IBTEX No. 86 of 2025 July 07, 2025

Currency Watch			
USD	EUR	GBP	JPY
85.82	100.90	116.77	0.59

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INTERNATIONAL NEWS

Trump signs 'One Big Beautiful Bill' into law on Independence Day

A package of tax and spending cuts was signed into law at the White House yesterday by President Donald Trump at a ceremony to celebrate the American Independence Day.

The ‘One Big Beautiful Bill’, which will fund the president’s immigration crackdown, make his 2017 tax cuts permanent and may do away with the health insurance benefits of millions of Americans, was signed a day after the Republican-controlled House of Representatives approved the piece of legislation.

The legislation contains about $4.5 trillion in tax cuts.

"I've never seen people so happy in our country because of that, because so many different groups of people are being taken care of: the military, civilians of all types, jobs of all types," Trump said at the ceremony.

"So you have the biggest tax cut, the biggest spending cut, the largest border security investment in American history," Trump was quoted as saying by global newswires.

In a long speech, House Democratic leader Hakeem Jeffries termed the bill a giveaway to the wealthy that would strip low-income Americans of federally-backed health insurance and food aid benefits.

The law would cost Republicans votes in congressional elections in 2026, Democratic national committee chair Ken Martin predicted.

Source: fibre2fashion.com– July 05, 2025

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Donald Trump reduces tax on Vietnam imports to 20%

Just ahead of the expiration of a 90-day pause on 'reciprocal' tariffs affecting numerous US trade partners, President Donald Trump has entered into a new trade agreement with Vietnam that reduces the import tax levied on goods from the country to 20 per cent from the earlier proposed 46 per cent.

Signed between Donald Trump and Lam, General Secretary, Communist Party of Vietnam, this 'Great Deal of Cooperation,' outlines, Vietnam will pay a 20 per cent tariff on all goods shipped to the US and a 40 per cent tariff on any 'transshipping"'– meaning goods from other countries routed through Vietnam for final shipment to the United States.

Conversely, as part of this new agreement, Vietnam has pledged to grant the US total access to its markets with a zero-tariff rate, allowing American products to be sold there duty-free.

This agreement adjusts the general tariff rate against Vietnamese goods, which had been at 10 per cent during the 90-day pause initiated on April 9. The original 'reciprocal' tariff plan included a baseline 10 per cent duty for most trading partners and higher tariffs on specific goods like vehicles and auto parts.

Vietnam stands as the seventh-largest US trading partner, with two-way commerce totaling $149.6 billion in 2024. Last year, US imports from Vietnam reached $136.6 billion, primarily comprising apparel, electrical machinery, and footwear. Top US exports to Vietnam include raw cotton, integrated circuits, and telecommunications equipment.

Source: fashionatingworld.com– July 04, 2025

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Global yoga clothing market to grow to $70,291.0 million in value by 2030

Growing at a CAGR of 7.8 per cent from 2021-30, the global yoga clothing market is projected to reach a value of $70,291.0 million by 2030, as per a report by Allied Market Research.

This expansion is largely fueled by a significant increase in obesity rates and health-related ailments worldwide, driving more consumers to embrace fitness practices like yoga.

The market's growth is also propelled by the rising consumer inclination to purchase specialized accessories, including yoga apparel, blocks, and mats. Furthermore, concerted efforts by governments and fitness organizations globally to promote yoga have substantially heightened awareness of its numerous health benefits.

By product type, the bottom wear segment is anticipated to experience the fastest growth, with an estimated CAGR of 8.1 per cent during the forecast period. This growth is linked to the increasing number of yoga practitioners and ongoing R&D investments aimed at enhancing the comfort and functionality of yoga wear.

In terms of end-users, the women's segment dominated the market in 2020, valued at $20,520.7 million and capturing 60.9 per cent of the global share. This dominance is attributed to increased aesthetic awareness among women and the influence of female celebrities promoting yoga.

Regionally, North America remains a prominent market, with the US leading the charge. The US market is projected to reach $5,855.5 million by 2030, growing at a CAGR of 6.4 per cento. Specialty stores were the leading distribution channel in 2020, accounting for 60.8 per cent of the market, primarily due to their strong presence in developed markets like North America and Europe.

The COVID-19 pandemic spurred increased participation in yoga and home-based fitness activities as people became more health-conscious and utilized online platforms. However, the initial lockdown phases led to manufacturing halts and supply chain disruptions, causing some losses for the yoga clothing industry. Despite these short-term setbacks, the underlying trend of increased health awareness reinforced the long-term growth prospects for the market.

Leading players in the yoga clothing market, including Nike, Puma, Asics, Under Armour, Inc., Adidas, Lululemon Athletica, Manduka, Prana, Hugger Mugger, and Aurorae Yoga, LLC., continue to employ various strategies to expand their market share and capitalize on growth opportunities.

Source: fashionatingworld.com– July 04, 2025

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Italy's retail sales slip in May despite annual value growth

In May 2025, Italy's retail sales are estimated to have decreased in the monthly series by 0.4 per cent in value and 0.5 per cent in volume, according to Istituto Nazionale di Statistica (Istat).

