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USD	EUR	GBP	JPY
86.24	100.80	116.17	0.58

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INTERNATIONAL NEWS

Bessent On Tariffs: 'We're Not Going to Rush for the Sake of Doing Deals'

President Donald Trump's administration doesn't seem to be pushing trade deals as quickly as once promised.

U.S. Treasury Secretary Scott Bessent told CNBC in an interview Monday morning that while "talks are moving along" with other nations working to negotiate trade deals, some negotiations have yet to bear fruit ahead of Aug. 1. That date was an extended deadline for countries lagging on trade deals with the U.S.

"The important thing here is the quality of the deal, not the timing of the deals," Bessent said on CNBC's Squawk Box. "We are more concerned with high-quality deals than getting these deals done by Aug. 1. Our trading partners were told that the rates could boomerang back toward the April 2 levels. We can continue talking then."

Bessent said any further deadline extensions for trade deals would rely on Trump's discretion.

"We'll see what the president wants to do," Bessent said.

The secretary said that some trade deals have marked powerful forward movement for the U.S.' interests. A prime example, he boasted, is Indonesia, where the administration "saw five turns of their offers" spanning over several months, eventually yielding an offer up to snuff with what the administration sought.

"I thought their first offer was very good. They came back; the offer kept getting better and better, and we ended up with a fantastic trade agreement," he said.

"We have a 19 percent tariff on them. They have zero tariffs on us, and they are going to do a massive purchase of agriculture and Boeing planes. So, that's what a good trade deal looks like, but there must have been five iterations of that."

The secretary did not provide much detail on the state of contentious trade deals, such as the back-and-forth dialogue that has seen European Union leaders threatening to lash back if a deal has not been reached by the outset of next month.

Bessent simply said that the dealmaking scape "doesn't have to get ugly" with the EU.

He said the administration is "going to be engaging in talks in the very near future" with China, and noted that "the talks are in a very good place." The pause on triple-digit tariffs on Chinese goods is set to expire after the August deadline for other countries, unless the two nations reach a deal.

But despite Bessent's apparent optimism about the future of trade with the sourcing stronghold, it seems the administration continues to harbor some qualms with the state of business in China.

He noted that the Chinese remain "very large purchasers of sanctioned Iranian oil, sanctioned Russian oil" and suggested that would be part of the discussion. But he also highlighted what the Trump administration sees as an economic imbalance because of China's manufacturing power.

"We could also discuss the elephant in the room, which is this great rebalancing that the Chinese need to do. They have 30 percent of the world's export manufacturing, and that can't get any bigger, and it should probably shrink," he said. "What the rest of the world is seeing is, now that we put up this tariff wall around China, China is not manufacturing any less, so those goods are going to Europe, Canada, Australia, into the Global South and flooding those markets."

The Trump administration has placed an onus on domestic manufacturing, particularly in lucrative industries like technology and defense. While Bessent did not mention what, exactly, a suggested "rebalancing" would entail, Trump and his allies have been keen on trying to pivot some business away from Chinese manufacturers.

Federal Reserve Bank of New York President John Williams said last week that while the economy remains solid, the continued uncertainty over tariffs could see markets changing going forward.

"It's important to note that it's still early days for the effects of tariffs, which take time to come into full force," Williams said. "Although we are only seeing relatively modest effects of tariffs in the hard aggregate data so far, I expect those effects to increase in coming months."

Williams further noted inflation could be impacted by the eventual trade deals struck between the U.S. and other nations.

"I expect tariffs to boost inflation by about 1 percentage point over the second half of this year and the first part of next year," he said last week.

Source: sourcingjournal.com – July 21, 2025

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UK consumer confidence falls for first time since Q3 2022: Deloitte

Consumer confidence fell by -2.6 percentage points in the second quarter of fiscal 2025, representing the first marked decline in confidence since October 2022, when inflation peaked at its highest rate in 40 years, and the lowest confidence level since the first quarter of fiscal 2024.

This was driven by a decline in all six measures of confidence of the Deloitte Consumer Tracker index, which is based on responses from 3,200 UK consumers aged 18+. The Tracker is based on a consumer survey carried out by independent market research agency, YouGov, on Deloitte's behalf.

Sentiment towards job security saw the biggest decline (-4.8 percentage points) as well as consumer confidence about job opportunities and career progression (-3.9 percentage points) following the increase in employer costs and weakening of the labour market. Consumers' confidence about their level of debt also fell -3.7 percentage points, although remains above levels seen at the same time a year ago.

"For the last few years we have seen consumer confidence remain relatively resilient despite several economic challenges, geopolitical uncertainty, and the increased cost of living. After recovering from its lowest level on record in the third quarter of 2022, when inflation peaked to a historic high, our consumer confidence index has declined for the first time in almost three years," Céline Fenech, consumer insight lead at Deloitte, said.

"This drop in confidence signals a weakening of consumers' resilience, as concerns of a slowing labour market have left consumers worried about job security and income growth prospects, while persistent inflation and a high cost of living have negatively impacted sentiment towards personal debt.

However, we have seen how the mood of the consumer can change and adapt to new circumstances. If an uptick in both economic growth and business sentiment reduces pressures on the job market and on earnings, a return to positive confidence could still be on the cards," explained Fenech.

"Activity in the UK has slowed in recent months, but an uptick in business confidence seen in the latest Deloitte CFO Survey testifies to continued resilience amid geopolitical uncertainties. Higher inflation – which is well above levels in the US and EU – coupled with a weaker jobs market is weighing on consumer sentiment. The UK is unlikely to see inflation returning to the two per cent rate that prevailed last summer until well into 2026, so the UK consumer will have to navigate several months of uncomfortably high inflation," Ian Stewart, chief economist at Deloitte, added.

