.

India also saw significant improvement, with exports increasing to $4.69 billion in 2024 from $3.01 billion in 2020. Indonesia followed, with exports rising from $3.51 billion to $4.25 billion over the same period.

Pakistan exported $2.16 billion in 2024, up from $1.40 billion in 2020, also gaining from changes in global sourcing strategies. As part of ongoing trade negotiations, Bangladesh has been urging the Trump administration to reconsider its plan to impose a 37 percent reciprocal tariff on Bangladeshi exports.

Business leaders have suggested that the rate should be capped at 10 percent, which they see as a fair baseline introduced earlier this year.

The government submitted formal comments on the draft proposal ahead of a high-level meeting scheduled for July 3 in Washington. Commerce Adviser Sk Bashir Uddin is expected to attend, joined by National Security Adviser Khalilur Rahman. Rahman is already in Washington for talks, which come just days before a 90-day pause on the new tariffs expires on July 8.

On Thursday, he met US Assistant Trade Representative Brendan Lynch to press Bangladesh's case. Officials said the country wants to maintain the current 16 percent tariff along with the 10 percent baseline, totalling 26 percent.

This is being offered as an alternative to the proposed 37 percent duty. Dhaka is also expected to seek a three-month extension of the tariff pause. The BGMEA made a similar proposal in a recent meeting with US embassy officials in Dhaka. A business representative said if tariffs must be imposed, Bangladesh prefers a maximum of 10 percent instead of 37 percent.

Currently, Bangladeshi exporters face a 26 percent tariff after the US imposed an additional 10 percent duty on April 8.

Source: thedailystar.net– July 01, 2025

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Bangladesh: Customs operations resume at sea, land ports

Operations at Chattogram port have resumed for both import and export activities after a two-day shutdown, which had left approximately 3,500 TEUs of export containers stranded. The photo shows the bustling port with numerous containers and ships, indicating renewed activity.

Import and export activities resumed at sea and land ports across the country yesterday after revenue officials called off their two-day nationwide shutdown on Sunday evening.

Officials said they were trying to expedite customs procedures to clear the backlog accumulated on Saturday and Sunday.

At Chattogram port, customs operations for both import and export activities resumed soon after the shutdown was called off, according to Mohammad Saidul Islam, deputy commissioner of the Custom House, Chattogram.

During the two-day work stoppage, some 3,500 TEUs (twenty-foot equivalent units) of export containers had been left stranded at the port, according to port sources.

After the shutdown was called off, 310 TEUs were offloaded from the MV Amalfi Bay, while 1,340 TEUs of export containers were loaded, they said. Several trade bodies and clearing and forwarding agencies that operate on behalf of importers and exporters welcomed the resumption.

Saiful Alam, president of the Chattogram C&F Agents Association, said the two-day suspension had caused severe congestion in both import and export operations.

"The port has started to clear the backlog," he said. Export customs duties were processed on Sunday night, and vessel registrations, along with other essential approvals, were underway, he added.

Alam hoped that normalcy at the port would be restored within the next few days.

At Benapole Land Port, import and export activities restarted in full swing yesterday morning, said Shamim Hossain, director of the port.

Around 3,000 handling workers returned to their posts yesterday morning, as customs and port officials said they were working to clear the backlog of deliveries and complete pending formalities.

Alhaj Aminul Haque, vice-president of the Benapole Importers and Exporters Association, said around 2,000 cargo trucks had been stranded on the Indian side of the border. Many of them began entering Benapole yesterday morning.

Shamim Hossain said field officials had been instructed to speed up operations to ease the congestion and clear the accumulated cargo.

Trade also resumed through Burimari Land Port in Lalmonirhat and Sonahat Land Port in Kurigram yesterday morning, offering relief to hundreds of traders and businesses on both sides of the border who had suffered heavy financial losses during the disruption.

Niaz Nahid, general secretary of the C&F Agents Association at Burimari, told The Daily Star that export-bound trucks heading for India and import cargo trucks from across the border had begun arriving at the port yard from yesterday morning.

Shamim Ahmed, an importer and exporter based in Burimari, said, "Burimari is the second-largest land port in the country, generating over Tk 1 crore in daily revenue. Thankfully, trucks are once again entering with imported goods and leaving with export cargo."

