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USD	EUR	GBP	JPY
86.83	100.51	115.88	0.59

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INTERNATIONAL NEWS

Trans-Pacific Freight Rate Declines Show No Signs of Letting Up

Retailers and brands are seeing more relief when it comes to the price of their ocean cargo bookings out of Asia, as spot freight rates remain on a downward spiral.

As of Thursday, trans-Pacific spot rates fell to both U.S. coasts this week, with cargo going from Shanghai to Los Angeles down 5 percent to $2,675 per 40-foot equivalent unit (FEU), according to Drewry's World Container Index (WCI). Containers on the Shanghai-to-New York route were down 7 percent to $4,210 on average.

Shanghai Containerized Freight Index data released Friday shows similar declines of 3.5 percent to $2,067 per FEU for U.S. West Coast-bound boxes. Cargo headed toward the U.S. East Coast saw 6.5-percent price dips to $3,378 per FEU.

Rates have fallen consistently since they peaked in early June after a massive run-up the month prior. In May, rates soared on the trans-Pacific trade lane, when the U.S. and China first agreed to reduce their respective tariffs for 90 days and bookings for Chinese imports accelerated.

The collapse in the nearly two months since has been significant. For cargo headed to Los Angeles and Long Beach out of Shanghai, spot rates are down nearly 55 percent from June 12, while the freight headed to New York saw a price plunge of 42 percent.

With the trade negotiation deadline for U.S. tariffs on Chinese goods set for Aug. 12, container shipping lines are cutting back on services across the Pacific by cancelling more sailings.

Approximately 175,000 20-foot equivalent units (TEUs) of container capacity is set to be blanked during July, according to data from maritime intelligence provider eeSea, totaling 11 percent of deployed capacity between Asia and the West Coast.

Drewry projects blank sailings to rise 59 percent from 29 to 46 between weeks 30 and 34, underscoring the attempts by carriers to balance supply with the market demand.

In another instance that may give shippers less inclination to make imminent cargo bookings, Treasury Secretary Scott Bessent said Tuesday that the U.S. and China are likely to extend the August tariff deadline.

Container shipping firms have tried to keep rates up via general rate increases (GRIs) on the trans-Pacific eastbound route, but even those spikes haven't been able to outpace the dip in capacity and overall demand.

Cosco Shipping, Evergreen, Hapag Lloyd and HMM applied a $3,000 base freight rate GRI per 40-foot container on July 15, while CMA CGM, Yang Ming and ZIM set their GRI at $2,000. Ocean Network Express (ONE) had the lowest GRI at $1,000.

The same rates are expected to be implemented Aug. 1.

Drewry expects spot rates on the trans-Pacific trade lane to continue declining next week.

For the longer term, the supply-demand balance is expected to weaken globally in the second half, which would further contribute to worldwide spot rate declines, according to Drewry's July Container Forecaster.

Two factors will impact the volatility and timing of those rate changes, Drewry says: Trump's future tariffs and capacity changes related to the introduction of fees on Chinese ships docking at American ports.

The volatility also comes amid the expectation of a peak shipping season that came and went earlier than usual due to the tariff whiplash.

According to the Global Port Tracker from the National Retail Federation (NRF), August will see an 11.8 percent decline in cargo entering U.S. ports compared to July and a 10.4 percent collapse over the year prior.

From August to November, total inbound cargo volume is expected to sequentially fall every month, the Global Port Tracker says, in another indicator that fewer ships are likely to be sailing on the China-to-U.S. trade lane—further contributing to declines in freight prices.

Although ships on that route may be set for a decline, the overall increase in ships out at sea are another factor in depressing the rates.

Global container ship capacity has risen by 2.43 million TEUs in the last 12 months, registering a growth of 8.1 percent year over year. In that time, 2.48 million TEUs of new vessel deliveries were added against just 50,000 million TEUs that were scrapped, according to data from Linerlytica.

Source: sourcingjournal.com – July 28, 2025

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EU-US Trade Deal Draws Mixed Reviews from Bloc's Leaders

Following President Donald Trump and European Commission President Ursula von der Leyen's announcement Sunday that the U.S. and the European Union had negotiated a trade deal (which will see EU countries subject to 15-percent tariffs), EU leaders have started weighing in on the new way forward for the transatlantic trade agreement.

While von der Leyen praised the trade agreement sitting alongside Trump in Scotland, other leaders seem to have a less rosy outlook.

