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Currency Watch			
USD	EUR	GBP	JPY
86.28	101.61	117.19	0.58

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INTERNATIONAL NEWS

Trump tariffs live updates: Trump announces trade deal with Japan including 15% tariff

President Trump said on Tuesday that the US and Japan had reached a trade deal.

“We just completed a massive Deal with Japan, perhaps the largest Deal ever made," Trump wrote in a Truth Social post. The president said the agreement includes a 15% tariff on imported goods from Japan, and the country will invest $550 billion into the US.

Earlier on Tuesday, Trump said the US had also struck a trade deal with the Philippines, which will see the country's imports face a 19% tariff into the US. Trump said US exports will face no import tax in the Philippines as part of the deal.

The White House unveiled new details of a confirmed trade agreement with Indonesia too. Yahoo Finance's Ben Werschkul reports that a 19% tariff will apply to Indonesian goods, as well as a 40% rate on any “transhipped” goods. Officials said no tax would apply to "99%" of US imports.

The deal developments come as prospects for larger pacts with India and the European Union have soured. An interim deal between the US and India before an Aug. 1 deadline looks increasingly unlikely, according to Reuters. Talks remain deadlocked due to disagreements on key agricultural and dairy products.

Meanwhile, the European Union still wants a trade pact with the US, but the bloc said to be readying its counterattack as Trump plays hardball and makes a no-deal outcome more likely. EU member states are pushing for new and stringent measures to retaliate against US companies, The Wall Street Journal reported, while its officials are meeting this week to draw up a plan for reprisals.

“If they want war, they will get war,” a German official told the WSJ.

Trump is reportedly pushing for higher blanket tariffs on imports from the EU, throwing a wrench in negotiations ahead of an Aug. 1 deadline for sweeping duties to take effect. He has threatened 30% tariffs on all imports.

Last week, Trump said he would soon send letters to over 150 smaller US trade partners, setting blanket tariff rates for that large group. Trump has already sent letters to over 20 trade partners outlining tariffs on goods imported from their countries.

Earlier in July, Trump announced a 35% tariff on Canadian goods and followed that up with promises of 30% duties on Mexico and the EU. The letters have at times upended months of careful negotiations, with Trump saying he is both open to reaching different deals but also touting his letters as "the deals" themselves.

Treasury Secretary Scott Bessent on Tuesday said he expected many deals to take shape over the next several days.

Source: yahoo.com – July 23, 2025

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US and EU close in on 15% tariff deal

The EU and US are closing in on a trade deal that would impose 15 per cent tariffs on European imports, similar to the agreement Donald Trump struck with Japan this week.

Brussels could agree to the so-called reciprocal levies to avoid the US president's threat to raise them to 30 per cent from August 1, three people familiar with the situation told the Financial Times.

"The Japan agreement made clear the terms of the shakedown," said one EU diplomat. "Most member states are holding their noses and could take this deal."

Both sides would waive tariffs on some products, including aircraft, spirits and medical devices, the people said.

The European Commission, which runs EU trade policy, briefed envoys from member states on Wednesday following talks with US counterparts.

News of the prospective deal boosted the euro, which recouped earlier losses to trade flat on the day against the dollar. US stocks extended gains, with the S&P 500 up 0.6 per cent.

The US has been charging an extra 10 per cent tariff on EU exports since April while talks between Washington and Brussels continued. That was on top of pre-existing duties averaging 4.8 per cent.

The people said they understood the 15 per cent minimum tariff would include those existing duties, so Brussels views a deal on those terms as cementing the status quo. Tariffs on cars, which are currently 27.5 per cent, would therefore fall to 15 per cent.

German Chancellor Friedrich Merz said he heard a deal to end the trade dispute between the US and the EU would be agreed imminently.

"We are hearing this very minute that there could be a decision" on trade, Merz said, as he welcomed French President Emmanuel Macron in Berlin for bilateral talks.

Trump imposed higher, sectoral tariffs on cars and car parts earlier this year using national security laws. EU officials have pushed hard for carve-outs to those tariffs for European carmakers.

Two of the people said the deal struck between the US and Japan had pushed Brussels towards grudging acceptance of a higher reciprocal tariff rate to avert a damaging trade war.

The EU could still retaliate if Trump tried to push further or followed through on his threat to raise reciprocal duties to 30 per cent from August.

That could include activating its anti-coercion instrument (ACI) — its so-called trade bazooka. Never before used, the ACI would give Brussels leeway to block US companies from public tenders, revoke intellectual property protection and restrict imports and exports.

The bloc will continue to prepare a possible €93bn package of retaliatory tariffs, set at up to 30 per cent, in case they could not agree a deal by August 1, the people added.

A US official said the situation was fluid and subject to change.

Source: ft.com– July 23, 2025

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Developing Asia faces slower growth as US tariffs bite: ADB

The Asian Development Bank (ADB) has lowered its growth forecasts for economies in developing Asia and the Pacific this year and next year. The downgrades are driven by expectations of reduced exports amid higher United States (US) tariffs and global trade uncertainty, as well as weaker domestic demand.

ADB forecasts the region's economies will grow by 4.7 per cent this year, a 0.2 percentage point (pp) decline from the projection issued in April. The forecast for next year has been lowered to 4.6 per cent from 4.7 per cent, according to Asian Development Outlook (ADO) July 2025 released today.

Prospects for developing Asia and the Pacific could be dented further by an escalation of US tariffs and trade tensions. Other risks include conflicts and geopolitical tensions that could disrupt global supply chains and raise energy prices, and a worse-than-expected deterioration in the property market of China.

"Asia and the Pacific has weathered an increasingly challenging external environment this year. But the economic outlook has weakened amid intensifying risks and global uncertainty," said Albert Park chief economist at ADB. "Economies in the region should continue strengthening their fundamentals and promoting open trade and regional integration to support investment, employment, and growth."

The growth projections for China, the region's largest economy, are maintained at 4.7 per cent this year and 4.3 per cent next year. Policy stimulus for consumption and industrial activity is expected to offset continuing property market weakness and softening exports.