In the three months to May 2025, retail sales edged down by 0.1 per cent in value and 0.5 per cent in volume relative to the previous three-month period.

However, on a year-on-year (YoY) basis, retail sales rose by 1.3 per cent in value, though volume contracted by 0.3 per cent, Istat said in a press release.

By distribution type, large-scale retail grew by 3.2 per cent from May 2024, while small-scale retail declined by 0.4 per cent. Non-store sales remained stable, and online sales fell by 0.9 per cent.

Source: fibre2fashion.com– July 07, 2025

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Australia's apparel imports rise 6.7% to $7.94 bn in Jul-May FY25

Australia's imports of apparel and clothing accessories (classified under code 84) increased by 6.75 per cent to Au$12.119 billion (~$7.940 billion) during July 2024–May 2025, the first eleven months of fiscal 2024–25 (July–June), according to the latest trade data released by the Australian Bureau of Statistics (ABS).

The country had imported apparel and clothing accessories worth Au$11.352 billion during the same period in 2023–24. There was also a month-on-month (MoM) increase in imports in May 2025.

Imports of textile yarn, fabrics, and made-up articles (classified under code 65) rose by 5.17 per cent, reaching Au$4.251 billion (~$2.785 billion) in the first eleven months of the current fiscal, compared to Au$4.042 billion in the same period last fiscal. Conversely, fibre imports (classified under code 26) fell to Au$109 million, down from Au$117 million during the period under review.

In May 2025, imports of apparel and clothing accessories increased by 8.39 per cent to Au$0.997 billion, up from Au$0.920 billion in May 2024. However, imports of textile yarn, fabrics, made-up articles, and related products eased to Au$386 million, compared to Au$392 million in May 2024. Fibre imports were higher at Au$12 million, compared to Au$10 million in May 2024.

Meanwhile, Australia's exports of textile fibres (code 26) were valued at Au$5.499 billion (~$3.602 billion) during July 2024–May 2025, marking a 13.83 per cent decrease from Au$6.382 billion in the corresponding period of the previous year. Exports in May 2025 fell by 15.56 per cent to Au$358 million, compared to Au$424 million in May 2024.

In fiscal 2023–24, Australia's apparel and clothing imports totalled Au$12.231 billion (~$7.748 billion), a decline of 5.2 per cent from Au$12.903 billion recorded in 2022–23.

Similarly, imports of textile yarn and fabrics dropped by 9.40 per cent, from Au$4.825 billion in 2022–23 to Au$4.371 billion (~$2.767 billion) in 2023–24.

Australia exported textile fibres worth Au$7.053 billion (~$4.465 billion) in 2023–24, representing a decline of 13.97 per cent from Au$8.199 billion in 2022–23. Notably, Australia remains a significant producer and exporter of cotton.

Source: fibre2fashion.com– July 07, 2025

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Trust over trends is how fashion e-commerce is being redefined in Europe

The digital racks of fashion e-commerce are changing as a new report by BoF Insights 'The New Era of Fashion E-Commerce', done in collaboration with Amazon Fashion & Sports in Europe, reveals shifting consumer priorities, with trust, reliability, and convenience now eclipsing fleeting trends and even price as key drivers of online purchasing decisions. The days of 'more-is-more' consumption are yielding to a more intentional shopping experience, compelling brands to recalibrate their strategies for a demanding new era.

The report, based on a proprietary survey of fashion shoppers across the EU5 (UK, Germany, France, Italy, and Spain) conducted in April 2025, highlights the value equation in fashion e-commerce is being redefined.

Multi-brand retailers emerge new discovery hubs

The report shows multi-brand retailers are emerging as the dominant force in fashion discovery. Almost 39 per cent of EU5 shoppers surveyed cited these platforms as their primary source of online inspiration.

This trend got a boost with increasing economic uncertainty, with 23 per cent of frequent fashion shoppers (those who purchased fashion online more than five times in the last year) opting for large, well-known retailers due to their perceived dependability and convenience.

This fluidity in customer journey, particularly among digitally fluent younger shoppers, necessitates a ubiquitous brand presence. The report underscores the power of multi-channel visibility, with 71 per cent of EU5 consumers agreeing that seeing a brand across multiple channels makes them more likely to trust it.

Ruth Diaz, VP of Amazon Fashion and Sports Europe, emphasizes this point and says "Today's fashion customer moves fluidly across diverse channels, which is why we focus on creating exciting experiences that meet them where they are, wherever and however they want to shop." She says, they know that when brands create multiple touchpoints, customer engagement increases dramatically.