François Bayrou, France's prime minister, expressed his disappointment for the trade agreement.

"It is a dark day when an alliance of free peoples, united to affirm their values and defend their interests, resolves to submission," Bayrou wrote on his X account.

Still, other major leaders said the agreement helped divert what could have been a much more serious threat to countries in the 27-member bloc and their respective businesses.

Giorgia Meloni, Italy's prime minister, told reporters Sunday at a press briefing in Ethiopia that while she still needed to "study the details" of Trump and von der Leyen's deal, it's promising that the two nations came to an agreement, noting that "trade escalation between Europe and the United States would have had unpredictable and potentially devastating consequences."

German Chancellor Friedrich Merz shared a similar sentiment.

"This agreement has succeeded in averting a trade conflict that would have hit the export-orientated German economy hard," he said in a statement.

Trump had previously threatened a 30-percent tariff on goods inbound to the U.S. from EU countries; last week, he stated that the U.S. had "a 50-50 chance of making a deal with the EU." That von der Leyen—who had originally fought to see a 10-percent flat tariff rate on most EU goods—kept up negotiations with a frustrated Trump can be considered a win, some EU leaders, including Portuguese Prime Minister Luís Montenegro, believe.

"The EU-U.S. trade agreement brings predictability and stability, vital for Portuguese companies and the economy. It avoids escalation but places new demands on the pursuit of more trade agreements, the reduction of barriers, and the transformative agenda of simplification and cost reduction," Montenegro wrote in an X post.

Maroš Šefčovič, EU trade commissioner, called on both parties to "keep strengthening our transatlantic ties," thanking U.S. Trade Representative Jamieson Greer and U.S. Secretary of Commerce Howard Lutnick for their collaboration on the newfound agreement.

Some leaders in the EU continue to focus their attention on a free trade environment. Bart De Wever, prime minister of Belgium, called Sunday's understanding "a moment of relief but not of celebration."

"I sincerely hope the United States will, in due course, turn away again from the delusion of protectionism and once again embrace the value of free trade—a cornerstone of shared prosperity," he wrote in an X post. Petteri Orpo, prime minister of Finland, said this agreement should not mark the end of future trade discussions between the bloc and the U.S.

"Work must continue to dismantle trade barriers. Only free transatlantic trade benefits both sides the most," Orpo wrote in a translated X post.

The Trump administration doesn't appear amenable to the prospect of free trade with almost any country across the globe. Much of the president's economic strategy has been built around negotiating new trade deals that guarantee U.S. access to other markets, and bolstering American manufacturing across a variety of industries he sees as key to the country's future success.

While Trump heralded last week's deal with Japan as "the largest deal ever made," the agreement with the EU has the propensity to impact myriad industries, including fashion and apparel. A lower-than-threatened tariff will see U.S. companies importing European goods—like luxury apparel, footwear and leather—paying less than some may have expected.

Still, any increase in cost per unit could deal a blow to companies already struggling to reach price-conscious consumers. According to data from 7thonline, U.S. retailers have shown anxiety about their ability to absorb price hikes brought on by tariffs.

Just over one-third of retailers said the only way they could avoid price hikes is with a 0-percent tariff increase, and a further 43 percent said the highest tariff increase they could afford to absorb was 25 percent.

Source: fibre2fashion.com– July 24, 2025

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Uzbek delegation, BGMEA discuss potential collaboration in the T&A sector

In a meeting with Shahidullah Azim, Vice President, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), a delegation from the Uzbekistan Textile and Garment Industry Association (UZTEXTILEPROM) discussed potential collaborations to foster mutual trade benefits in the apparel and textile sectors.

Focusing on identifying areas for trade and investment, the meeting signified a growing interest in inter-regional cooperation within the global textile industry.

The UZTEXTILEPROM delegation included key figures such as Mukhammadsaidov Bakhtiyor, Head-Department of the Textile, Garment and Knitwear Industry, Ministry of Investment, Industry and Trade; Sherzod Akbarov, Head of Department, UZTEXTILEPROM; and Mehdi Mahbub, Advisor, UZTEXTILEPROM. Their presence underscored the importance Uzbekistan places on strengthening international partnerships in this vital sector.

During the discussion, the Uzbek delegation presented an overview of their nation's textile and garment industry, emphasizing its significant competitive advantages.

A key highlight was Uzbekistan's strategic geographical location, offering close proximity and easy access to Commonwealth of Independent States (CIS) countries. This access to a substantial market presents a compelling proposition for potential partnerships.