India, the region's second-largest economy, is forecast to grow by 6.5 per cent this year and 6.7 per cent next year—down 0.2 and 0.1 percentage points, respectively, from April projections—as trade uncertainty and higher US tariffs affect exports and investment.

Economies in Southeast Asia will likely be hardest hit by worsened trade conditions and uncertainty. ADB now predicts the subregion's economies will grow 4.2 per cent this year and 4.3 per cent next year, down roughly half a pp from April forecasts for each year, said the outlook.

Bucking the downward trend are economies in Caucasus and Central Asia. The subregion's growth projections have been raised by 0.1 pp for both this year and next to 5.5 per cent and 5.1 per cent, respectively, largely reflecting an anticipated boost in oil production.

Inflation in developing Asia and the Pacific is projected to continue slowing, amid easing oil prices and strong farm output reducing food price pressures. ADB forecasts regional inflation of 2 per cent this year and 2.1 per cent next year, compared with its April projections of 2.3 per cent and 2.2 per cent, respectively.

Source: fibre2fashion.com– July 23, 2025

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Poland's retail sales rise 2.2% YoY; apparel leads with 11.8% surge

In June 2025, retail sales at constant prices in Poland rose by 2.2 per cent year-on-year, lower than the 4.4 per cent growth recorded in June 2024, according to Statistics Poland. Compared to May 2025, retail sales declined by 1.8 per cent.

For the January–June 2025 period, sales increased by 3.7 per cent year-over-year (YoY), down from 4.9 per cent in the same period of 2024. After eliminating the seasonal factors, in June 2025 retail sales at constant prices were 4.2 per cent higher than in the corresponding month of 2024, while compared to May this year sales increased by 0.7 per cent, Statistics Poland said in a press release.

The 'textiles, clothing, and footwear' category recorded a robust YoY growth of 11.8 per cent at constant prices in June 2025, making it one of the strongest performing segments in the retail sector for the month.

Seasonally unadjusted data shows the retail sales index stood at 111.8 for the category compared to June 2024, with a cumulative index of 107.7 for January–June 2025 versus the same period in 2024. The month-over-month index for June 2025 against May 2025 was 105.2.

At current prices, the textiles, clothing, and footwear category registered an index of 110.1 for June 2025 and 106.2 for the first half of the year, contributing 5.8 per cent to total retail sales.

Online retail activity in this segment also saw notable growth, with the e-commerce share rising from 21.6 per cent in June 2024 to 23 per cent in June 2025, underscoring the increasing role of digital platforms in textile and apparel retailing.

Source: fibre2fashion.com– July 23, 2025

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Israel’s apparel imports surge 13% to $1.13 bn in Jan-May 2025

Israel’s apparel imports surged by 13.41 per cent during January–May 2025, reaching $1,133.815 million in the period. Among the top five apparel suppliers, imports from four countries increased, with the exception of Turkiye, from which Israel’s apparel imports declined.

Imports from the largest supplier, China, jumped 37.94 per cent to $538.515 million in the first five months of the current year. China’s share of Israel’s total apparel imports rose to 47.50 per cent, compared to $390.595 million (39.09 per cent) in the same period last year, according to sourcing intelligence tool TexPro.

Imports from the second-largest supplier, Bangladesh, increased to $131.236 million from $113.146 million in January–May 2024. Its share also rose to 11.57 per cent, up from 11.32 per cent in the prior-year period. However, Israel’s apparel imports from Turkiye dropped by 26.60 per cent to $80.273 million. Turkiye retained its third position despite a decline in market share from 10.05 per cent to 7.08 per cent.

India was the fourth-largest apparel supplier with a market share of 4.64 per cent. Israel’s imports from the country rose to $52.642 million from $45.273 million. Vietnam replaced Italy as the fifth-largest apparel supplier, with a market share of 4.14 per cent in the first five months of this year—up from 4.05 per cent in the same period last year. Israel’s imports from Vietnam increased from $40.432 million to $46.857 million, as per TexPro.

Israel’s apparel imports totalled $2,590.084 million in 2024, 15.36 per cent higher than the $2,245.812 million recorded in 2023. Imports from China rose 28.02 per cent to $1,215.507 million in 2024 from $949.084 million in 2023, with its market share increasing from 42.26 per cent to 46.93 per cent. In 2024, Israel’s apparel imports from Bangladesh stood at $246.990 million (9.54 per cent), from Turkiye $214.126 million (8.27 per cent), from Vietnam $105.937 million (4.09 per cent), and from India $99.762 million (3.85 per cent).

Source: fibre2fashion.com– July 23, 2025

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China cotton imports hit a 20-year low again in Jun, 2025

China cotton imports: imports were 27.4kt in Jun, 2025, to hit 20-year new low again, down 127.9kt from the same period of last year and down 7.1kt from May, 2025. In the first half year of 2025, imports totaled 460kt, down 74.4% or 1.334 million tons year on year, and from Sep 2024 to Jun 2025, imports totaled 927.2kt, down 68% or 1.96 million tons year on year.

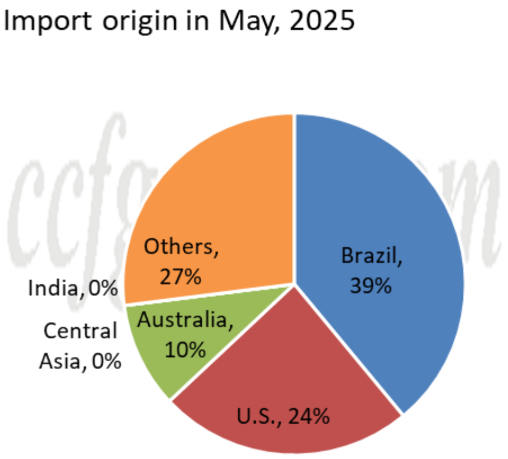
Import details in May, 2025:

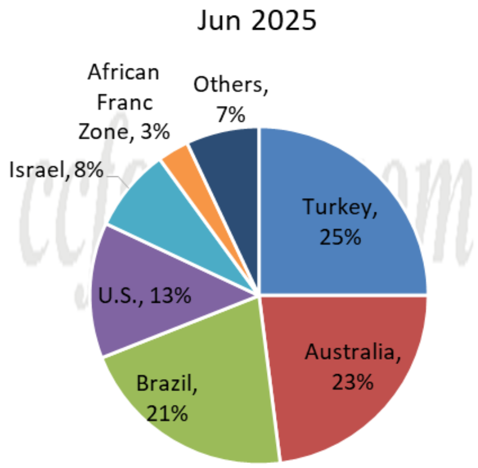
Cotton imports of China and unit price in Jun, 2025				
Origin	Quantity (kt)	Yearly change (kt)	Monthly change (kt)	Unit price (cent/lb)
Turkey	7	3	0	84.6
Australia	6.4	-8	3	80.9
Brazil	5.7	-39	-8	77.8
U.S.	3.6	-82	-5	83.3
Israel	2.1	2	1	168.0
African Franc Zone	0.9	0	1	79.2
Egypt	0.9	1	0	154.7
Sudan	0.7	0	0	48.2
Other	0.4	-3	0	75.3
Total	27.4	-128	-7	89.6

The table above lists the primary sources of China's cotton imports, ranked by volume in descending order. In Jun 2025, China imported 27.4kt of cotton-hitting a near 20-year low, with overall imports remaining scarce. No single origin's imports exceeded 10,000 tons.

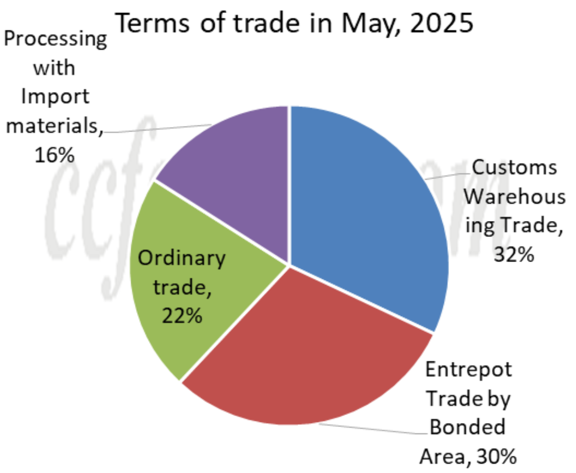
Turkey led, with imports stable month-on-month and up 3,000 tons year-on-year. Australia followed with 6,400 tons, rising 3,000 tons from May but falling 8,000 tons from June 2024. Brazilian cotton, a major earlier importer, dropped to 5,700 tons-down 8,000 tons month-on-month and 39,000 tons year-on-year.

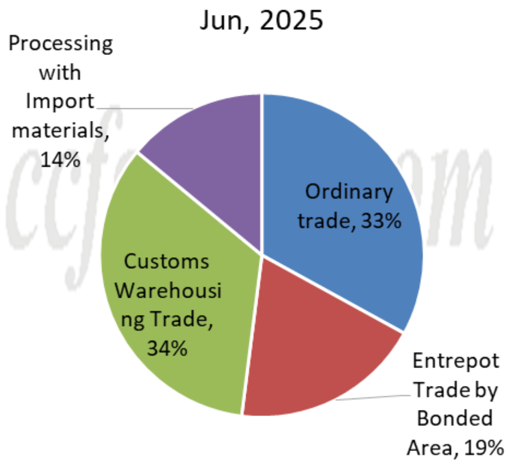
Beyond Brazil's peak delivery period having passed, a critical shortage of domestic import quotas was a key driver behind June's weak imports.



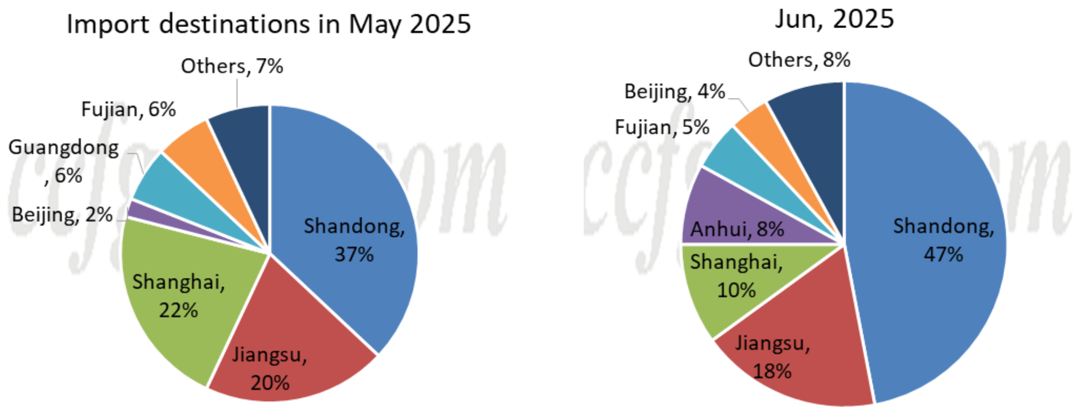


In terms of import share, Turkish cotton accounted for 25% of China's cotton imports in Jun, up 6 percentage points from 19% in the previous month and 23 percentage points from 2% in the same period last year. Australian cotton's share stood at 23%, rising 13 percentage points from 10% in the prior month and 14 percentage points from 9% a year ago. Brazilian cotton's proportion dropped to 21%, down 18 percentage points from 39% in May and 8 percentage points from 29% in Jun 2024. However, given the low overall import volume in Jun, these share figures carry limited significance.





For the terms of trade, the share of ordinary trade in Jun rose by 11 percentage points from the previous month to 33%. The combined proportion of entrepot trade by bonded area and customs warehousing trade accounted for stood at 53%, down 9 percentage points from 62% in the previous month. The proportion of processing with imported materials fell by 2 percentage points from the previous month to 14%.



In Jun, enterprises in Shandong, Jiangsu, and Shanghai ranked as the top three in cotton imports. Shandong's share rose 10 percentage points from the previous month to 47%, while Shanghai's share dropped 12 percentage points to 10% and Jiangsu's fell 2 percentage points to 18%.