As consumer confidence fell, spending also remained relatively subdued in the second quarter. While essential spending dropped by -4.6 percentage points due to the seasonality of lower utility bills, this only translated into a marginal +1.5 percentage point uptick in discretionary spending.

The most significant boosts to discretionary spending were in clothing and footwear (+6.6 percentage points). Meanwhile, leisure spending increased across almost all categories, particularly long and short holidays and eating out, up +5.8 and +4.3 percentage points respectively - a sign that consumers continue to prioritise activities and services over goods.

"Overall, consumer spending has been more volatile in recent months, showing both positive and negative trends. Consumers remain cautious, no doubt due to the impact of persistent food inflation and higher energy prices.

Overall, tactical spending has become more embedded in consumers' behaviours and combined with their concerns about the outlook for jobs and unemployment, could mean consumer demand will remain subdued until confidence in the UK economy further strengthens and stabilises.

Looking ahead, more positive data will be required to back up any sustained growth in consumer spending," Oliver Vernon-Harcourt, partner and head of retail at Deloitte, concluded.

Source: fibre2fashion.com– July 21, 2025

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China's railway freight volume sees steady growth in H1 2025

The railway freight volume of China recorded stable growth in the first half (H1) of 2025, supported by enhanced service efficiency and optimised network operations.

China's national railway system transported a total of 1.98 billion tonnes of cargo in the first half of 2025, reflecting a 3 per cent year-on-year increase. The daily average of loaded freight cars rose to 182,400, representing a 4 per cent growth compared to the same period last year, according to local media reports.

International freight also showed stable performance. The Central Asia freight train service operated 7,349 trains during the period, marking a 25 per cent year-on-year increase.

Meanwhile, the China-Laos Railway handled nearly 3.03 million tonnes of cross-border cargo, up 9 per cent from the same period last year.

Source: fibre2fashion.com– July 21, 2025

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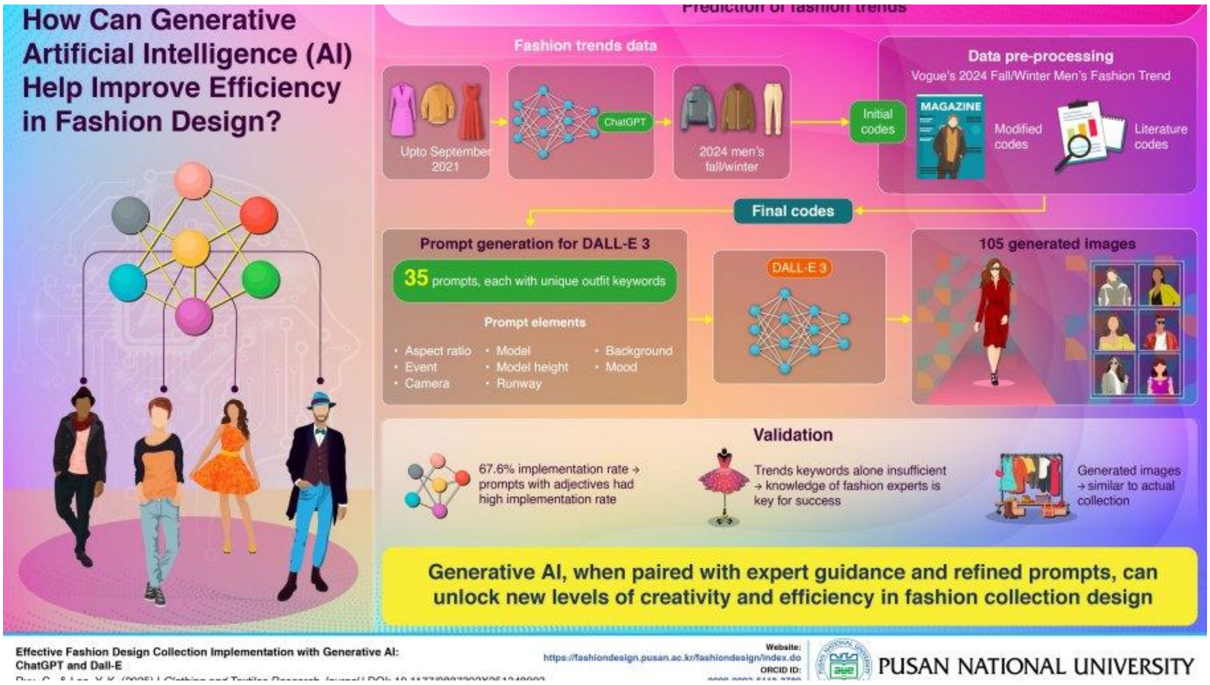
Can AI Predict Fashion Trends?

Are we at a point where generative artificial intelligence can predict all fashion trends? Not quite, but an early test showed some eyebrow-raising results.



Generative AI models like ChatGPT and the image generator DALL-E could help improve design efficiency and predict emerging fashion trends, according to a new study by researchers at Pusan National University in Busan, South Korea.

While many designers and other creatives are posing questions to ChatGPT, generative AI has the potential to revolutionize fashion design by pinpointing patterns in data and generating new text and images, according to researchers. They contend that AI models that are powered by deep learning algorithms can help designers develop new catalogs, and expand their creativity, with added efficiency that will help bring products to the market faster.