A similar scene was found at Sonahat Land Port. Akmal Hossain, president of the C&F Agents Association there, said, "Trade resumed yesterday morning after a two-day closure. But the financial blow has already been dealt to both traders and the treasury."

Mehedi Hasan, assistant director of Burimari Land Port, said, "On average, around 300 trucks are cleared daily here, mostly carrying imported goods from India and Bhutan. After two days of shutdown, we are now facing a large pile-up of cargo trucks, which may take time to clear."

Source: thedailystar.net– July 01, 2025

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Strike at Bangladesh's Busiest Port Paralyzes Trade, Threatens $222M Hit to Garment Industry

A two-day strike at Bangladesh's biggest port shut down the movement of containers over the weekend, grinding shipping activity in the area to a standstill before the country's government issued a back-to-work order late Sunday.

At Chattogram Port, customs officials walked off the job on Saturday and Sunday in solidarity with the federal government's National Board of Revenue (NBR), the parent organization of the Chattogram Customs House.

NBR officials implemented a "complete shutdown" program on Saturday, with the agency's employees all stopping work in tax, customs and VAT offices across the country. The agency has already held several labor disruptions, including hunger strikes and human chains, in protest of an ordinance on May 12 that would abolish the organization and establish two new entities in its place.

The absence of customs clearance officers at Chattogram Port effectively stalled the hub's import-export processes, as there was no one to scan, inspect and clear the goods, preventing the port from releasing any cargo. Employees who were present did not perform any duties, a Chattogram Customs House told Bangladeshi publication The Business Standard.

Cessation of customs activities spread to multiple land ports on the border of India, including the Akhaura Land Port and Bhomra Land Port, halting trade through Sunday. The Indian government had already restricted imports including readymade garments (RMGs) through these land gateways.

In a statement shared with Reuters, the interim government of Prime Minister Muhammad Yunus said that import-export operations must continue uninterrupted to protect the economy, and that all NBR jobs were deemed essential services.

During the two-day stretch, transportation of import and export containers to and from Chattogram Port had also been entirely suspended.

This meant none of the 19 private inland container depots (ICDs) in Dhaka—which are typically used to alleviate congestion at Chattogram by adding more area for container handling—sent export-laden containers to the port.

More than 14,000 containers piled up across the ICDs due to the NBR shutdown over the weekend, according to a report from The Business Standard. Under normal circumstances, the depots collectively hold roughly 10,000 to 11,000 containers, according to Mohammad Ruhul Amin Sikder, secretary general of the Bangladesh Inland Container Depot Association.

"In the past two days alone, around 3,000 to 3,500 containers were supposed to move from the ICDs to the port for shipment. But due to the shutdown, they couldn't be transported," Sikder told The Business Standard,

At least four vessels were unable to depart the port because they could not receive containers from the ICDs, the report said.

On Monday, the Chattogram Port (also known as Chittagong Port) is scheduled to dispatch between 6,000 and 7,000 containers on five vessels.

At the port, clearing and forwarding agents resumed work Monday morning.

According to the Chattogram Port Authority, 10 container vessels are were berthed at the port's jetties as of Monday morning, while 19 more ships are waiting at the outer anchorage.

Mahmud Hasan Khan Babu, the recently elected president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the suspended port operations would cost the country's RMG industry an estimated $222 million.

"The cost of recovery will be staggering—beyond comprehension—and many factories risk going bankrupt," he told French news agency Agence France-Presse (AFP).

Apparel is the backbone of Bangladesh's export economy, with the southeast Asian nation 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.

Chattogram has recently been a hotbed for congestion, seeing significant delays due to the country's political unrest last year and other events like flooding and a software glitch that coincidentally caused the port's customs clearance systems to malfunction.

Ahead of the strike, Kuehne + Nagel identified the Chattogram port as "heavily disrupted" in a Thursday update. Average waiting times for ships to berth at the port totaled 4.89 days in the week prior to the update, the logistics giant said.

At the time, the port had a yard occupancy rate of around 79 percent, with the company saying the yard is facing "severe space constraints" due to the extended Eid al-Adha holiday in early June.

The lack of space has more heavily affected imports slowing vessel operations at two of Chattogram Port's terminals: New Mooring Container Terminal (NCT) and Chittagong Container Terminal (CCT).