General condition of China cotton imports:

On the afternoon of July 31, 2024, after the closing of Zhengzhou cotton, the relevant department released the announcement on the allocation of the sliding-scale duty quota for imported cotton in 2024.

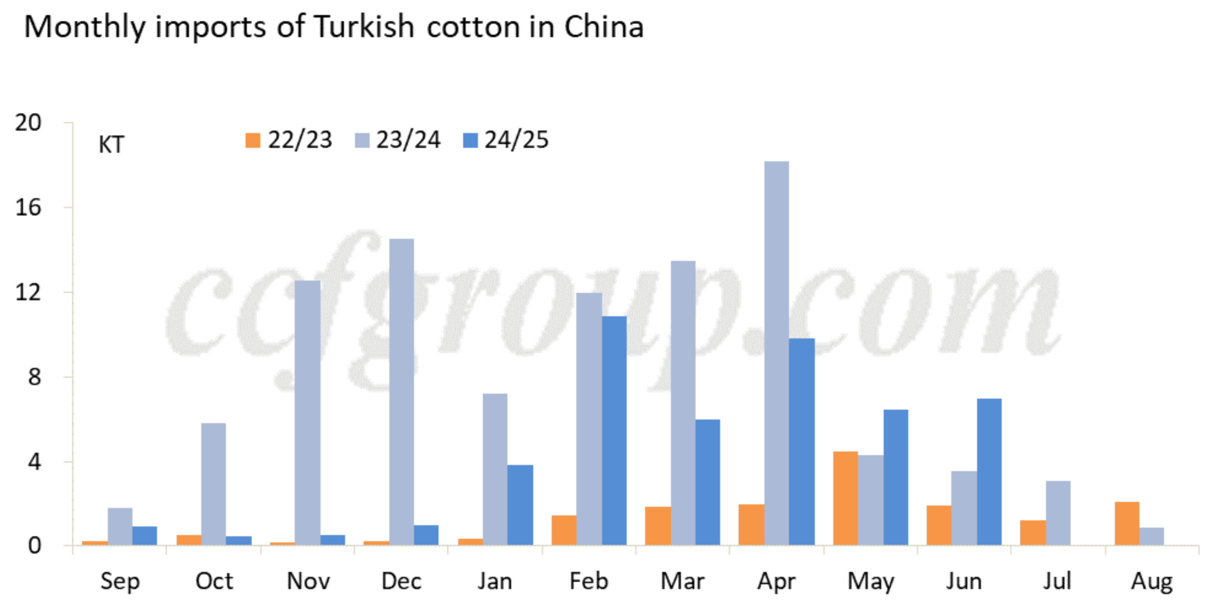
The allocation volume was only 200,000 tons, all of which were non - state - trading quotas, limited to the enterprises that had carried out cotton processing trade since 2020, and imported in the form of processing trade.

The sliding-scale duty quotas were distributed successively in September. At the end of September, 894,000 tons of cotton quotas under 1% tariff was announced, and this part of the quota was distributed for use in January 2025. The known quota for the 2024/25 season was only 1.094 million tons for the time being.

On March 4, 2025, the Tariff Commission of the State Council announced an additional 15% tariff on US cotton. Under the 1% tariff quota, the import tax rate of US cotton was: 1% + 15% + 10% reciprocal tariff. It was expected that the import volume of US cotton would remain at a low level in the later period.

Turkish cotton saw the highest imports in China in Jun 2025. China imported 7,000 tons of Turkish cotton, up 500 tons month-on-month and 3,400 tons year-on-year.

In the first half year of 2025, China's imports of Turkish cotton reached 43,900 tons, a year-on-year decrease of 15,000 tons. In the 2024/25 season (Sep-Jun), imports of Turkish cotton stood at 47,000 tons, down 46,000 tons from the same period of the previous season (93,000 tons).



The average unit price of imported cotton is calculated by dividing the total customs value of imported cotton by the total quantity. Among the major imported cotton varieties in Jun, the average price of Turkish cotton was 84.63cent/lb, Australian cotton at 80.91cent/lb, and Brazilian cotton at 77.85cent/lb.

Conclusion:

It is forecast that cotton imports may remain at historical low level in Jul due to limited cotton quotas.

Source: ccfgroup.com– July 22, 2025

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'Unacceptable': BGMEA Blasts Bangladesh Container Handling Fee Hike

Exporting apparel and other goods out of Bangladesh is about to get more expensive.

Earlier this month, the Bangladesh Inland Container Depots Association (BICDA) unveiled it would raise export and empty container handling charges at private inland container depots (ICDs) in Chattogram.

The rate increases are effective Sept. 1.

Currently, 19 ICDs are in operation for both imports and exports, while two additional ICDs are managing empty containers. These yards host excess containers that are transported to and from Bangladesh's largest seaport, Chattogram. In total, the depots manage approximately 93 percent of total export goods and 20 percent of import goods.

Under the new rates, most export handling charges will increase 60 percent. A 20-foot container will increase from 6,187 Bangladeshi taka ($51) to 9,900 taka ($81), while a 40-foot container's charge will jump from 8,250 taka ($68) to 13,200 taka ($108).

BICDA also introduced a separate handling charge of 14,900 taka ($122) for 40-foot high-cube or 45-foot containers, which previously shared the same 8,250-taka ($68) rate as 40-foot containers. This marks an 81 percent spike—the largest of all the new charges.

The decision comes as the Bangladesh apparel industry is already under duress as it faces a possible 35 percent tariff on exports to the U.S. starting Aug. 1. Readymade garments (RMGs) represent 81.5 percent of the country's exports, totaling $39.3 billion dollars in the 2024-25 fiscal year ending June 30, according to the country's Export Promotion Bureau.

On top of the tariffs, Chattogram Port, also known as Chittagong Port, has endured significant congestion in recent weeks as customs workers went on a two-day strike at the end of June and a software slowdown created processing delays.

Members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have shown their displeasure with the increased charges.

BGMEA senior vice president Inamul Haq Khan told Indian business publication The Financial Express that depot owners were unexpectedly raising charges without discussing that with the main users of their facilities.