The rise of practical value

Perhaps the most significant revelation from the report is the waning importance of trendiness. Only 12 per cent of EU5 customers surveyed prioritize trendiness when shopping for fashion online. This is a stark departure from the pre-pandemic era, where "ephemeral fashion trends" and "disposability" were more pronounced, as observed by Doug Stephens, Founder and Chief Executive of Retail Prophet. Instead, shoppers are now seeking tangible benefits that address the inherent pain points of online shopping. The report highlights critical customer priorities:

Over 40 per cent of EU5 customers surveyed cited personalized size recommendations as a top factor influencing their online fashion purchasing behavior. This demand is leading to the rapid adoption of nascent technologies like immersive 3D product views and AI-powered personalization, which are transitioning from "nice-to-haves" to "must-haves."

For example, Amazon Fashion & Sports' AI-powered size and fit recommendations exemplify this shift. The report notes that over 90 per cent of Amazon customers who buy the recommended size report satisfaction with their purchase, demonstrating the tangible impact of such innovations on customer confidence and loyalty.

The new loyalty driver

In a competitive landscape where customer loyalty is increasingly difficult to secure, consistency across all channels is paramount. Whether a customer encounters a brand on social media, its own website, or a multi-brand retailer, the expectation for a seamless and high-quality experience remains constant.

Beyond the front-end experience, "what happens behind the scenes matters just as much," the report emphasizes. Operational excellence, encompassing fulfillment accuracy and logistics speed, is rapidly becoming a key differentiator. Brands that can consistently deliver on promises of reliability and convenience are not only converting more customers but also fostering long-term loyalty and unlocking incremental growth.

The report therefore, serves as a critical guide for brands navigating this evolving digital landscape. By prioritizing trust, convenience, and a deep understanding of evolving customer expectations, fashion businesses can not only meet rising demands but also forge lasting connections in a highly competitive market.

Source: fashionatingworld.com– July 04, 2025

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Bangladesh: Spinners demand withdrawal of 2% AIT on cotton import within a week

Textile millers have demanded the withdrawal of the 2 percent advance income tax (AIT) on cotton imports within a week, warning of possible factory closures otherwise.

Speaking at a press conference organised by the Bangladesh Textile Mills Association (BTMA) at the Gulshan Club in Dhaka today, they pointed out that the tax was imposed in the budget proposal without consultation with the millers.

"The government should not do business everywhere, as the income of the government will in fact fall if the sector cannot perform well. At the end of the day, the impact of this 2 percent AIT is massive in business," BTMA President Showkat Aziz Russell said on the occasion.

Hossain Mehmood, chairman of the Bangladesh Terry Towel and Linen Manufacturers and Exporters Association, warned that the 2 percent AIT will increase costs by an additional 7 to 8 percent in the business and push the profit margin further down.

Amal Podder, vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), criticised the move, saying the government should have taken such a decision in consultation with industry leaders.

Restrictive policies hinder growth

The call for withdrawal of the AIT comes as the primary textile sector, with an investment value of $23 billion, is facing multifaceted challenges, including increasing reliance on yarn imports from India, low gas pressure, high bank interest rates, declining working capital due to the exchange rate, and the looming US tariffs.

Md Badsha Mia, managing director of Badsha Textiles Ltd, said the government reduced the incentive to only 1.2 percent from 25 percent, hiked the gas price to Tk 32 per unit from Tk 4 per unit, raised the bank interest rate to 15 percent from single digits, and fixed the source tax at 1 percent—for which the sector is now in trouble.

Millers also noted that they suffered huge losses due to a 36 percent devaluation of the taka against the US dollar over the last three years.

Just before the beginning of the Russia-Ukraine war in February 2022, the exchange rate between the taka and the dollar was Tk 85. But the rate gradually reached Tk 122 per US dollar, causing many millers, traders, and importers to lose a massive amount of working capital, and they are now suffering from a capital shortage.

While the Bangladesh government is moving towards more restrictive policies, the Indian government has been giving many incentives to the spinning, weaving, garment, and textile sectors, giving huge advantages to Indian millers in the competition, the millers also pointed out.

For instance, they said Indian millers can sell a kilogram of yarn at Tk 15 less than Bangladeshi millers due to the incentives introduced by the Indian government. This has led to local garment exporters showing interest in purchasing Indian-origin yarn to make garment items.

"When neighbouring countries have been giving a lot of incentives in the name of different developments for the sector, the Bangladesh government is reducing the incentive rate alarmingly, for which many units are about to be closed down," said BTMA Vice-president Md Saleudh Zaman Khan.

He alleged that such restrictive policies will end up destroying the Bangladeshi primary textile sector. "I am tired of talking about all these problems." BTMA Director Razeeb Haider also echoed a similar sentiment. "Because of faulty policies, a massive amount of yarn comes from India now. The government should immediately reverse the decision to impose 2 percent AIT."

Another BTMA Director, Md Khorshed Alam, said that of the total $23 billion investment in the sector, $18 billion is the banking sector's money. He called on the government to check the 18 percent pilferage of gas to increase supply to industrial units. The millers, however, acknowledged that government intervention has recently increased gas supply to the industry.

Source: thedailystar.net– July 05, 2025

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NATIONAL NEWS

India says trade pact with US should give preference to labour-intensive items like textiles and leather

The proposed India-US bilateral trade agreement (BTA) has to necessarily give preference to India in the areas of its interests — in labour-intensive items such as textiles and leather — to help it beat competition in the American market, a top source has said.