Export loads are also limited because of "time consuming" cargo unloading operations, worsened by CPA equipment issues, according to Kuehne + Nagel.

Due to a rail shortage, dwell times for Dhaka ICD-bound imports are seven to 10 days for 20-foot containers and two to three days for 40-foot containers.

Source: sourcingjournal.com– June 30, 2025

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NATIONAL NEWS

Union Commerce and Industry Minister Shri Piyush Goyal leads Discussions with Export Promotion Councils & Industry Associations in New Delhi

Union Minister of Commerce and Industry, Shri Piyush Goyal, chaired a meeting with Export Promotion Councils and Industry Associations at Vanijya Bhawan, New Delhi today. The meeting brought together representatives from the Department of Commerce, Department of Revenue, Export Promotion Councils and Industry Associations. Discussions centred around the various Free Trade Agreements (FTA) concluded in the past, status and challenges in utilisation of such FTAs, opportunities created by the recently concluded FTAs and industry views and expectations for the proposed and ongoing FTA negotiations.

The session also featured presentations from the Department of Commerce on the performance of SEZs and the recent reforms undertaken as well as further reforms proposed. The objective of the proposed reforms was to simplify the procedures, increase economies of scales, utilise the idle capacities at SEZs to realise the objectives of the country for achieving the US $ 5 Trillion economy by 2027. Breakout sessions were also held with Officials from the Department of Commerce, Department of Revenue and Members of Trade on ICEGATE Implementation at SEZs. The representatives of Export Promotion Councils & Industry Associations from various sectors like Textile, Apparel, Engineering, Gems & Jewellery, Medical Devices, Services Sector, FIEO, Ayush, Leather, Assocham, etc welcomed the efforts of the Union Minister in creating the best possible Trade Environment and Market Opportunities.

Shri Piyush Goyal reaffirmed the Government's commitment to create a facilitative trade environment through initiatives of ease of doing business, creating more market opportunities to the Indian Exporters. He emphasized that the industry should ramp up their manufacturing capabilities, diversify supply chains, reduce import dependency to realise the goal of becoming Atmanirbhar Bharat.

Source: pib.gov.in– June 30, 2025

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AEPC, TEXPROCIL discuss India-US trade agreement with Piyush Goyal

In a meeting with Piyush Goyal, Commerce and Industry Minister, Sudhir Sekhri, Chairman of the Apparel Export Promotion Council (AEPC), and Vijay Agarwal, CEO, Cotton Textiles Export Promotion Council (TEXPROCIL), discussed urgent concerns regarding the ongoing India-US bilateral trade agreement.

Assuring the industry representatives, Goyal said, the government would prioritize safeguarding the nation's textile and apparel industries. He highlighted these sectors as crucial for employment generation and export revenues during the negotiation process. Hearing the industry's concerns, he reiterated on the government's commitment to protect labor-intensive sectors like textiles and garments from any negative fallout in the current trade talks.

Industry organizations cautioned, if the United States proceeds with its proposal to impose an additional 26 per cent reciprocal tariff on Indian imports, it could severely impact India's garment and home textiles exports. These sectors are considered the backbone of India's exports to the US.

Source: fashionatingworld.com– June 30, 2025

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White House optimistic about striking trade deal with India `very soon'

The White House has exuded confidence about the ongoing trade talks with "strategic ally" India and said that a deal is very close.

New Delhi, however, put its foot down on offering market access in sensitive agricultural and dairy products, a key demand of the US, and is insistent on not budging on it despite the July 9 reciprocal tariff deadline, sources said.

"The President said last week [that the US and India are very close to a trade deal], and it remains true. I just spoke to our Secretary of Commerce about it. He was in the Oval Office with the President. They are finalising these agreements, and you'll hear from the President and his trade team very soon when it comes to India," White House Press Secretary Katherine Leavitt said at a briefing on Monday.

Trade teams from India and the US are locked in negotiations in Washington DC for the past five days trying to get an agreement on an interim trade pact by July 9.

The absence of a deal in a week's time might result in full imposition of the reciprocal tariffs announced by US President Donald Trump on trade partners on April 2, fixed at 26 per cent for India. Trump had put the reciprocal tariffs on a 90-day hold (except a 10 per cent baseline tariff), and the period would lapse on July 9.