“They should have discussed with us whether we can absorb the higher charges or not,” Khan said, referring to the situation as “bad timing” when the country remains engaged with the U.S. in tariff negotiations.

BGMEA board director S.M. Abu Tayyab told Bangladeshi publication The Daily Sun that BICDA does not have authority to impose such a charge, noting that ICDs function as extensions of the port.

“They must consult with the port, which is responsible for addressing such issues. Increasing tariffs by 60 to 70 percent is simply unacceptable,” said Tayyab. “This will erode our competitiveness in the global market, as buyers will be forced to bear higher logistics costs.”

Chattogram Port Authority secretary Mohammad Omar Faruk disagreed with Tayyab’s assertion that BICDA could not raise the charges, and noted that there is no regulation that mandates the port’s involvement in setting the depots’ rates.

BICDA secretary general Ruhul Amin Sikder defended the decision in the circular sent out July 15, noting that costs to operate the depots continued to increase, making capacity expansion “very difficult.”

“The new ICDs are also struggling to attain financial viability and achieve full operational capability,” said Sikder.

According to Sikder, costs have escalated across labor, as well as equipment purchasing and maintenance. Additionally, the depots must maneuver through wider concerns across the country, including inflationary pressures, increasing bank interest rates and the devaluation of the taka against the U.S. dollar.

The circular also noted that while port and freight charges are often paid in U.S. dollars, ICD charges are still collected in local currency, making it difficult for depot operators to cope with mounting costs.

Sikder also said that the charges had remained largely unchanged for over a decade, despite transport costs on the Dhaka-Chattogram highway increasing by more than 20,000 taka ($164) in recent years.

Under BICDA's rate hikes, the transportation fee for empty containers has gone up nearly 47 percent from 1,705 taka ($14) to 2,500 taka ($20.50) for 20-foot containers. Forty-foot high-cube containers will see the fee increase 17 percent from 3,410 taka ($28) to 4,000 taka ($33).

Additional fees such as landing charges will also see an upward revision, rising from 207 taka ($1.70) per metric ton to 270 taka ($2.20). Similarly, the off-dock container freight station storage fee will increase from 29 taka (24 cents) to 45 taka (37 cents).

Ground rent for 20-foot containers has been raised from 115 taka (94 cents) to 150 taka ($1.23), and for 40-foot containers from 230 taka ($1.89) to 300 taka ($2.46)—both increases of more than 30 percent.

Source: sourcingjournal.com– July 23, 2025

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NATIONAL NEWS

PM Modi departs for UK to finalise historic Free Trade Agreement

Prime Minister Narendra Modi on Wednesday embarked on a two-nation tour, beginning with an official visit to the United Kingdom from July 23-24, followed by a State Visit to the Maldives from July 25-26.

India and UK will sign a free trade agreement (FTA) on Thursday during PM Modi's UK visit, officials said, with New Delhi to ease tariffs on British whisky, cars and some food items, and the UK offering duty-free access to Indian textiles and electric vehicles.

The pact, concluded in May after three years of stop-start talks, should boost bilateral trade by removing numerous barriers and granting each country greater market access to the other. It will take effect after the British parliament and India's federal cabinet approve it, likely within a year.

"This is a significant agreement," Vikram Misri, India's foreign secretary, told reporters on Tuesday, adding that legal vetting of the deal was near completion ahead of Modi's trip.

Trade Minister Piyush Goyal will accompany PM Modi for the formal signing, a commerce ministry official said.

This will be Modi's fourth visit to the UK since he took office in 2014. He is scheduled to meet Prime Minister Keir Starmer to discuss trade, energy, security, health and education issues, and also hold talks with business leaders.

Bilateral trade between the two countries reached $55 billion in 2023/24, while the UK has become India's sixth-largest investor, with cumulative investments of nearly $36 billion, Misri said.

Around 1,000 Indian companies operate in the UK, employing 100,000 people, and they have invested about $20 billion there, he added.

Under the trade agreement, tariffs on Scotch whisky will drop to 75% from 150% immediately, and then slide to 40% over the next decade, according to the British government, and on cars, India will cut duties to 10% from 100% under a quota system that will be gradually liberalised.

In return, Indian manufacturers are expected to gain access to the UK market for electric and hybrid vehicles, also under a quota system, Indian commerce ministry officials said.

The ministry has said 99% of Indian exports to Britain would benefit from zero duties under the deal, including textiles, while Britain will see reductions on 90% of its tariff lines.

"The UK is an important market for Indian exporters," said Ajay Sahai, director general of the Federation of Indian Export Organisations, adding that the trade pact will boost bilateral trade and provide access for Indian sectors such as textiles, footwear, marine and engineering products.

Source: economictimes.com– July 23, 2025

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India's cotton textile exports crossed $35.6 billion in last 3 years: Giriraj Singh

India's total exports of cotton textiles, including cotton yarn, cotton fabrics, made-ups, other textile yarn, fabric made-ups and raw cotton, crossed $35.642 billion during the last three years, Union Minister of Textiles Giriraj Singh informed Parliament on Tuesday.

The minister also stated that to enhance cotton productivity and quality, promote innovation and strengthen the entire textile value chain in line with the Vision 2030, a five-year 'Mission for Cotton Productivity' was announced by the Finance Minister in the Budget for 2025-26.

The Department of Agricultural Research and Education (DARE) is the nodal department for implementing the Mission, with the Ministry of Textiles as a partner. The Mission aims to boost cotton production through strategic interventions, including research and extension activities across all cotton-growing states.

The Mission also proposes to focus on developing climate-smart, pest-resistant, and high-yielding cotton varieties, including Extra Long Staple (ELS) cotton, using advanced breeding and biotechnology tools.

A special project on 'Targeting technologies to agro-ecological zones-large scale demonstration of best practices to enhance cotton productivity' has been implemented by ICAR- Central Institute for Cotton Research (CICR), Nagpur, in eight major cotton-growing states. The total outlay of the Special Project is Rs 6,032.35 lakhs, the minister further stated.

The 'Mission for Cotton Productivity' aims to equip farmers with cutting-edge scientific and technological support, enabling higher productivity, superior fibre quality, and improved resilience against climatic and pest-related challenges.