To further explore these opportunities, the UZTEXTILEPROM representatives extended an invitation for a business delegation from BGMEA to visit Uzbekistan.

In turn, Azim highlighted Bangladesh's evolving focus on product diversification, particularly in high-value man-made fiber (MMF)-based garments. He emphasized Bangladesh's proactive efforts to penetrate new export markets, specifically citing the CIS region, which boasts an estimated $55 billion apparel market.

Azim proposed a collaborative approach, inviting the Uzbek delegation to work together to explore avenues for Bangladesh's ready-made garment (RMG) exports to CIS markets via Uzbekistan.

This strategic alliance could leverage Uzbekistan's established access to the CIS bloc, creating a mutually beneficial trade corridor for both nations.

Source: fashionatingworld.com– July 28, 2025

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South Korea's apparel imports flat at $5.5 bn in Jan–June 2025

South Korea's apparel imports remained almost flat at $5.527 billion during January–June 2025, compared to $5.532 billion in the same period of 2024, according to the latest data from the Korea Customs Service.

Imports of knitted apparel and clothing accessories (Chapter 61) were valued at $2,372.551 million in the first half of 2025, up 3.11 per cent from $2,300.937 million in the corresponding period of the previous year.

Meanwhile, imports of non-knitted apparel and clothing accessories (Chapter 62) totalled $3,154.745 million, down 2.37 per cent from $3,231.328 million in January–June 2024.

In June 2025, South Korea's apparel imports stood at $773.265 million, 4.88 per cent higher than the $737.285 million recorded in June 2024. On a month-on-month basis, apparel imports increased by 8.41 per cent compared to $713.406 million in May 2025.

The country imported knitted apparel and clothing accessories (Chapter 61) worth $338.308 million in June 2025, up 11.18 per cent from $308.732 million in June 2024.

Imports of non-knitted apparel and clothing accessories (Chapter 62) were valued at $434.958 million in June 2025, slightly higher than the $432.552 million recorded in June 2024. In May 2025, imports stood at $314.617 million for Chapter 61 and $398.789 million for Chapter 62.

South Korea generally exports fabrics and textile materials while importing readymade garments.

Between January and June 2025, exports of man-made filaments, strips, and similar materials (Chapter 54) were valued at $894.967 million, down 13.52 per cent from $1,035.200 million in the same period of 2024. Exports of knitted or crocheted fabrics (Chapter 60) reached $769.240 million, easing from $895.967 million a year earlier.

In June 2025, the country exported man-made filaments, strips, and similar materials worth $134.457 million, and knitted or crocheted fabrics worth $130.241 million. In comparison, exports in June 2024 for these categories were valued at $166.103 million and $147.754 million, respectively. In May 2025, the export values were $150.578 million for Chapter 54 and $137.136 million for Chapter 60.

In 2024, South Korea’s apparel imports reached $12.366 billion, marking a 3.12 per cent increase from $11.991 billion in 2023. Imports of knitted apparel and clothing accessories totalled $5.083 billion, while non-knitted apparel and clothing accessories amounted to $7.283 billion.

That year, the country exported man-made filaments, strips, and similar materials (Chapter 54) worth $1,987.300 million, slightly down from $2,107.283 million in 2023. Exports of knitted or crocheted fabrics (Chapter 60) were valued at $1,713.855 million in 2024, compared to $1,788.741 million in 2023.

Source: fibre2fashion.com– July 29, 2025

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EU experts predict 18% tariffs on US imports by 2025 end: Survey

Economic experts across the European Union (EU) anticipate a rise in tariff levels on imports from the United States by the end of 2025, with an average expected rate of 18 per cent, according to Economic Expert Survey (EES) conducted by the ifo Institute. Experts in France, Spain, Portugal, the Netherlands, Slovakia, and Romania foresee some of the highest tariffs—between 20 and 25 per cent.

Meanwhile, Central European countries such as Germany, Austria, and Poland expect tariffs in the 15 to 20 per cent range, while Italy, Sweden, and Bulgaria anticipate lower rates of 10 to 15 per cent, ifo institute said on its website.

In contrast, experts from non-EU European nations expect significantly lower tariffs on US imports. Swiss and Norwegian experts anticipate rates of five to ten per cent, while their British counterparts expect a 12 per cent tariff. On the other hand, US experts project a 19 per cent average tariff on EU imports to the United States.