"It is not possible to clap with a single hand. It takes two. India wants a trade deal where it would get market access in its areas of interest, including labour-intensive goods, and it should have sustained preference over other countries in these areas," a source tracking the matter told businessline.

India's team of negotiators recently returned from Washington DC after parleying hard with counterparts in the US for about a week but not managing to seal a deal by the end of it.

There were hopes that an interim trade deal would be agreed to by the two countries before July 9, when the 90-day pause period on US reciprocal tariffs end.

"The ball is now in the US' court as India has already offered to bring down tariffs in a number of sectors for American goods while insisting that its red lines in sensitive areas, including agriculture and dairy, be respected," a second source said.

US President Donald Trump said he will now be sending out letters to trade partners with which trade deals could not be struck specifying the tariffs that would now be imposed on their products.

"We have absolutely no idea what the letters would be about and how the tariffs would be calculated. Also there is no clarity on how these new tariffs would be related to the reciprocal tariffs," the source said.

On August 2, US President Donald Trump had announced reciprocal tariffs for most trade partners with which the US had a trade deficit. The tariff rate, which varied for different countries depending on the level of deficit, was fixed at 26 per cent for India.

This tariff was then suspended for a 90-day period, till July 9, expect a base tariff of 10 per cent, to give time to countries to work out trade deals with the US.

Trump said that he had already signed 12 letters that would be sent out on Monday and all other countries would get letters by July 9.

Source: thehindubusinessline.com – July 06, 2025

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Trump threatens 10% tariff for 'Anti-American' BRICS alignment

US President Donald Trump has slammed the eleven-member BRICS, that includes Brazil, Russia, India, China, and South Africa, warning that an additional 10 per cent tariff will be imposed on any country that aligns with the bloc's `anti-American' policies.

The joint declaration of BRICS leaders at the summit in Rio de Janeiro on Sunday raised concerns about the rise of unilateral tariff and non-tariff measures that distort trade and were inconsistent with WTO, but did not directly mention US tariffs. It also supported expansion of local currency financing and the bloc's cross border payment initiative.

"Any country aligning themselves with the Anti-American policies of BRICS, will be charged an additional 10% Tariff. There will be no exceptions to this policy," Trump wrote on his Truth Social platform on Sunday.

The BRICS, which now also includes new members Saudi Arabia, Egypt, United Arab Emirates, Ethiopia, Indonesia, and Iran, were earlier threatened by Trump in January this year with a 100 per cent tariff if they took any step to replace the US dollar.

While the BRICS declaration for 2025 has no mention of a common BRICS currency, which would be hard to implement and is no longer being seriously pursued, it welcomed the BRICS' New Development Bank's expansion of local currency financing and supported a cross border payment initiative.

"We task our ministers of finance and central bank governors, as appropriate, to continue the discussion on the BRICS Cross-Border Payments Initiative, and acknowledge the progress made by the BRICS Payment Task Force (BPTF) in identifying possible pathways to support the continuation of discussions on the potential for greater interoperability of BRICS payment systems," the declaration noted.

India had earlier specified that the BRICS nations' work towards an alternative mechanism to do trade in national currencies was to protect against geopolitical vulnerabilities, and it was not the same as de-dollarisation.

Trump’s additional 10 per cent tariff threat on BRICS is seemingly over and above the country-specific tariffs Trump said he would propose in his letters to various countries with no trade deal with the US yet, in a “take it or leave it” offer.

Trump’s 90-day pause on the reciprocal tariffs on various countries (26 per cent for India), that was to end on July 9, is set to be postponed to August 1. The letters that the regime would now be handing out to several countries, starting with a dozen on Monday, may have same or different tariffs than originally announced, as there is no clarity on that yet.

Indian negotiators have put forward India’s offers to bring down tariffs in a number of sectors. But it also wants sustained preferences in areas of its interest, including labour-intensive items and protection of its sensitivities in areas such as agriculture and dairy.

Source: thehindubusinessline.com– July 07, 2025

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India-US mini trade deal? Report says agreement with 10% tariffs finalised ahead of Trump deadline

The India-US trade deal may be finalised by Monday — ahead of the July 9 deadline outlined by President Donald Trump. Source-based reports suggest that a mini agreement with average tariffs around 10% is likely to be announced within the next 24 to 48 hours.

The update came even as the POTUS readied tariff letters for 12 unnamed countries and Union Minister Piyush Goyal insisted that India 'does not negotiate under deadlines'.

According to a CNBC-TV18 report, negotiations have already concluded for a mini trade deal with 10% average tariff.

The two countries are likely to take a final decision within the next 24 to 48 hours on this agreement. The early harvest deal is likely to have annual quotas for lower tariffs on certain labour-intensive products from India.

Certain American agricultural products, such as pecan nuts and blueberries, may be provided with lower tax rates. India has reportedly declined to offer any concessions on wheat, rice, maize, dairy and genetically modified crops.