Aligned with the Government's integrated 5F vision, Farm to Fibre to Factory to Fashion to Foreign, the Mission is expected to boost cotton farmers' incomes, ensure a steady supply of high-quality cotton, and revitalise India's traditional textile sector, thereby enhancing its global competitiveness, he added.

As part of the steps to boost textile exports, the Ministry has also supported Export Promotion Councils in organizing a global mega textile event Bharat TEX 2025 to showcase the strength of the Indian textiles value chain, highlighting the latest progress innovations in textile & fashion Industry and positioning India as the most preferred destination for sourcing and investment in textile sector, the minister said in reply to another question in the Lok Sabha.

NIFT (National Institute of Fashion Technology) has also established formal collaborations with over 22 institutions across more than 14 countries, including the UK, France, Australia, Japan, the United States, New Zealand and Finland. These collaborations are governed through MoUs that support student and faculty exchanges, joint research initiatives, dual-degree and twinning programs, collaborative curriculum development, and global academic immersion, the minister said.

Notable engagements include partnerships with institutions such as FIT (New York), UAL (UK), ENSAIT (France), and Bunka (Japan). Over the past five years, approximately 100-plus NIFT students and many faculty members have participated in international exchange programmes, with reciprocal participation from global partner institutions, he further stated.

"These international engagements enhance India's position in the global textile and fashion sector by fostering academic excellence, promoting innovation, and enabling knowledge transfer. They expose students and faculty to global design sensibilities, technological advancements, and emerging trends. By aligning curricula with international standards, these collaborations equip Indian graduates with the skills and insights needed to compete effectively in global markets and strengthen India's reputation as a hub for creative and technical expertise in textiles and fashion," the minister explained.

Source: thehawk.in– July 22, 2025

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VISION 2030 FOR TEXTILE INDUSTRY

To enhance cotton productivity and quality, promote innovation and strengthen the entire textile value chain in line with the Vision 2030, a five-year 'Mission for Cotton Productivity' was announced by Hon'ble Finance Minister in her budget speech 2025-26. The Department of Agricultural Research & Education (DARE) is the nodal department for implementing the Mission, with the Ministry of Textiles as a partner.

The Mission aims to boost cotton production through strategic interventions, including research and extension activities across all cotton-growing states. The Mission also proposes to focus on developing climate-smart, pest-resistant, and high-yielding cotton varieties, including Extra Long Staple (ELS) cotton, using advanced breeding and biotechnology tools.

A Special Project on Cotton titled 'Targeting technologies to agro-ecological zones-large scale demonstration of best practices to enhance cotton productivity' has been implemented by ICAR- Central Institute for Cotton Research (CICR), Nagpur in 8 major cotton growing states under National Food Security and Nutrition Mission (NFSNM) during 2023-24, 2024-25 and is ongoing in 2025-26 to enhance productivity of cotton and production of ELS cotton. The total outlay of the Special Project is Rs. 6,032.35 lakhs.

The 'Mission for Cotton Productivity' aims to equip farmers with cutting-edge scientific and technological support, enabling higher productivity, superior fibre quality, and improved resilience against climatic and pest-related challenges. Aligned with the Government's integrated 5F vision, Farm to Fibre to Factory to Fashion to Foreign, the Mission is expected to boost cotton farmers' incomes, ensure a steady supply of high-quality cotton, and revitalize India's traditional textile sector, thereby enhancing its global competitiveness.

This information was provided by UNION MINISTER FOR TEXTILES SHRI GIRIRAJ SINGH in a written reply to a question in Lok Sabha today.

Source: pib.gov.in– July 22, 2025

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STRENGTHEN INTERNATIONAL COLLABORATION IN TEXTILE SECTOR

Ministry has supported Export Promotion Councils/Associations in organizing a Global Mega Textile Event i.e. Bharat TEX 2025 to showcase the strength of the Indian textiles value chain, highlighting the latest progress/ innovations in textile & fashion Industry and positioning India as the most preferred destination for sourcing and investment in textile sector.

NIFT has established formal collaborations with over 22 institutions across more than 14 countries, including the UK France, Australia, Japan, the United States, New Zealand, Finland. These collaborations are governed through MoUs that support student and faculty exchanges, joint research initiatives, dual-degree and twinning programs, collaborative curriculum development, and global academic immersion. Notable engagements include partnerships with institutions such as FIT (New York), UAL (UK), ENSAIT (France), and Bunka (Japan). Over the past five years, approximately 100 plus NIFT students and many faculty members have participated in international exchange programs, with reciprocal participation from global partner institutions.

These international engagements enhance India's position in the global textile and fashion sector by fostering academic excellence, promoting innovation, and enabling knowledge transfer. They expose students and faculty to global design sensibilities, technological advancements, and emerging trends. By aligning curricula with international standards, these collaborations equip Indian graduates with the skills and insights needed to compete effectively in global markets and strengthen India's reputation as a hub for creative and technical expertise in textiles and fashion.

NIFT is actively leveraging its international partnerships to promote sustainable and innovative practices in fashion and textile education. Several collaborations are focused on sustainable design strategies, ethical production, circular economy models, and textile systems, with specific relevance to SMEs based ecosystems.

Through its international collaborations, NIFT has begun integrating global sustainability frameworks into academic programs and research initiatives. Examples include:

- Ongoing engagement with institutions like FIT (New York) and UAL (UK) to develop joint modules on sustainable fashion and textiles and semester exchange a collaborative initiative with FTTI at UAL (UK) focusing on circularity, responsible fashion, and cultural sustainability;
- Faculty participation in global forums on sustainable textiles and climate-conscious fashion practices;
- Student involvement in design projects, international exhibitions, and exchange programs highlighting sustainability.

This information was provided by UNION MINISTER FOR TEXTILES SHRI GIRIRAJ SINGH in a written reply to a question in Lok Sabha today.