Professor Yoon Kyung Lee led the study with Chaehi Ryu, a graduate student in the Department of Clothing and Textiles at Pusan National University, to explore how generative AI can contribute to visualizing seasonal fashion trends. But Lee said the results show that "expertly worded prompts are necessary for accurate fashion design implementation of generative AI," which highlights the important role of fashion experts. Lee has an understanding of the fashion landscape, having previously worked in Milan as a designer for her brand UginiO, which was shown at Seoul Fashion Week and in Paris at one time. With more learning and improvements, generative AI models will help designers create collections more efficiently, she said. That will support their creativity and help “non-experts” to understand fashion trends, Lee added.

Lee and Ryu examined how effective prompt engineering can be when it’s used to generate realistic fashion collection images through AI. Using ChatGPT-3.5 and ChatGPT-4, the researchers first analyzed men’s fashion trends, based on historical data up until September 2021. That analysis was then used with ChatGPT to predict men’s fashion trends for fall 2024. The predicted trends’ design elements were classified as “initial codes,” and design elements from Vogue’s 2024 fall men’s fashion trend data were used as “modified codes.” Thirdly, literature on fashion design concepts was grouped as “codes from literature.” All of the elements were then analyzed and reclassified into six codes—trends, silhouette elements, materials, key items, garment details, and embellishments.

Researchers used those six codes to create 35 prompts for DALL-E 3, OpenAI’s image generator, to describe a unique outfit. The prompts were applied to a template that featured a male model walking down a runway at a 2024 fall fashion show. For added effect, the design of the runway, backdrop, camera angles, models’ appearances and heights, and size of the audience details could be adjusted. Researchers ran each prompt three times and generated a total of 105 images.

DALL-E 3 was able “to perfectly implement the prompts” 67.6 percent of the time, according to the study. (Prompts with adjectives were said to have shown a high implementation rate.) Some of the images in the generated collection were “very similar” to the actual 2024 fall men’s fashion collections, according to researchers. But there were some errors with most of the images looking like ready-to-wear, and DALL-E “struggled” to incorporate trend elements like gender fluidity, according to the study. Lee and Ryu determined that trend keywords alone were insufficient to generate accurate results, and further learning is needed.

However, implementing AI effectively in fashion requires understanding the characteristics of generative AI models and making “informed” decisions about where they can be applied, the study said.

Having studied AI at the Massachusetts Institute of Technology, the fashion designer Norma Kamali said Friday that “AI is great at using data and statistics to create algorithms, which blend nicely into trends.” She added, “Trends are very different from setting a trend, which is an unexpected event that creates a movement in a completely different direction.”

Kamali suggested that AI data that shows a rise in childbirths could potentially lead to new trends in maternity wear for Gen Z mothers. “However, original ideas can best be created by a human with passion, a soul, and feelings,” said Kamali.

Her former professor Abel Sanchez, who is executive director at MIT’s Geospatial Data Center, noted, “When it comes to AI in general, what we’re trying to do is predict the future with the past. When it comes to fashion, we can predict many things, but not everything. That’s a pretty conservative way to look at prediction, because essentially you have to pay attention to what’s being produced, use the guidance that it gives you and double-check it against industry knowledge, experience and other things that might be taking place.”

He compared AI to how Renaissance artists like Leonardo da Vinci worked with apprentices, and at a certain point, they were directing the work and not actually sculpting it with their hands. “It’s still their vision that’s being created, but they’re not moving it directly themselves,” he said.

One of the opportunities that one has with technology is “to navigate the world in a simpler and more personal way,” Sanchez said. Noting how the average person reads 750 books in their lifetime and the number of books that exist are about 130 million, he said, “If you compute that as a percentage, it’s a number that’s nearly zero. The world is demanding more of us and is changing more rapidly, and we can’t possibly adapt. There are many things that we can’t possibly do as humans anymore. One example is the average security flags that the average midsize company gets every day—more than one million. No human can go through all of these.”

There are several things that AI can help people with that overwhelm them at the moment, according to Sanchez, “One of the possibilities is for a simpler life. As opposed to fighting the telecom [company] or whatever institution that has outdated business models and customer service, it provides something that seamlessly integrates into your life.

The transformation is going to be big and painful. And it's going to touch all areas of society. I work at an academic institution, and we're going to be disrupted in one of the biggest ways. Are we changing anytime soon? We're not."

When it comes to fashion and the principles that are at work, it's no different, Sanchez said. "Our ability to innovate, explore, and create will become simpler. "

While some believe that trend forecasting requires a certain amount of inclination, Sanchez challenged the idea that there is a bit of magic and uniqueness to any of us. Case in point, he said, consider password replication, which has led to millions of compromised passwords.

Sanchez acknowledged how some companies are using digital avatars to try to understand how people respond to products and others are using digital versions of models in advertising. "One of the challenges is that certain industries are more resistant, and creative communities are one of the most resistant to change. If I think about writers, the movie industry, although that's changing, there's that sense that AI is the enemy."

Making the point that art didn't disappear after the onset of photography, he said that in terms of fashion and AI, "That technology is here. We need to get over many of the pre-conceived ideas and biases that we have towards technology. It will take us a little bit longer. But part of it will be a matter of who innovates and who brings in those new artifacts that allow us to use these technologies in a nonthreatening way?"

Source: sourcingjournal.com– July 21, 2025

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Fashion retail sales in North America rise by 2.4% in June 2025: US Bureau of Commerce

Fashion retail sales in North America experienced a slight slowdown in June 2025, though the sector still concluded the first half of the year with overall positive growth. Data released by the US Bureau of Commerce, shows, fashion retail turnover in the region increased by 2.4 per cent to reach $24.86 billion in June as compared to June 2024.