At the briefing, Leavitt expressed optimism about India's relationship with the US. "India remains a very strategic ally in the Asia Pacific, and the President has a very good relationship with Prime Minister Modi — and he will continue to have that."

But if US demand for market access in the agriculture sector, including for dairy products and GM crops, is not withdrawn, then a deal seems difficult by July 9, a source tracking the development said.

"It is not possible for India to open up sectors sensitive to food security such as rice and wheat. Neither can it put its vulnerable dairy farmers at risk by making offers for dairy products. Also US demand for market access for soya and corn is difficult to meet as they are mostly GM crops.

One has to see if the US respects these redlines and a deal can emerge," the source said.

US Treasury Secretary Scott Bessent on Monday warned that if negotiating countries stay "recalcitrant" in trade talks, reciprocal tariffs could return to April 2 levels.

Source: thehindubusinessline.com– July 01, 2025

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India's manufacturing PMI hits 14-month high in June on export surge

India's manufacturing activity accelerated to a 14-month high in June, driven by a substantial rise in international sales that boosted output and sparked record-breaking hiring, a business survey showed on Tuesday.

The HSBC India Manufacturing Purchasing Managers' Index, compiled by S&P Global, climbed to 58.4 in June from May's 57.6 and in line with a preliminary estimate released last week.

The PMI threshold of 50.0 separates growth from contraction in activity.

“Robust end-demand fuelled expansions in output, new orders, and job creation,” said Pranjul Bhandari, chief India economist at HSBC.

Factory output grew at its fastest pace since April last year, supported by strong demand.

Incoming new orders increased at the steepest rate in nearly a year, with international demand providing significant momentum.

Export orders recorded the third-highest growth rate since data collection began in March 2005, with US markets frequently cited as a source of strength.

The latest positive readings come amid rising uncertainty from US tariffs as India's trade talks with the largest economy in the world have hit a roadblock ahead of the July 9 deadline due to disagreements on duties for auto components, steel and farm goods, according to government sources.

Strong demand prompted manufacturers to hire additional staff at an unprecedented pace — the fastest since the survey began over two decades ago.

Price pressures for manufacturers eased in June, with input cost inflation slowing to its lowest level in four months despite some increases in iron and steel prices. The moderation was significant when compared to historical trends.

At the same time, companies continued to raise their selling prices markedly - albeit at a softer pace than in the previous month - passing on expenses such as freight, labour and material costs to customers.

Business confidence remained positive but dipped slightly to an eight-month low as some manufacturers expressed concerns about competition, inflation and potential shifts in consumer preferences.

Source: thehindubusinessline.com– July 01, 2025

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Govt-skill training schemes didn't help, say 71% of manufacturing MSMEs: Report

The government skill and talent initiatives are not effectively reaching the Micro, Small and Medium Enterprises (MSMEs) engaged in the manufacturing activities, as a staggering 71 per cent of small firms say government-run skill-training programmes haven't helped them, according to a report by Cushman & Wakefield.

The report observed that approximately 61 per cent of MSMEs stated that government skill and talent initiatives had not reached them, while 39 per cent affirmed that they had received benefits.

"Our survey indicates that government skill and talent initiatives aren't reaching the sector effectively. The gap is widest among small firms; 71 per cent say government skill-training programmes haven't helped them," the report titled 'Elevating India's Manufacturing Resilience: Charting the Path to Self-Reliance' added.

The size of the small firms in the survey was less than 500 employees. MSMEs employed four of every five manufacturing workers and produced 40 per cent of the sector's output. Yet each worker in an MSME generates only 14 per cent as much as a worker in a large plant, the report added.

Similar manufacturers in emerging economies have reached almost 30 per cent; in advanced economies the gap is even smaller, the report observed.

Apart from various skilling schemes, the government has earmarked ₹2,500 crore for 12 sector-specific plug-and-play parks to speed plan setup, slash capex, help SMEs and attract Foreign Direct Investments.

On the other hand, about 88 per cent of survey respondents said that government infrastructure spending has influenced their capex plans.