Source: pib.gov.in– July 22, 2025

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ENHANCING INFRASTRUCTURE AND PRODUCTION CAPABILITIES

Government provides financial support to various Export Promotion Councils and Trade Bodies engaged in promotion of textiles and garments exports, for organising and participating in trade fairs, exhibitions, buyer-seller meets etc. at national and international levels. Ministry has supported Export Promotion Councils/Associations in organizing a Global Mega Textile Event i.e. Bharat TEX 2025 to showcase the strength of the Indian textiles value chain, highlighting the latest progress/ innovations in textile & fashion Industry and positioning India as the most preferred destination for sourcing and investment in textile sector.

Government is also implementing Rebate of State and Central Taxes and Levies (RoSCTL) scheme for Apparel/Garments and Made-ups in order to enhance competitiveness by adopting principle of zero-rated exports. Further, textiles products not covered under the RoSCTL scheme are covered under Remissions of Duties and Taxes on Exported Products (RoDTEP) along with other products.

The Government is implementing various schemes/initiatives to promote Indian textiles sector and enhance its competitiveness. The major schemes/initiatives include PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks Scheme to create a modern, integrated, world class plug and play textile infrastructure; Production Linked Incentive (PLI) Scheme focusing on MMF Fabric, MMF Apparel and Technical Textiles to boost large scale manufacturing and enhancing competitiveness; National Technical Textiles Mission focusing on Research Innovation & Development, Promotion and Market Development; SAMARTH – Scheme for Capacity Building in Textile Sector with the objective of providing demand driven, placement oriented, skilling program. Additionally, Handicraft and Handloom sector are extended direct support under National Handicraft/Handloom Development program.

This information was provided by UNION MINISTER FOR TEXTILES SHRI GIRIRAJ SINGH in a written reply to a question in Lok Sabha today.

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Global cotton growth facing pressure from alternative cheap fibres

Global growth in cotton is under pressure from an increasing shift towards sustainability and eco-conscious production, with consumers increasingly favouring responsible materials and manufacturing processes, industry experts and research analysts say.

"While natural fibres such as cotton have traditionally been viewed as sustainable and clean, concerns over overconsumption, water usage and climate sensitivity are prompting a gradual reduction in overall cotton use, driven in part by waning demand for fast fashion and a shift towards alternative materials," said research agency BMI, a unit of Fitch Solutions, in its outlook "The Future of Cotton in Asia: Slowing Demand, Innovation and Resilience".

"The textiles sector is looking at alternative fibres such as bamboo, hemp and recycled cotton. These are cheaper than cotton," says Rajkot-based Anand Popat, a trader in cotton, yarn and cotton waste.

Blends make inroads

"Cotton blends are making inroads. Today, pure cotton makes up less than 30 per cent of the total fibre usage in textiles. Manufacturers have a lot of options," said Ramanuj Das Boob, a sourcing agent in Raichur and Vice-President of All India Cotton Brokers Association.

Prabhu Dhamodaran, Convenor of Indian Texpreneurs Federation (ITF), said while alternative fibres have made some inroads, cotton remains the preferred choice among premium consumers. "This segment of consumers exhibits high spending resilience, which continues to support steady demand for cotton-based fashion products," he said.

From India's standpoint, for the first time, its cotton-based apparel exports have a 12 per cent share in the US market this year. "With India's established strengths in cotton apparel, this momentum is likely to sustain," Dhamodharan.

Pointing to various initiatives launched by the European Union and UK to promote environment-friendly products, BMI said rising adoption of synthetic fibres, bolstered by advancements in affordable, higher-quality, and increasingly bio-based alternatives, will likely add volatility to cotton demand.

Recycled cotton

“As consumer preferences continue to evolve towards more sustainable options, we anticipate a gradual slowdown in demand for the cotton crop, weighing on prices and thereby discouraging its production over the long term,” said the research agency.

“Cheaper costs of alternatives are affecting cotton. While the lowest price for cotton yarn is ₹220 a kg, blended yarns cost around ₹150,” said Das Boob.

“Prices of recycled cotton are one-fourth of the prices of pure cotton products. Even big retailers are looking at cutting costs, opting for cotton-blends rather than pure cotton,” said Popat.

BMI said significant challenges have emerged in cotton production in recent years, notably the development of Bt cotton resistance by the pink bollworm in India, driven by incompatibility with local agricultural and climatic conditions. “This underscores the need for cotton producers to constantly innovate and adapt to evolving challenges,” it said.

Social campaigns

Social campaigns against the alleged forced labour in Xinjiang’s cotton industry in China have led to global boycotts led by major fashion brands and consumers. “Domestic demand has also weakened, with Chinese apparel manufacturers increasingly turning to imported cotton to avoid repercussions from import bans and boycotts,” the research agency said.

Popat said various agencies are now trying to promote cotton. “It all began when cotton prices soared to ₹1 lakh a candy (356 kg). Manufacturers looked to cut costs and the alternatives emerged,” he said.

“Nothing can match the feeling of pure cotton. This is a cyclical trend. This could change in a few years,” said Das Boob.

Dhamodaran said inventory levels in the global fashion sector have normalised, with brands and retailers increasingly leveraging AI and digital tools for demand-driven, dynamic planning.

Near 5-year low

“Production is now closely aligned with consumption patterns, especially across developed markets, and EU import and consumption trends remain very stable. We expect even better momentum in the EU going forward,” he said.

BMI said India and China have launched measures to tide over the current problems in the cotton sector. These will likely bear fruit in course of time.

According to the US Department of Agriculture, global cotton production in 2025-26 is projected to be 25.78 million tonnes (mt) compared with 26.10 mt in 2024-25. While domestic use in producing nations is expected to rise to 25.72 mt (25.40 in 2024-25), exports will likely rise to 9.73 mt (9.36 mt). That will leave a higher ending stock of 16.83 mt (16.71 mt), a clear sign of bearishness.

On InterContinental Exchange, New York, cotton futures are near five-year low of 66 cents a pound. In India, prices for benchmark Shankar-6 are ruling at ₹57,500 a candy at Rajkot in Gujarat.