Despite this year-over-year rise, fashion retail sales in declined by 11 per cent M-o-M from $27.945 billion in May 2025.

However, a strong performance earlier in the year has ensured that the cumulative figure for the first half of 2025 remains positive. US retail fashion sales for the first six months increased by 3.6 per cent to $142.604 billion, compared to the same period last year.

This sector's performance outpaced the first six months of the year, coinciding with President Donald Trump's initial months in office. The report notes, full effect of his first tariff announcement in April on inflation and sales may not yet be entirely visible.

In contrast to fashion, overall consumption declined by 5.2 per cent in in June 2025 compared to June 2024, a significant reversal from the 3.1 per cent rise observed in May. Total US retail trade turnover stood at $713.652 billion during the month, reaching a cumulative $4.2 trillion for the first half of the year.

Source: fashionatingworld.com– July 21, 2025

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Japan's clothing imports rise 6.8% to $12.1 bn in H1 2025

Japan's imports of clothing and accessories increased by 6.8 per cent to 1,803,053 million yen (~$12.142 billion) during January–June 2025, accounting for 3.2 per cent of the country's total imports, which stood at 55,577,987 million yen, according to provisional data from Japan's Ministry of Finance.

Imports of textile yarn and fabric edged up by 1.3 per cent to 569,232 million yen, representing 1 per cent of total imports.

Meanwhile, Japan's exports of textile yarn and fabric rose by 2.5 per cent to 413,252 million yen during the same period. Exports of textile machinery increased by 11.9 per cent to 143,361 million yen, contributing 0.3 per cent to total exports, which reached 53,362,180 million yen in the first half of the current year.

For the latest month, June 2025, for which trade data has been released, the country's imports of clothing and accessories rose by 6.2 per cent to 257,672 million yen (~$1.735 billion), accounting for 2.9 per cent of Japan's total imports of 9,009,513 million yen. Imports of textile yarn and fabric declined by 0.5 per cent to 91,951 million yen, representing 1 per cent of total imports.

Japan's exports of textile yarn and fabric fell by 4.6 per cent to 70,100 million yen during the same month. However, exports of textile machinery increased by 9.4 per cent to 20,942 million yen, contributing 0.2 per cent to total exports, which stood at 9,162,577 million yen in June 2025.

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

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

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

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

Source: fibre2fashion.com– July 22, 2025

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Bangladesh garment industry faces crisis as US tariff threatens thousands of factories

Over 250 Bangladeshi garment factories face severe challenges if the United States proceeds with plans to impose an additional 35% tariff on imports from Bangladesh, effective 1st August. These factories are particularly vulnerable, with between 60% and 100% of their exports directed to the US market, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

In addition, approximately 1,000 other factories, with export shares ranging from 1% to 60% to the US, are also expected to feel the impact. BGMEA senior vice president Inamul Haq Khan Bablu highlighted that factories sending more than 60% of their exports to the US are most at risk.

“Already, due to the previous 10% tariff increase, many factories have borne additional costs of 2% to 5%, leading to losses. An added 35% tariff would make it impossible for these exporters to sustain their US business long-term,” Bablu stated.

The US remains Bangladesh’s largest single export market, valued at nearly US $ 9 billion, with over US $ 7 billion from readymade garments. Mahmud Hasan Khan Babu, president of BGMEA, noted that around 2,500 garment factories are involved in exports, with 1,322 directly exporting to the US.

Factories affiliated with the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) also export to the US, with estimates suggesting that over 300 factories, including some from both associations, could face significant losses due to high US market dependence.

Industry leaders expressed grave concerns over the potential impact. AK Azad, managing director of the prominent Me-Hem Group, which heavily relies on US buyers, revealed that a major US buyer recently inquired about the extent of tariff costs they might have to absorb.

Azad, who exports US $ 80 million annually to this buyer, said, “If I have to pay 35% additional tariff, it could wipe out my profit. This is the worst crisis I have seen in my 40 years in the industry.”

Factory owners, such as one in Narayanganj's Kanchpur, warned that absorbing such tariffs is unsustainable, with many contemplating shutdowns if the situation persists. "My US exports constitute 80%. Buyers are asking how much tariff I can absorb. If this continues, I might have to shut down," the owner said anonymously.

Finding alternative markets quickly is deemed highly challenging. Babu emphasized that shifting such large volumes of exports to new markets cannot be achieved overnight, raising fears of factory closures if the tariffs remain in place. BGMEA data shows that 822 factories export up to 20% of their volume to the US, while others have higher exposure, with some nearly fully reliant on the US market.

Meanwhile, a Bangladeshi government delegation is scheduled to travel to the US for tariff negotiations. Notably, the team does not include private sector or industry representatives, raising concerns among exporters about their influence on the negotiations.

The looming tariff increase threatens to disrupt Bangladesh's garment industry, with many stakeholders warning of potential factory closures and job losses if a resolution is not reached.

Source: apparelresources.com– July 21, 2025

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NATIONAL NEWS

Dim Prospects for India-US deal to beat reciprocal tariffs on Aug 1

An India-US mini trade deal seems unlikely before the August 1 reciprocal tariff deadline as the latest round of trade negotiations in Washington last week did not result in a breakthrough. Another round of discussions is scheduled in the second half of August when a team of US negotiators arrive here, sources said. New Delhi will have to brace itself for imposition of reciprocal tariffs by the US on August 1 or hope for a further postponement of the tariff deadline, which, US officials have indicated, may not happen. “The Indian team of negotiators is just back from Washington after week-long talks, but no breakthrough on an interim or mini-deal was made. US officials are now likely to visit India in the second half of August,” a source tracking the matter told businessline.