The 93 per cent of respondents report better operating efficiency and profitability where modern parks and corridors are in place. Notably, 88 per cent of respondents plan to expand operations, driven by infrastructure projects like Bharatmala, Sagarmala, Dedicated Freight Corridors, and the National Industrial Corridor Development.

"India must address deep-rooted cost and capacity gaps--especially in logistics, integrated facilities, and MSME productivity. Plug-and-play industrial parks, multimodal logistics networks, and improved land aggregation frameworks are not just enablers; they are essential levers for converting policy momentum into production-ready outcomes," said Gautam Saraf, Executive Managing Director, Mumbai & New Business, Cushman & Wakefield.

Additionally, 95 per cent reported improved access to logistics, while 94 per cent of large enterprises credited infrastructure upgrades as central to their growth strategies.

Despite these advancements, critical challenges persist. High logistics costs, low warehousing capacity (0.2 sq. ft. per urban resident vs. 47.3 in the U.S.), minimal domestic value addition (17 per cent vs. China's 25 per cent), and skill gaps, especially in MSMEs, threaten long-term competitiveness.

Source: thehindubusinessline.com– June 29, 2025

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Boosting growth: Integrate MSMEs and e-commerce to surge GDP globally

India made history when, in 2025, it emerged as the world's fourth-largest economy (in nominal GDP terms), as confirmed by the IMF and NITI Aayog. India's GDP is now $4.19 trillion, edging past Japan's $4.18 trillion, racing to cross Germany for the third rank by 2027. It will then rank behind only the US ($30.5 trillion) and China ($19.2 trillion). A creditable moment indeed for a nation which got independence only 78 years ago! However, closing the gap with China will be a big challenge, though not impossible.

When we look back, in 1990, India and China were nearly at par in GDP, with India's per capita income at $367 and China's at $317. However, later China zoomed astronomically, leaving India far behind. By 2022, China's per capita income had risen to $12,720 while India's stood at $2,388.

China's meteoric rise has been driven significantly by the revolutionary growth of micro, small, and medium enterprises (MSMEs), supported by e-commerce and wedged with exports globally.

MSMEs and e-commerce have been the backbone of China's industrial growth. China has over 48 million MSMEs, accounting for more than 97% of all enterprises, 60% of GDP, 80% of urban employment, and 70% of tech innovation. Post-reform, their MSMEs were instrumental in absorbing surplus rural labour. Their agility and dynamism boosted exports, especially in light manufacturing, consumer goods, textiles, electronics, and machinery.

It is true that the Chinese pattern of authoritarian one-party government is different from India's democratic system, yet we have our own advantages, with states many times larger than several European countries. We can identify economic drivers and introduce targets and competition.

The Chinese government used a system of cluster development, with regions like the Pearl River Delta and Yangtze River Delta becoming global manufacturing hubs, with industry-specific clusters of MSMEs.

The government and local authorities created a conducive environment by simplifying business registration, offering tax incentives, improving access to credit through state banks and fintech, and encouraging MSMEs to integrate with global value chains, for which they massively used e-commerce.

Platforms like Alibaba, JD.com, and Pinduoduo revolutionised retail by integrating MSMEs. E-commerce bridged urban–rural divides; initiatives like Taobao Villages allowed rural producers to directly sell agricultural and handmade products, boosting rural incomes. China expanded and fortified logistics and leveraged e-commerce into global e-export powerhouses, enabling MSMEs to tap into international demand with platforms like Alibaba's AliExpress and global supply chains.

In India also, several things are happening—and more are possible. For example, Walmart, through its majority-owned e-commerce arm Flipkart, is boosting India's exports by sourcing Indian-made goods worth $10 billion annually by 2027, including apparel, food, toys, and pharma, as stated by Walmart CEO Doug McMillon after meeting PM Modi. They are also undertaking programmes to strengthen logistics with states and supporting business skills. There are similar initiatives being pioneered by other e-commerce companies like Amazon.

India's e-commerce market was valued at $74 billion in 2024, and is expected to cross $300 billion by 2030 (8–10% of retail). E-commerce platforms including ONDC have democratised market access for MSMEs, with 70% of online sellers being small businesses, including women, artisans, and craftsmen. Their exports through e-commerce can significantly reduce India's trade deficit, $78 billion in FY2024, fuelling GDP growth.