Discussions for a larger bilateral trade agreement will reportedly begin after July 9. The two countries had started negotiations for a bilateral trade agreement in February, with a deadline to conclude the first phase by fall (September-October) this year.

The two sides had earlier indicated plans to finalise an interim trade pact before that time. Sources also told news agency PTI on Sunday that India had 'drawn its red lines' and the ball was now in Washington's court to finalise the deal.

The Indian team had returned from Washington last week after holding talks with the US on an interim trade pact. Differences are also there on steel, aluminium (50%), and auto (25%) tariffs.

India has hardened its position on giving duty concessions to the US on agriculture and dairy products, as both are sensitive subjects. India has never opened the dairy sector in any of the previous trade pacts signed.

Meanwhile, US President Donald Trump revealed that the US has already signed letters outlining reciprocal tariffs that will be levied on various countries from August 1. He said the names of the countries that would be receiving the letters would only be shared on Monday.

"I signed some letters and they will go out on Monday, probably 12. Different amounts of money, different rates of tariff," he said.

Source: financialexpress.com– July 06, 2025

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Ball in Washington's court on India-US interim trade pact before July 9

With India setting its red lines on key issues in sectors such as agriculture and dairy for the proposed interim trade agreement with the US, the ball is now in Washington's court to finalise the deal, sources said.

They said if issues are settled, an interim trade pact could be announced before July 9, which marks the end of the 90-day suspension period of the Trump tariffs announced on April 2 on dozens of countries, including India.

"India has drawn its red lines... now the ball is in the US court," they said.

In February, the two countries announced starting negotiations for a bilateral trade agreement (BTA). They fixed a deadline to conclude the first tranche or phase of the BTA by fall (September-October) this year. Before that, the two sides are locking to finalise an interim trade pact.

On April 2, the US imposed an additional 26 per cent reciprocal tariff on Indian goods but suspended it for 90 days. However, the 10 per cent baseline tariff imposed by America remains in place. India is seeking full exemption from this 26 per cent tariff.

"If the proposed trade talks fail, the 26 per cent tariffs will come into force again," one of the sources said.

Commerce Minister Piyush Goyal last week stated that India does not enter into any trade agreement based on deadlines and will accept the proposed trade deal with the US only when it is fully finalised, properly concluded and in the national interest.

FTAs are possible only when both sides get benefitted and it should be a win-win agreement, he has said.

"National interest should always be supreme. Keeping that in mind, if a deal is made then India is always ready to deal with developed countries," Goyal had said on July 4.

The Indian team returned from Washington last week after holding talks with the US on an interim trade pact. Differences are also there on steel, aluminium (50 per cent) and auto (25 per cent) tariffs.

India has hardened its position on giving duty concessions to the US on agriculture and dairy products as both are sensitive subjects. India has never opened the dairy sector in any of the previous trade pacts signed.

US President Donald Trump last week said his administration is sending letters to the first batch of 10-12 countries, sharing details of reciprocal tariff rates and the entire process could be completed by July 9.

His comments came amid increasing suspense in India on whether New Delhi and Washington would be able to firm up a much-anticipated trade deal before the US president's tariff deadline ends. He has, however, not named the countries.

The president has stated that the reciprocal tariffs would come into effect from August 1.

While the US is looking at duty concessions in sectors like certain industrial goods, automobiles (electric vehicles particularly), wines, petrochemical products, dairy, and agriculture items such as apples, tree nuts, and alfalfa hay; India may look at duty cuts for labour-intensive sectors like apparels, textiles, gems and jewellery, leather, plastics, chemicals, oil seeds, shrimp, and horticulture products.

The US is India's largest trading partner from 2021-22. During 2024-25, the bilateral trade in goods stood at $131.84 billion ($86.51 billion worth of exports, $45.33 billion of imports and $41.18 billion trade surplus).

India's merchandise exports to the US rose 21.78 per cent to $17.25 billion in April-May this fiscal year, while imports rose 25.8 per cent to $8.87 billion. The two-way trade in services expanded from $54.1 billion in 2018 to an estimated $70.5 billion in 2024.

India is also a key destination for American businesses such as professional, scientific, and technical services, manufacturing, and IT. The US accounts for about 18 per cent of India's total goods exports and over 6 per cent in imports and about 11 per cent in bilateral trade.

India received $70.65 billion between April 2000 and March 2025, making Washington the third largest investor.

In 2024, India's main exports to the US included drug formulations and biologicals ($8.1 billion), telecom instruments ($6.5 billion), precious and semi-precious stones ($5.3 billion), petroleum products ($4.1 billion), gold and other precious metal jewellery ($3.2 billion), ready-made garments of cotton, including accessories ($2.8 billion), and products of iron and steel ($2.7 billion).

Imports included crude oil ($4.5 billion), petroleum products ($3.6 billion), coal, coke ($3.4 billion), cut and polished diamonds ($2.6 billion), electric machinery ($1.4 billion), aircraft, spacecraft and parts ($1.3 billion), and gold ($1.3 billion).