On Sunday, US Commerce Secretary Howard Lutnick called August 1 a “hard deadline,” and said no extensions will be granted. “...nothing stops countries from talking to us after August 1st,” he added. Focus may now shift on securing the first tranche of the proposed India-US bilateral trade agreement (BTA) by Fall 2025 (September-October), as initially decided. New Delhi wants the deal to be “mutually beneficial”, with its exporters, too, gaining greater market access in the US.

On April 2, Trump announced reciprocal tariffs on most trade partners with which US had a trade deficit, including a 26 per cent tariff on India. The reciprocal tariffs were postponed (except for a 10 per cent baseline tariff) till July 9, and then further pushed till August 1 as the US was unable to strike trade deals with most countries.

New Delhi is not sure whether Trump will send it a tariff letter, in line with those sent to many other countries with which deals were not secured, specifying the tariffs that would be levied on their goods from August 1. In some cases the tariffs mentioned in the letters were different from the reciprocal tariffs initially announced.

Source: thehindubusinessline.com– July 21, 2025

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EMPLOYMENT LINKED INCENTIVE SCHEME

The Government has approved Employment Linked Incentive Scheme at a budgetary outlay of Rs 99,446 crore.

The scheme has a registration period of two years from 01.08.2025 to 31.07.2027.

The Scheme has following two parts:

Part A: Under this part, as per eligibility criteria of the scheme guidelines, first timer shall be paid incentive equivalent to one completed month EPF wage, subject to a maximum of Rs 15000/- in two installments.

Part B: Under this Part, incentive upto a maximum of Rs 3000/- per.month per employee will be provided for creation of additional employment for a sustained period of at least six months subject to eligibility criteria as described in the Scheme guidelines..

The scheme was formulated after extensive consultations with all stakeholders including Ministries, Trade Unions, Industry Associations and Experts.

This information was given by the Minister of State for Labour and Employment Sushri Shobha Karandlaje in written reply to a question in Lok Sabha today.

Source: pib.gov.in– July 21, 2025

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India, US seek to futureproof trade agreement amid tax and tariff concerns

The US is pressing India to commit to not reintroducing the so-called "Google tax", while New Delhi is seeking protection from potential future tariffs on pharmaceutical exports as part of the ongoing trade-deal negotiations.

Starting April 1, India abolished the 6 per cent equalisation levy on online advertising services provided by non-resident entities, also known as Google tax.

The move, announced in March, was aimed at sending a positive signal to US President Donald Trump, who had threatened reciprocal tariffs on high-tariff nations. Apart from Google, the decision also benefited other US-based tech majors, such as Meta and X (formerly Twitter).

"While we have already abolished the equalisation levy, to include a provision not to reintroduce it in a trade deal may set a wrong precedent," said a government official who did not wish to be named. India usually does not make sovereign commitments on tax issues under trade agreements.

For its part, India is seeking either an exemption or a longer timeline on the pharmaceutical tariffs, expected to kick in by July 31. "This will bring more certainty to the Indian pharma companies," the official said.

Trump has threatened tariffs of up to 200 per cent on pharmaceuticals to push drug manufacturers to bring production back to the US.

"Probably at the end of the month, we're going to start off with a low tariff and give the pharmaceutical firms a year or so to build, and then we're going to make it a very high tariff," Trump told reporters last week.

India is also seeking at least a "quota-based relief" from the 25 per cent tariffs on steel, aluminium, and automobiles under the proposed deal.

"Since these tariffs were imposed under Section 232, citing national security, and are unlikely to be challenged in US courts, we are looking for some sort of resolution within the trade agreement," the official noted.

New Delhi has termed the Section 232 tariffs by the US as safeguard duties and informed the World Trade Organization that it reserves the right to retaliate. The US, however, has rejected India's claim, holding that India has no legal basis to retaliate, as such tariffs were imposed on national-security grounds.

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

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RBI's intent to close outstanding EDPMS entries deserves praise

The Reserve Bank of India (RBI) has put out a draft direction for closure of shipping bills in the export data processing and monitoring system (EDPMS) and called for feedback from the stakeholders before this month-end.

The RBI introduced the EDPMS to monitor the realisation of export proceeds in February 2014. Later, the flow of shipping bills from the Customs was automated through Indian Customs Electronic Data Interchange Gateway (ICEGATE). From January, 2022, data from Express Cargo Clearance System (ECCS) also started flowing into the EDPMS.

Further, postal exports bill data also started flowing into EDPMS from January, 2025. Over the years, there has been significant increase in the number of export transactions that flow into the EDPMS, wherein each shipping bill is reconciled against payment received. With the objective of easing compliance, especially for exporters of small value goods, the RBI has now decided to simplify the process of reconciliation in EDPMS. Accordingly, draft directions have been prepared to address the issues related to regulatory compliance involving reconciliation of small value exports in the EDPMS.

The RBI's draft direction says that the Authorised Dealer (AD) banks may reconcile and close the EDPMS entries for shipping bills of value up to ~10,00,000 or its equivalent based on a quarterly declaration provided by the concerned exporter indicating the details of the shipping bill and that the amount has been realised against the same. Any reduction in declared export value of the bills submitted may also be accepted based on the quarterly declaration by the concerned exporter.

Besides, the AD banks may review the charges levied for handling these small-value export transactions keeping in view the revised procedure/relaxations mentioned and ensure that the same are commensurate with the services rendered and that no penal charges are levied for delays in adherence to any regulatory prescription, says the draft direction.