To close the GDP gap with China, MSMEs, e-commerce, states, logistics growth, and the private sector must work synergistically, with time-bound targets and rewards.

A few action points:

Agriculture: Modernise agriculture (18% of GDP) through irrigation (e.g., AIBP), cold storage, and processing to reduce spoilage (33% of production lost).

Services: Expand IT, e-commerce, and financial services, which drive 50%+ of GDP.

Energy and Chemicals: Scale up refining capacity and chemical production (5% of GDP) to reduce import dependence.

Infrastructure Investment: Increase infrastructure spending to $200 billion annually to boost growth by 2–4%, especially in irrigation and smart cities to enhance productivity.

Skill Development: Invest heavily in education and vocational training to improve workforce productivity, with measurable targets.

Job Creation: Promote labour-intensive industries like textiles and identified MSMEs with high job potential.

Urbanisation: Develop urban centres to absorb rural labour, reducing pressure on agriculture (18% of GDP but employs 45% of the workforce), with housing.

Make in India Expansion: Strengthen programmes like "Make in India" to increase manufacturing's GDP share to 25% by 2030. Focus on electronics, automotive (India is the fourth-largest producer globally), and pharmaceuticals.

Supply Chain Integration: Capitalise on global shifts as manufacturing leaves China (China+1 initiatives) due to geopolitics and cost advantages in India. Attract FDI in semiconductors, renewable energy, and EV production.

AI and Digital Economy: Promote AI adoption in healthcare, agriculture, and finance. India's digital economy (e.g., UPI, IT services) can drive growth.

R&D Investment: Increase R&D spending (currently 0.7% of GDP vs China's 2.4%) to foster innovation in green tech, biotech, and space.

Startup Ecosystem: Support India's startup ecosystem (third-largest globally) to create high-value and job-intensive industries. Promote competition within states.

Trade Agreements: Deepen FTAs with the USA (just announced), EU, ASEAN, and African nations to boost exports.

If we can provide the throttle-thrust to various economic engines with the right regulatory policies, effective single-window service at all levels, and integrate MSMEs with e-commerce—along with competition within states and aspirational districts—it will not be impossible to reach the desired goal.

Source: thehindubusinessline.com– June 30, 2025

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India a 'strategic ally', trade deal to be finalised soon: White House

The US considers India a "strategic ally" in the Indo-Pacific region and a trade deal between both the countries will be finalised soon, White House Press Secretary Karoline Leavitt said on Tuesday (IST). At a press briefing, Leavitt said that the Trump administration is finalising the agreements for the trade deal. "Yes, the President said that last week (that the US and India are very close to a trade deal), and it remains true. I just spoke to our secretary of commerce about it. He was in the Oval Office with the President. They are finalising these agreements, and you'll hear from the President and his trade team very soon when it comes to India," she said in response to a question by news agency ANI.

Leavitt also highlighted the strong relationship that Trump shares with Prime Minister Narendra Modi. When asked how the US views China's influence in the Indo-Pacific region, Leavitt said, "India remains a very strategic ally in the Asia Pacific and the President has a very good relationship with Prime Minister Modi, and he will continue to have that."

The White House press secretary's remark comes days after US President Donald Trump said that a "very big deal" with India will follow soon. "Everybody wants to make a deal and have a part of it. Remember a few months ago, the press was saying, 'Do you really have anybody of any interest?' Well, we just signed with China yesterday. We have one coming up, maybe with India. A very big one, where we're going to open up India," he said, adding that the US was seeking "full trade barrier dropping" along with greater access to the Indian market. On July 9, the reciprocal tariffs announced by Trump are going to come into effect. While many nations have tried negotiating deals with the US, only the UK and China have been able to secure a deal so far. The Centre also seems ready to push for a mutually beneficial deal with the US. Finance Minister Nirmala Sitharaman, in a conversation with Financial Express, confirmed the same. She said that India is not averse to finalising a comprehensive trade pact with the US, provided the nation's core concerns, especially regarding farmers and livestock producers, are respected.

Source: business-standard.com– July 01, 2025

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Textile Ministry looking at new schemes for the sector

The Union Textiles Ministry is looking at new schemes for the sector apart from considering the Production Linked Scheme - II (PLI - II).