Source: business-standard.com– July 06, 2025

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India, Maldives in talks to deepen bilateral trade, investment ties

India and the Maldives discussed ways to explore new opportunities for economic cooperation and trade enhancement, state-run media said on Saturday.

The discussion for strengthening trade was held during a meeting between India's Commerce Secretary Sunil Barthwal and Maldivian Economic Development and Trade Minister Mohamed Saeed here on Friday.

The meeting, held at the Maldivian Economic Ministry as part of Barthwal's visit, focused on exploring new areas of economic collaboration and strengthening existing trade ties, according to Public Service Media (PSM News), the state-run media.

After the meeting, Saeed said in a post on X: Had a productive meeting today with India's Commerce Secretary Sunil Barthwal. We discussed strengthening trade and investment partnerships between our nations and exploring new opportunities for economic cooperation.

The Department of Commerce, Ministry of Commerce and Industry, in a post on X, said Barthwal had a constructive meeting with Saeed, focusing on enhancing trade and investment ties and exploring new avenues for economic cooperation between the two countries.

As part of recent efforts to attract Indian investment, business forums were organised in three Indian cities to promote opportunities in the Maldives, the PSM News said.

India continues to be a key development partner for the Maldives, contributing to several infrastructure and capacity-building projects, it added. New Delhi has also extended a USD 25.94 million currency swap facility to support the archipelagic nation's economy.

Earlier on May 26, India and Maldives explored ways to boost trade and strategic cooperation during a three-day visit by Maldivian Foreign Minister Abdulla Khaleel, accompanied by a high-level delegation to New Delhi to review the implementation of the comprehensive economic and maritime security partnership.

It was agreed during Maldivian President Mohamed Muizzu's trip to New Delhi last October.

The ties between India and the Maldives came under severe strain after Muizzu, known for his pro-China leanings, took charge of the top office in November 2023.

Within hours of his oath, he had demanded the withdrawal of Indian military personnel from his country. Subsequently, the Indian military personnel were replaced by civilians on a mutually agreed date.

There was a thaw in the relations as Muizzu vowed to boost the bilateral ties with India during his visit to Delhi in October 2024.

Maldives is India's key maritime neighbour and an important partner in India's Neighbourhood First' policy and Vision MAHASAGAR that is Mutual and Holistic Advancement for Security and Growth Across Regions.

Source: business-standard.com – July 05, 2025

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Explained: 'Invisible hand' in India's foreign trade

International trade is normally associated with the movement of physical goods loaded onto ships, whether directly as bulk unpackaged cargo or in standard-sized containers.

But trade isn't just about the exchange of tangible stuff across national borders through sea and by air. It is also about the global flows of services, people, capital, data and ideas.

In India's case, the "invisibles" trade – export and import of services plus cross-border private individual money transfers – is today bigger than the "visible" merchandise trade account in its external balance of payments.

Tangibles vs Intangibles

Table 1 shows that India's exports of goods rose almost five-folds, from $66.3 billion to $318.6 billion, between 2003-04 and 2013-14.

Thereafter, it flattened out and fell to below $300 billion by 2020-21, before registering a significant jump to $429.2 billion in 2021-22 and $456.1 billion in 2022-03. That was basically on the back of a rebound in global economic activity and goods demand after the all-round collapse during the Covid-19 pandemic. The value of world merchandise exports grew by 26.3% in 2021 and 11.7% in 2022, according to UNCTAD (United Nations Trade and Development) data.

TABLE 1

INDIA'S 'VISIBLE' VERSUS 'INVISIBLE' EXPORTS

	Goods Exports	Invisibles Receipts	Services Exports	Private Transfers
2003-04	66.29	53.51	26.87	22.18
2013-14	318.61	233.57	151.81	69.64
2014-15	316.55	241.65	158.11	69.82
2015-16	266.37	235.04	154.31	65.59
2016-17	280.14	242.05	164.20	61.30
2017-18	308.97	283.41	195.09	69.13
2018-19	337.24	306.48	208.00	76.40
2019-20	320.43	321.71	213.19	83.20
2020-21	296.30	307.25	206.09	80.19
2021-22	429.16	369.6	254.53	89.13
2022-23	456.07	465.8	325.33	112.47
2023-24	441.44	501.42	341.06	118.71
2024-25	441.79	576.54	387.54	135.43

TABLE 2

A DELICATE BALANCE

	Goods Trade Balance	Invisibles Balance	Current Account Balance
2013-14	-147.61	115.31	-32.30
2014-15	-144.94	118.08	-26.86
2015-16	-130.08	107.93	-22.15
2016-17	-112.44	98.03	-14.42
2017-18	-160.04	111.32	-48.72
2018-19	-180.28	123.03	-57.26
2019-20	-157.51	132.85	-24.66
2020-21	-102.15	126.06	23.91
2021-22	-189.46	150.69	-38.77
2022-23	-265.29	198.24	-67.05
2023-24	-244.91	218.8	-26.11
2024-25	-287.21	263.85	-23.37

Amt. in ($ billion) Source: Reserve Bank of India.