The exporters and banks should now give their feedback asking the RBI to make the draft directions final because if the final directions are issued on the same lines, many EDPMS entries that remain outstanding due to some technical issues such as receipt of export proceeds through some other bank or route will get closed.

The RBI deserves appreciation for intending to close the EDPMS entries where export proceeds have been received. Similar dispensations to close the outstanding entries in the import data processing and monitoring system (IDPMS) of small-value imports should also be considered.

RBI should also try to get the entries in EDPMS or IDPMS closed where free samples or supplies were exported or imported but the wrong box in the shipping bill was ticked to show that payments will come in or be remitted. It should also allow set-off of export receivables for goods against import payables for services and vice versa.

The RBI should also consider whether it is worthwhile policing each and every import and export transaction for payment or receipt. After all, the exporters are more worried about receiving money from the buyers and the importers are more intent on sending money to the suppliers.

They should not be required to worry about how to close the outstanding entries. The RBI has made a good beginning thinking about closure of the outstanding entries in the EDPMS. It should take its intent forward for 'ease of doing business'.

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

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India-UK FTA set to boost bilateral trade by £25.5 billion annually: British High Commission official

Deputy Trade Commissioner for South Asia at the British High Commission, Anna Shotbolt has said that the India-UK Free Trade Agreement is projected to increase bilateral trade between the two countries by £25.5 billion annually.

She highlighted that under this FTA, there are provisions for tariff reductions on 90 per cent of traded goods between the two countries.

"However, it is not only about tariffs, which are indeed a crucial aspect that will benefit many industries. Creative companies will also benefit through stronger copyright protections, and the services sector will see gains as well. The Double Contributions Convention (DCC) will also help workers on both sides, creating more transparency and certainty," she said at an event organised by industry body PHDCCI in the national capital recently, as was quoted in a PHDCCI statement.

The India-UK Free Trade Agreement (FTA), was announced on May 6 after nearly three years of negotiations, is one of the most comprehensive free trade agreements ever entered into by India.

Ranjeet Mehta, CEO and Secretary General, PHDCCI, emphasised the importance of the social security clause that supports Indian professionals going to the UK and said that India must take advantage of this FTA.

As PHDCCI celebrates 120 years of its legacy, Mehta said they plan to mount a business delegation to the UK this September, as "we are keen to explore the opportunities this agreement presents", added Mehta.

"India's vision of net zero by 2070 also requires businesses, especially MSMEs to be sustainable and technologically equipped. Whether in services or products, India should collaborate more with the UK, which presents a large market for Indian MSMEs," he said.

TS Vishwanath, Founder and Executive Chairman, VeK Policy Advisory and Resource Firm, said that the FTA is not just about trade but about building bilateral expertise.

"We should seriously explore how both countries can invest in each other through a strong EODB environment. We must engage directly with industries to identify challenges and build robust relationships."

Kishore Jayaraman, OBE, Global Board Director and Chairman India, UK India Business Council, stated that this is beginning of a new era, the FTA enables both nations to leverage their capacities and capabilities.

"Beyond trade, we must also explore sectoral synergies, as India has the potential to significantly contribute to the economy of both nations," he added.

Ajay Aggarwal, President, Toy Association of India, pointed out major areas where Indian businesses can benefit in the UK market.

Elaborating about the Toy industry which is growing rapidly and has shifted from being import-dependent to now producing around 80 per cent domestically, he emphasised that there is enormous scope for collaboration. (ANI)

Source: economictimes.com– July 21, 2025

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India-UK signing of trade pact on July 24; Piyush Goyal to accompany PM Modi

New Delhi, Commerce and Industry Minister Piyush Goyal will accompany Prime Minister Narendra Modi to London for the signing of the free trade agreement between India and the UK on July 24, an official said on Monday.

The two countries announced the conclusion of the negotiations for the trade agreement on May 6.

The trade pact proposes to remove taxes on the export of labour-intensive products such as leather, footwear and clothing, while making imports of whisky and cars from Britain cheaper, in a bid to double trade between the two economies to USD 120 billion by 2030.

Prime Minister Narendra Modi will pay a four-day visit to the United Kingdom and the Maldives beginning Wednesday with an aim to shore up bilateral ties in areas of trade, investment and defence.

The commerce minister will accompany the Prime Minister during the visit, the official said.

Once the free trade agreement is signed, it will require approval from the British Parliament and India's Cabinet before it can take effect. It will take about a year for implementation after the signing of the deal.

Source: economictimes.com– July 21, 2025

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Precision in the Bale: How BIS standards could boost Indian cotton to global gold standard

India, the world's leading cotton producer, finds itself at a critical juncture. Despite its vast output, cotton ginners are grappling with a pervasive issue: inconsistent fiber quality testing. This lack of standardization has long plagued the textile supply chain, eroding trust and hampering efficiency. However, a major shift is underway, with the Bureau of Indian Standards (BIS) ready to revolutionize the sector, offering a golden opportunity for ginners to boost their game and make 'Made in India' cotton the global gold standard.

The current scenario is marked by a 'calibration chaos'. Spinning mills, the primary consumers of ginned cotton, often employ diverse methodologies for calibrating crucial testing equipment like High Volume Instruments (HVI). This leads to a disconnect in quality reports, leaving ginners in a bind and creating a ripple effect of uncertainty throughout the value chain. As the proverb goes, "You can't manage what you don't measure," and without a consistent measurement, the Indian cotton industry has struggled to present a unified front of quality.