The Union Minister of State for Textiles Pabitra Margherita told the media in Coimbatore on Monday (June 30, 2025) that the Ministry is committed to development of the entire textile value chain, from handlooms to technical textiles. The textile stakeholders are asking for PLI- II. While the government is considering it, there will be other schemes too, he said.

Regarding the demands of the industry to relax the Quality Control Orders (QCOs), he said the government is taking inputs from the industry on trade-related issues.

The trade unions demanded reopening of National Textile Corporation (NTC) mills in Tamil Nadu. Mr. Margherita said, "They have submitted their demands and appeals. Our Ministry is very much in touch with them (trade unions). We are with the employees of NTC. We would resolve their problems. We are optimistic that the demands of the NTC people will be fulfilled."

Source: thehindu.com– June 30, 2025

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Man-made fibre to play major role for India to achieve USD 100 billion textile exports by 2030: MoS

Union Minister of State for External Affairs and Textiles Pabitra Margherita said the Man-Made Fibre (MMF) arena will have a pivotal role to play for India to achieve textile and apparel exports worth USD 100 billion by 2030.

Margherita inaugurated the 3rd Man-Made Fibre (MMF) Conclave, organised by the Confederation of Indian Textile Industry, in Coimbatore on Monday. The theme of the conclave was 'Global Trade Dynamics: Strengthening India's Position in the Manmade Fibre Value Chain'.

Delivering the inaugural address, Margherita spoke of the global shift in demand towards man-made fibre. Highlighting the various steps being taken by the government of India to further strengthen its position in the global textile arena, he said the establishment of the PM-MITRA parks and the production linked incentive (PLI) scheme would act as game changers for the Indian textile sector.

Margherita interacted with exporters in Tiruppur on Monday and said, "India is becoming a hub of the apparel sector as well. The reason I am saying this in Tiruppur is because the city is the centre of everything. Exporters have put forward various recommendations and suggestions during the discussion. I will discuss everything with my department colleagues and give it due importance."

"We are continuing to negotiate with the US, UAE and other countries to sign a Free-Trade Agreement (FTA). There are favourable conditions in India, and these markets have high demand for Indian apparel," he added.

Later, the minister visited the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM), Coimbatore, an autonomous institute under the Ministry of Textiles.
The programme was presided over by the director of SVPISTM, P Alli Rani. Speaking at the event, the minister said, "Textiles account for 13% of India's total industrial production and stand as the second-largest employment generator after agriculture."

Source: newindianexpress.com– July 01, 2025

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North Indian cotton yarn witnesses sluggish demand, prices steady

Cotton yarn trade in north India did not show any improvement on the first day of the week. Demand for cotton yarn remained weak in Ludhiana and Delhi. However, rising cotton prices offset the subdued sentiment. Cotton prices have increased in recent days due to lower arrivals and a stronger ICE cotton trend. Market experts commented that domestic cotton yarn demand has declined due to seasonal changes, while export-oriented demand also remained weak amid concerns over the reciprocal tariff proposed by the US administration.

In Ludhiana, cotton yarn demand remained sluggish. Domestic demand dropped as buyers shifted towards polyester. Uncertainty over garment export orders from the US also weighed on market sentiment. A trader from Ludhiana told Fibre2Fashion, "Cotton yarn demand was below average. Market sentiment is unlikely to improve very soon. Buyers preferred to adopt a wait-and-watch approach."

In Ludhiana, 30 count cotton combed yarn was sold at ₹255-265 (~$2.97-3.09) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹245-255 (~$2.86-2.97) per kg and ₹250-260 (~$2.91-3.03) per kg, respectively; and carded yarn of 30 count was noted at ₹235-240 (~$2.74-2.80) per kg today, according to trade sources.

The Delhi market also witnessed stable cotton yarn prices amid weak demand. Market sources stated that buyers were hesitant to place new orders due to uncertainty over finished goods. Despite sluggish demand, cotton yarn prices remained steady, supported by firm cotton prices. Spinning mills are struggling to maintain margins due to rising cotton costs.

In Delhi, 30 count combed knitting yarn was traded at ₹255-256 (~$2.97-2.98) per kg (GST extra), 40 count combed at ₹280-281 (~$3.26-3.27) per kg, 30 count carded at ₹229-231 (~$2.67-2.69) per kg, and 40 count carded at ₹254-256 (~$2.96-2.98) per kg today.