But after 2022-23, India's goods exports have dipped again to $441.4 billion in 2023-24 and $441.8 billion in 2024-25.

On the other hand, the receipts from "invisible" transactions – those not involving export of physical goods – have posted steady, if not impressive, increase over the last two decades and more. In gross terms, these went up nearly 4.5 times between 2003-04 and 2013-14 (from $53.5 billion to $233.6 billion) and by another 2.5 times to $576.5 billion in 2024-25.

In 2013-14, India's goods exports were about $85 billion more than its receipts from invisibles. In 2024-25, it was the other way round, with invisible receipts roughly $135 billion higher than merchandise exports. While trade deals – including the one now being negotiated with the United States – are mostly focused around seaborne and airborne material cargo, India's foreign trade story in recent times has had more to do with the exports of intangibles.

Invisible components

A break-up of India's gross invisible receipts of $576.5 billion in 2024-25 reveals $387.5 billion coming from exports of services, which have soared from a mere $26.9 billion in 2003-04 and $151.8 billion in 2013-14.

The other major source of invisible income has been private transfers or remittances ($135.4 billion). This is money sent by Indians working and living abroad, be it temporarily or as permanent residents and even foreign citizens. The dollars, pounds and dirhams remitted by them is essentially receipts from export of human resources from India.

The rise in private transfers – from $22.2 billion in 2003-04 and $69.6 billion in 2013-14 – is also huge, although not as steep as services exports. The latter has been powered primarily by the exports of software services – from $12.8 billion in 2003-04 to $69.5 billion in 2013-14 and $180.6 billion in 2024-25. Equally important is the export of miscellaneous "business, financial and communication services" – from $37.5 billion in 2013-14 to $118 billion in 2024-25.

Thus, services exports are not only from Information Technology engineers writing software code, but also from accountants, auditors, financial analysts, research & development professionals, management consultants and computer data storage providers.

All these “invisible” exports have seemingly been relatively immune to the vicissitudes of global business cycles, financial crises, pandemics, geopolitical conflicts or tariffs wars. And they have grown with not much government efforts at sealing bilateral trade agreements or unveiling production-linked incentive schemes.

The ongoing India-US trade talks are largely over the Narendra Modi-led government seeking lower tariffs for the country’s exports of textiles, leather, auto components, steel and aluminium products and the Donald Trump administration pushing hard to gain market access for American genetically modified soyabean and corn, ethanol, dairy and other farm produce.

“Invisible” services exports and foreign worker visas aren’t part of the negotiations, at least for now.

The Chinese comparison

Table 2 (above) shows India’s merchandise trade deficit virtually doubling from $147.6 billion in 2013-14 to an all-time-high of $287.2 billion in 2024-25. During the last fiscal ended March 2025, the country’s goods imports, at $729 billion, far exceeded its exports of $441.8 billion.

But the widening goods trade deficits have been considerably offset by surpluses on the net invisible receipts account, surging from $115.3 billion in 2013-14 to $263.8 billion in 2024-25. As a result, the overall current account deficit in India’s balance of payments in 2024-25, at $23.4 billion, was actually lower than the $32.3 billion for 2013-14.

Compare this to China that recorded a merchandise trade surplus of $768 billion in 2024, from goods exports of $3,409 billion versus imports of $2,641 billion. But unlike India, China had a deficit of $344.1 billion on its net invisibles account. That led to a narrowing down of its overall current account surplus to $423.9 billion in 2024.

China, simply put, is the “factory of the world” due to its dominance in global manufacturing. That’s reflected in its running humungous goods trade surpluses year after year. However, when it comes to services, China’s imports in 2024, at $613 billion, were way higher than its corresponding exports of $384 billion.

India, on its part, can lay claim to being the "office of the world". Its services trade surplus alone was $188.8 billion in 2024-25, with exports at $387.5 billion and imports at $198.7 billion. The large net surplus of $263.8 billion from all "invisible" transactions, including private remittances, is what helped contain its overall current account deficit to a manageable $23.4 billion in 2024-25.

Whichever way one looks at, it is "invisibles" – and not physical movement of goods – that have been the key drivers of India's foreign trade.

Source: indianexpress.com– July 07, 2025

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Indian agriculture's prospects depend on innovating and adopting genetic tech

As the July 9 deadline approaches, US negotiators are turning up the heat, urging India to open its agriculture market to genetically modified (GM) crops. Finance Minister Nirmala Sitharaman has declared agriculture and dairy as sacrosanct "red lines," warning that accepting GM imports could jeopardise both farmers' livelihoods and food safety. Meanwhile, global GM crop adoption has skyrocketed since 1996. As of 2023, over 200 million hectares of GM soyabean, maize, canola, and more are in cultivation across 76 countries. India's refusal to budge can become a major challenge in sealing the trade deal.