Why BIS matters

In a much-needed reprieve for India's cotton industry, the government has postponed the implementation of the Bureau of Indian Standards (BIS) Quality Control Order (QCO) for cotton bales to August 2026. While this delay offers breathing room to ginners struggling to meet the new mandates, it also marks a crucial opportunity—a chance to prepare for a more transparent, efficient, and globally competitive cotton ecosystem.

For decades, India's cotton sector has grappled with quality inconsistencies, inefficiencies, and mistrust between stakeholders. The BIS standards, though stringent, aim to rectify these longstanding issues. At the heart of this regulatory shift lies the promise of standardized testing and certification—a framework that could redefine industry norms from the ginning floor to international trade negotiations.

One of the most immediate impacts of BIS compliance will be increased trust and transparency. Spinning mills, which rely on the integrity of cotton bale inputs, have often faced challenges due to wide quality variations. With a standardized certification process, mills can be confident that the cotton they receive meets specific and consistent benchmarks. This assurance is expected to reduce disputes, streamline procurement, and strengthen relationships across the supply chain.

But the benefits extend beyond trust. Accurate fiber testing at the ginning stage will drastically improve operational efficiency. By identifying quality issues early, ginners can reduce the need for re-processing or rejection down the line—a move that promises significant savings and a reduction in material waste. For an industry under pressure from rising costs, this is no small advantage.

The stakes are even higher on the global stage. In 2023-24, India's cotton exports touched $2.8 billion. While the Ministry of Textiles acknowledges a decline in overall cotton textile exports that year, the value of raw cotton remains substantial. In a market where global buyers demand consistency, adherence to BIS standards could serve as a powerful differentiator. Reliable quality is not just a competitive edge—it's an expectation. Meeting it could help India consolidate, and even expand, its presence in key export markets.

And most importantly, the QCO extension offers a critical incentive for technological advancement. As ginners move to align with BIS norms, many will be compelled to upgrade their equipment, adopt modern testing technologies, and implement global best practices. This transition, though challenging, has the potential to transform the sector—not just in terms of output quality, but in productivity, sustainability, and long-term resilience.

The clock is ticking toward August 2026. But instead of seeing this deadline as a hurdle, the industry now has a window of opportunity—to rebuild its foundations with quality and trust at the core. The BIS mandate may well become a defining moment for India's cotton story—one that reshapes how the world sees Indian cotton, and how India sees its own potential.

The science of precision

The importance of precise calibration cannot be overstated. The BIS's own Handbook of Textile Testing (SP 15, Part 1: 1989) underscores that proper calibration can limit errors in fiber fineness measurements to as low as 2 per cent. Fiber fineness, along with other parameters like strength and length, directly impacts yarn quality and the final fabric's characteristics.

Inconsistent HVI readings directly translate to variability in these crucial fiber properties, making it challenging for mills to predict yarn performance.

Meanwhile, the South India Textile Research Association (SITRA), a recognized Centre of Excellence for Medical Textiles and a CDSCO-approved lab, exemplifies the transformative power of standardization. Their success in a highly regulated segment like medical textiles highlights the potential for similar quality revolutions in the broader cotton industry. However, the disparity in HVI calibration across different spinning mills remains a hurdle.

Actionable insights for ginners

The August 2026 deadline for QCO implementation offers a critical opportunity for Indian ginners to prepare. Here are some actionable insights to help them navigate this transition:

Click here for more details

Source: fashionatingworld.com– July 21, 2025

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Indian Textile Ministry mulls new rating system to ease credit flow

India is exploring the idea of a textile-centric credit rating system to enhance the understanding of textile companies' financial health and improve their access to funding from banks and other financial institutions. Neelam Shami Rao, Secretary, Ministry of Textiles, has urged stakeholders in the textile industry to develop a textile-specific credit rating protocol. The proposal was discussed during a brainstorming session on 'Credit Access Issues in the Textile Sector' held last week.

The session, chaired by the Textile Secretary, aimed to explore potential solutions in consultation with industry representatives, financial institutions, and policy stakeholders.

The Ministry of Textiles has conducted a detailed study on the credit access challenges faced by the textile sector, particularly by MSMEs. A comprehensive note outlining these challenges and proposed solutions has been shared, capturing key concerns consistently reported by the industry.

The session was organised by the Confederation of Indian Textile Industry (CITI). Industry representatives highlighted the difficulties faced in securing working capital, noting that the specific characteristics of the textile sector are often not well understood by banks. Issues such as long payment cycles, job work arrangements, and other sector-specific nuances were identified as areas requiring better recognition by financial institutions to improve credit accessibility.

A significant deterrent has been the prevailing risk perception of the textile industry under existing credit rating systems. This underscores the need for a dedicated, textile-specific credit rating framework.

It was noted that separate funds already exist to support sustainable production—such as those for energy efficiency and water management. However, stakeholders suggested consolidating these into a single 'Green Fund' to streamline investment support in the textile sector. Industry members have been invited to share their suggestions on this proposal.

The Department of MSME operates the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme. However, the industry reported challenges in accessing this fund, resulting in low utilisation by textile MSMEs. It was therefore recommended that disbursements under this fund be closely monitored to improve efficiency and relevance for the textile sector.

Lastly, awareness and procedural hurdles related to credit schemes were acknowledged. In response, the establishment of cluster-level credit facilitation centres was proposed.

Source: fibre2fashion.com– July 21, 2025

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Odisha to host first textile investment summit on July 25

The state government is all set to host the first edition of ODISHA TEX 2025, the biggest textile investment summit of eastern India, here on July 25. The summit is aimed at promoting Odisha as a major hub for textiles, apparels and technical textiles.