Source: thehindubusinessline.com– July 24, 2025

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Export of Organic Textiles under Indian Law: Legal Framework and Regulatory Compliance

India, as one of the largest producers of organic cotton globally, holds a significant position in the international organic textile market. The export of *organic textiles* from India is governed by a multifaceted legal and regulatory framework that ensures compliance with international organic standards while facilitating trade through structured certification and monitoring mechanisms. This framework is anchored in domestic laws, foreign trade policy instruments, and internationally recognized certification protocols.

Definition and Scope of Organic Textiles

"Organic textiles" refer to textile products made from organically grown raw materials, primarily organic cotton, and processed in compliance with standards that prohibit the use of synthetic pesticides, genetically modified organisms (GMOs), and hazardous chemicals. The organic status of such textiles must be verifiable through third-party certification against recognized organic standards, such as the **Global Organic Textile Standard (GOTS)** and **Organic Content Standard (OCS)**.

Regulatory and Statutory Framework

The export of organic textiles from India is primarily regulated under the following statutory and policy instruments:

1. **Foreign Trade (Development and Regulation) Act, 1992 (FTDR Act):**

   Under Section 5 of the FTDR Act, the Central Government formulates the **Foreign Trade Policy (FTP)**, which governs the export of all goods, including organic textiles. The **ITC (HS) Code** under the FTP categorizes textile products, and the relevant codes for organic textiles must be identified for export purposes.

2. **Foreign Trade Policy (2023–2028):**

The current FTP emphasizes the promotion of sustainable and value-added exports. Organic textile exporters may avail of benefits such as **duty exemption schemes**, **Market Access Initiative (MAI)**, and support under **Brand India** initiatives.

2. **Agricultural and Processed Food Products Export Development Authority (APEDA):**

   APEDA, under the **Ministry of Commerce and Industry**, functions as the nodal agency for the promotion and certification of organic products, including textiles made from organic agricultural inputs. It operates the **National Programme for Organic Production (NPOP)**, which lays down procedures for accreditation of certification bodies and organic standards for exports.

3. **Certification Requirements:**

   Organic textiles intended for export must be certified by bodies accredited under NPOP or by certification agencies recognized under international organic standards (e.g., GOTS, OCS). GOTS certification is often mandatory for exports to the EU, US, and other major markets.

4. **Textile Export Promotion Councils:**

   Exporters of organic textiles are also supported by councils such as the **Cotton Textiles Export Promotion Council (TEXPROCIL)** and the **Apparel Export Promotion Council (AEPC)**, which facilitate market access, trade fairs, and compliance advisory services.

Export Procedure and Compliance

The procedural aspects of exporting organic textiles involve the following key steps:

- **Registration with DGFT** through the Importer-Exporter Code (IEC).
- **Product classification** under the correct ITC (HS) code.
- **Obtaining organic certification** from accredited bodies under NPOP/GOTS.
- **Filing of shipping bills** with customs authorities, with declaration of organic status.
- **Adherence to labeling and packaging standards** as per destination country norms.
- **Participation in quality control inspections**, if applicable under the **Export Inspection Council (EIC)** norms.

Customs authorities may require certification documents to validate the organic status of the consignment. Any misrepresentation or false claim regarding organic content may lead to penal action under the **Customs Act, 1962** and may trigger de-accreditation by the certifying body.

International Legal Considerations

Exporters must also remain compliant with the destination country's organic labeling and textile safety laws. For instance:

- **European Union:** Regulation (EU) 2018/848 governs organic production and labeling. GOTS certification is widely accepted.
- **United States:** USDA's National Organic Program (NOP) is applicable to organic agricultural products. Though textiles are not directly regulated under NOP, GOTS-certified products are accepted in the market.
- **United Kingdom and Canada:** Similar regulatory frameworks exist, and GOTS or OCS certification is often considered a minimum requirement.

Legal Challenges and Risks

Exporters of organic textiles face several legal and operational risks, including:

- **Certification Fraud:** Exporting non-organic textiles under the guise of organic labels can lead to customs seizure, cancellation of licenses, blacklisting by importing countries, and prosecution under Indian penal and customs laws.
- **Non-compliance with labor and environmental norms:** Exporters must ensure compliance not only with organic standards but also with ethical labor practices and environmental norms, particularly when certified under GOTS or other social-compliance linked schemes.

Click here for more details

Source: taxtmi.com– July 23, 2025

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India's textile exports to Egypt jump 19.6% in Jan–Apr 2025

India's textile exports to Egypt surged 19.64 per cent to $134.831 million during January–April 2025. Among textile products, yarn was the dominant category, accounting for 77.36 per cent of total textile exports to the nation. India is also the largest cotton exporter to Egypt, while it primarily exports yarn to the country.

It is worth noting that Egyptian cotton is known for its durability and soft feel. It is considered premium due to its long fibre length, ranging from 38 to 44 mm. This premium cotton remains in high demand in India for the manufacture of high-quality cotton garments.

During the first four months of the current year, India exported yarn worth $104.309 million, making up 77.36 per cent of total textile exports.

Fabric exports amounted to $24.869 million (18.45 per cent), and fibre exports stood at $5.651 million (4.19 per cent) during the same period, according to sourcing intelligence tool TexPro.

India's yarn exports increased 21.15 per cent in the first four months of 2025 from $86.097 million in January–April 2024. Fabric exports also rose 28.34 per cent from $19.378 million in the same period.

However, fibre exports declined by 22.14 per cent compared to $7.259 million last year. The country's textile exports totalled $112.734 million in the first four months of the previous year.

Yarn exports were valued at $254.737 million, accounting for 75.98 per cent of the total textile exports of $335.258 million in 2024. Fabric and fibre exports to Egypt stood at $55.308 million (16.50 per cent) and $25.212 million (7.52 per cent), respectively.

Yarn exports remained almost flat compared to $257.209 million in 2023. Fabric exports fell 5.93 per cent from $58.796 million in 2023. Fibre exports from India to Egypt rose 92.58 per cent in 2024 over the $13.091 million shipped in the preceding year, as per TexPro.

India imported Egyptian cotton worth $29.646 million during January–April 2025, marking a 43.01 per cent decline from $52.018 million in the same period of the previous year.

Imports were recorded at $154.280 million in 2024 and $122.555 million in 2023.

Source: fibre2fashion.com– July 24, 2025

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