The recycled yarn market in Panipat saw a shortage of raw materials and sluggish demand. Prices of recycled yarn remained mostly unchanged as demand from the downstream industry stayed weak.

However, mills are facing a shortage of rugs and textile waste due to strict government scrutiny. Panipat's home textile industry uses both domestic and imported waste, including from Bangladesh and European countries.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹75-78 (~$0.87-0.91) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹60-65 (~$0.70-0.76) per kg, 20s recycled PC yarn (Grey) at ₹101-103 (~$1.18-1.20) per kg and 30s recycled PC yarn (Grey) at ₹130-135 (~$1.52-1.57) per kg. Cotton comber prices were noted at ₹98-101 (~$1.14-1.18) per kg and recycled polyester fibre (PET bottle fibre) at ₹76-80 (~$0.89-0.93) per kg today.

In north India, cotton prices remained steady on Monday after rising late last week. Prices increased by around ₹20–50 per maund of 37.2 kg. Traders noted significant price variation across north Indian states. Stocked cotton was sold at higher prices in Rajasthan and Punjab, whereas prices were relatively lower in Haryana due to the prevalence of running cotton.

Cotton arrivals in north India fell to negligible levels, with total arrivals estimated at just over 200 bales across the region. Only stocked cotton is currently being traded, and both ginners and stockists have very limited supplies as the Cotton Corporation of India (CCI) remained the dominant buyer this season.

Cotton prices in Punjab ranged from ₹5,810 to ₹5,820 (~$67.74–67.86) per maund; in Haryana, ₹5,570–5,630 (~$64.94–65.65); in upper Rajasthan, ₹5,730–5,870 (~$66.81–68.44). In lower Rajasthan, prices stood at ₹53,600–₹55,300 (~$624.94–644.78) per candy of 356 kg.

Source: fibre2fashion.com– June 30, 2025

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Ludhiana textile industry emphasis on innovation, govt support

The Ludhiana textile industry has emphasised innovation as a key strategy to address current challenges and capitalise on future opportunities. Industry leaders and experts highlighted the need to prioritise innovation to secure a respectable position in the global market. They also called on the government for supportive policies and financial assistance to help ensure success.

The event was organised by the Confederation of Indian Textile Industry (CITI) and ITMA in Ludhiana, with the support of local industry organisations.

Jasbir Singh Sokhi, president of The Ludhiana Sewing Machine Technology Park Association, stated at the event, "We are no longer self-reliant Indian entrepreneurs. We are severely lacking in innovation, which has reached an alarming level. Punjab once led the world in sewing machine production. However, in just two decades, Chinese brands like Zach have captured over 75 per cent of the domestic market. Although we serve as original equipment manufacturers for various foreign brands, we have failed to develop our own brand identity."

Vinod Thapar, chairman of the Knitwear Club, said, "Women excel in the hosiery sector, yet Ludhiana has failed to attract significant female participation in its hosiery and knitting industries. Currently, women make up just 10 per cent of the workforce, although there is potential for 40 per cent participation. The industry also lacks infrastructure and facilities to support women workers."

Avatar Singh Bhogal, senior vice president of the United Cycled and Parts Manufacturers Association (UCPMA), cited the example of their industry. He noted that Chinese companies are exporting bicycles at prices equivalent to the cost of a single component.

While the Indian industry is producing 15 kg bicycles, there is growing global demand for lightweight 1.5 kg carbon fibre bicycles. Bhogal lamented that the Indian bicycle industry lacks the infrastructure and technology to compete globally and is not future-ready.

Rajesh Bansal, a prominent industrialist from Ludhiana, pointed out that the domestic industry is burdened by environmental compliance costs. He emphasised that small enterprises need government support, particularly in addressing pollution concerns. Currently, no subsidies are available for effluent treatment equipment for small and medium industries.

Chandrima Chatterjee, secretary general of CITI, stated that the PM MITRA scheme and the free trade agreement (FTA) with the UK will open new opportunities for the domestic industry. Meanwhile, ITMA's Suraj Dhawan stressed the urgent need to foster innovation and support startups.

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