Additional chief secretary of Industries department Hemant Sharma said the summit will bring together leading textile companies, global brands, manufacturers, startups and young professionals. "It will provide a unique platform to explore investment opportunities in areas like apparels, technical textiles, footwear, accessories and luggage manufacturing," he added.

Sharma said the platform will bring leading textile players to Odisha and generate significant employment opportunities for the youth. "With progressive policies, world-class infrastructure and a skilled workforce, we are building a robust ecosystem where textiles can become a powerful driver of industrial growth, women's empowerment and rural transformation," he added.

The event will be held at the State Convention Centre and inaugurated by Chief Minister Mohan Charan Majhi. Over 300 delegates from key textile hubs such as Tirupur, Bengaluru, Surat, the National Capital Region (NCR) and states like Punjab and West Bengal are expected to participate in the event.

As the industry partner for ODISHA TEX, the Federation of Indian Chambers of Commerce and Industry (FICCI) is actively engaged in reaching out to the leading sectoral associations spanning fibres, textiles, apparels, hosiery and wearables to ensure broad-based industry representation and collaboration. The event is expected to see important investment announcements with top players from the textile sector followed by signing of MoUs.

In a major push to textile infrastructure, the state government is developing six new parks for textiles, apparels and wearables. These parks will have world-class facilities and be ready for companies to start operations. The parks will be officially launched during ODISHA TEX 2025, signalling the state's strong commitment to becoming the Textile Capital of India by 2030.

The summit will follow-up the success of Utkarsh Odisha - Make-in-Odisha conclave this year which attracted investment intent of over Rs 7,000 crore with a potential to create employment opportunities for over 88,000 people.

Source: newindianexpress.com– July 22, 2025

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Cotton yarn prices up in Ludhiana as demand improves in north India

The North India cotton yarn market witnessed a mixed trend amid rising cotton prices. Cotton yarn prices in the Ludhiana market increased by ₹2 per kg as natural fibre rose around 2–3 per cent over the past two to three weeks. Trade sources noted a slight improvement in cotton yarn demand, which helped absorb the price hike. Spinning mills are seeking a further increase in prices to maintain their margins. However, sluggish demand remains a major deterrent to price hikes. In contrast, cotton yarn prices remained stable in the Delhi market, though a rise may follow in the coming days.

Ludhiana reported improved demand for cotton yarn, with mills attempting to raise prices for the past few weeks. A trader from Ludhiana told Fibre2Fashion, "Cotton yarn demand has not been deterred by the price rise, indicating stronger demand from the consumer industry. However, India's textile exports may face challenges in the current environment as global cotton prices soften. This will make Indian cotton, yarn and related products more expensive compared to those produced in other countries."

In Ludhiana, 30 count cotton combed yarn was sold at ₹257-267 (~$2.98-3.09) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹247-257 (~$2.86-2.98) per kg and ₹252-262 (~$2.92-3.04) per kg, respectively; and carded yarn of 30 count was noted at ₹237-242 (~$2.75-2.80) per kg today, according to trade sources.

Better demand was also observed in the Delhi market, though prices remained unchanged. According to market sources, prices are expected to rise in the coming days, as rising cotton prices are making yarn production more expensive. Mills are facing pressure as downstream demand continues to be subdued.

In Delhi, 30 count combed knitting yarn was traded at ₹257-258 (~$2.98-2.99) per kg (GST extra), 40 count combed at ₹282-283 (~$3.27-3.28) per kg, 30 count carded at ₹231-233 (~$2.68-2.70) per kg, and 40 count carded at ₹256-258 (~$2.97-2.99) per kg today.

Recycled yarn demand improved later in the week, with traffic restrictions on roads leading to western Uttar Pradesh and nearby regions easing following the completion of the Kanwar Yatra. Traders reported that demand for coloured recycled yarn was stronger compared to grey and black variants. Coloured recycled yarn is mainly used in domestic furnishings such as curtains, bed sheets, flooring and similar products. Prices for recycled yarn remained largely stable across most counts and varieties. Cotton comber and recycled polyester fibre were also traded at steady prices.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹75-78 (~$0.87-0.90) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹60-65 (~$0.70-0.75) per kg, 20s recycled PC yarn (Grey) at ₹101-103 (~$1.17-1.19) per kg and 30s recycled PC yarn (Grey) at ₹130-135 (~$1.51-1.56) per kg. Cotton comber prices were noted at ₹105-107 (~$1.22-1.24) per kg and recycled polyester fibre (PET bottle fibre) at ₹73-77 (~$0.85-0.89) per kg today.

In north India, cotton prices steadied today after rising late last week. Prices have increased by around ₹10–20 per maund (37.2 kg) over the past few days. Traders noted that despite the consistent price rise over the past two to three weeks, trade volume remained limited among private players. Ginners and stockists hold negligible cotton stocks. Spinning mills are sourcing cotton via auctions held by the Cotton Corporation of India (CCI).

Regarding the new crop, traders stated that cotton is progressing well in north Indian states—Rajasthan, Punjab and Haryana—though arrivals may be delayed by around two to three weeks due to earlier sowing delays and water scarcity.

Cotton arrivals in north India have now reduced to negligible levels, with only stocked cotton being traded. Cotton prices in Punjab ranged from ₹5,970-5,980 (~$69.18–69.30) per maund; in Haryana, ₹5,690–5,800 (~$65.93–67.21); and in upper Rajasthan, ₹5,980–6,000 (~$69.73–69.97). In lower Rajasthan, cotton was priced at ₹55,200–57,200 (~$69.30–69.53) per candy of 356 kg.

Source: fibre2fashion.com– July 21, 2025

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