The only crop that is GM in India is cotton. It was Atal Bihari Vajpayee's government in 2002 when this bold decision to allow Bt cotton was taken. Today, more than 90 per cent of India's cotton area is under Bt cotton, and its seed is fed to cattle. So, in a way, a GM crop is already in our food system.

The cotton seed oil is consumed by humans, although some scientists suggest that the oil does not carry the protein that the seed has. Earlier, even poultry feed, such as soya and corn, was also imported — this was GM. So, one thing is clear — it would be wrong to claim that GM food has not been in our food chain. It has been there for quite some time, mainly through cattle or poultry feed.

Vajpayee envisioned that science could transform agriculture. He extended the original slogan of "Jai Jawan, Jai Kisan" (salutation to the soldier and the farmer), given by Lal Bahadur Shastri, to include "Jai Vigyan" (salutation to science). The results were dramatic. Cotton production surged from 13.6 million bales in 2002–03 to 39.8 million bales in 2013–14 — a phenomenal 193 per cent growth.

Productivity shot up by 87 per cent (from 302 kg/ha to 566 kg/ha), and cultivated area expanded by 56 per cent, with Bt cotton dominating. Farmers' incomes soared, and Gujarat even witnessed an agrarian boom — the state averaged over 8 per cent annual growth in agri GDP. By then, India had become the world's second-largest cotton producer after China and the second-largest exporter after the US, hitting $4.1 billion of net exports during 2011-12.

Since 2015, however, India's cotton story has hit a roadblock. Productivity gains have not only flattened but even dipped. The yield has slumped from 566 kg/ha in 2013-14 to around 436 kg/ha in 2023-24 — far below the global average of approximately 770 kg/ha, and way behind China's nearly 1,945 kg/ha and Brazil's around 1,839 kg/ha. This decline is commensurate with a roughly 2 per cent average annual drop in cotton production since 2015, driven largely by pest outbreaks like pink bollworm and whiteflies, tangled regulations, and a prohibition on next-generation cotton seeds such as herbicide-tolerant (HT) Bt cotton.

HT-Bt cotton, engineered to survive glyphosate spraying, never received official clearance in India —trials by Mahyco-Monsanto were suspended over a decade ago, and no approval has followed. Despite this, the seeds have leaked into farms across Gujarat, Maharashtra, Telangana, Andhra Pradesh, and Punjab. Industry bodies and surveys estimate that illegal HT-Bt covers 15–25 per cent of cotton acreage.

This illegal spread reflects farmers' desperate response to technology and pest attacks. Yet, because these seeds are unregulated, farmers risk crop failure with no recourse, and legitimate seed suppliers are undercut by a shadow economy that harvests their brand names without accountability.

The rise of illicit HT-Bt cotton underscores a deep disconnect between regulation and reality. While the government blocks commercialisation citing ecological and health concerns, the seeds continue to spread — unchecked and untested.

Since 2015, government intervention in private seed contracts has emerged as a major challenge to innovation in India's cotton sector. The Cotton Seed Price Control Order (SPCO) of 2015 slashed Bt cotton seed royalties dramatically, rendering research and development unappealing. By 2018, trait fees had shrunk to a mere Rs 39 per packet — far too low to entice biotech firms to invest in new seed technologies.

In 2016, additional regulations mandated that GM trait licensors transfer technology within 30 days and capped trait fees at 10 per cent of MSP for five years, with further annual cuts thereafter. By 2020, these restrictions tightened even further, deterring global biotech players from engaging in India's cotton industry.

India was poised to lead the gene revolution and serve as a major seed exporter to Asia and Africa. However, policy inertia — from 2003 to 2021—driven by activist and ideological opposition, deprived farmers of potential gains. Consequently, cotton exports began to decline after 2011-12, and by 2024-25, India turned into a net importer of raw cotton, with net imports valued at $0.4 billion.

The issue of GM crops goes far beyond Bt cotton. Approval for Bt brinjal and GM mustard (DMH 11), developed at Delhi University by Deepak Pental's team, remains on hold. These crops cleared in principle by the Genetic Engineering Appraisal Committee (GEAC) haven't received full commercial green light. Bt brinjal has been under moratorium since 2009, while GM mustard got conditional environmental release in 2022—but commercialisation has stalled pending further regulatory checks and potentially a Supreme Court ruling. By muzzling trait monetisation and hindering technology transfer, India's rigid regulatory posture has stalled crop innovation, forced reliance on imports, and squandered a chance to lead the gene revolution.

So, what should be done? The need of the hour is a strong, science-led political leadership. The future of agriculture belongs to technology adopters and innovators. Prime Minister Modi's slogan — "Jai Anusandhan" (hail innovation) — is inspiring and is backed by an ambitious Rs 1 lakh crore RDI (Research, Development and Innovation) fund. But real progress needs commercial deployment of advanced biotech: Ht Bt cotton, Bt brinjal, GM mustard, and even GM soy and corn. From plate to plough, India's future depends on embracing gene technology. As Vajpayee often said, what IT (information technology) is for India, BT (biotechnology) is for Bharat. It can bring prosperity in rural areas.

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