When asked about their normative views—what tariffs should be by the end of 2025—European experts generally advocate much lower rates. The EU average for desired tariffs on US imports stands at 12.8 per cent, with France, Portugal, and Spain still showing higher-than-average preferences (10–20 per cent), but lower than their expected figures, the survey revealed.

Germany, Austria, Italy, Finland, and Sweden prefer even more moderate rates, ranging from five to 15 per cent. Notably, experts from Switzerland are the only group whose expectations and normative assessments closely align.

US experts favoured even lower tariff levels on EU imports, advocating a rate of just three per cent—far below the levels European experts propose for US goods.

The survey also highlighted that expectations for general tariffs on all imports (regardless of origin) are lower and less varied than for US-specific imports. EU experts expect average general tariffs to stand at 13.1 per cent by the end of 2025, with most countries—including France, Germany, Italy, and Spain—expecting rates in the 10 to 15 per cent range. Romania again stands out with a projection of 20 to 25 per cent.

On the normative side, EU experts believe that ideal general tariffs should be around 9.2 per cent, reflecting a broader preference for lower trade barriers. Most assessments fall in the five to 15 per cent range, indicating that experts largely disapprove of the expected protectionist trends.

The findings underscored a consistent theme: across both US-specific and general tariffs, economic experts in Europe advocate lower rates than they expect will be enacted, particularly in relation to US imports. The gap between expected and desired tariffs is notably wider for US-specific trade, suggesting greater concern over escalating trade tensions with the United States.

Source: fibre2fashion.com– July 29, 2025

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Italy consumer confidence rises in July, business mood mixed: Istat

Italy's consumer confidence index rose to 97.2 in July 2025, up from 96.1 in June, according to Istituto Nazionale di Statistica (Istat). The improvement was broad-based, with gains in the current (from 97.9 to 99.7), personal (94.8 to 96.9), and future climate indices (93.7 to 93.9). However, the economic climate index fell from 99.6 to 98.2.

In contrast, business sentiment weakened slightly as the Istat Economic Sentiment Indicator (IESI) dipped from 93.9 to 93.6.

The manufacturing confidence climate edged up from 87.3 to 87.8, supported by a modest recovery in order book assessments (from -21.7 to -21) and expectations on future production (1.1 to 1.4).

Labour market sentiment softened, as expectations declined from 9.3 to 6.9, though order book assessments improved marginally (from -2.2 to -1.9).

The retail trade confidence climate posted a strong rebound, rising from 102 to 105.8. Expectations on business trends jumped (from 15.0 to 24.5), with a slight improvement in current sales (19.1 to 20.1).

The market services sector saw confidence decline from 95.5 to 93.7. All key components worsened: current business trend assessments dropped sharply (5.0 to 1.1), while order book evaluations also weakened, both current (1.0 to -0.2) and expected (-0.2 to -0.8), Istat said in a release.

Source: fibre2fashion.com– July 28, 2025

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UK retail sales volume rises 0.9% M-o-M in June 2025: ONS

After a dip in May, UK retail sales volumes increased by an estimated 0.9 per cent M-o-M and 1.7 per cent Y-o-Y in June 2025, shows a report by the Office for National Statistics (ONS). This positive trend follows a significant 2.8 per cent M-o-M decline in May, indicating a renewed consumer activity.

However despite this recent growth, overall re tail volumes in June remained 1.6 per cent below their pre-COVID-19 levels recorded in February 2020, highlighting the ongoing recovery still needed in the sector.

Showing encouraging signs, retail sales volumes in Q2, FY25 increased by 0.2 per cent Q-o-Q and 1.8 per cent Y-o-Y during the quarter, as per the ONS release. This increase suggests a steady, albeit modest, improvement in consumer spending habits.

A notable highlight in June was the robust performance of non-store retailers, whose sales volumes increased by 1.7 per cent. This growth pushed non-store sales to their highest level since February 2022, underscoring a continued shift towards digital purchasing. While less dramatic, non-food store sales volumes also saw a marginal increase of 0.2 per cent M-o-M in June, with department stores and clothing retailers experiencing month-over-month growth.

The rise in online activity was particularly pronounced in terms of spending. The amount spent online, or 'online spending values,' increased by 2.3 per cent M-o-M and 4.5 per cent Y-o-Y in June 2025. This digital growth extended into the second quarter, with online spending values rising by 3.3 per cent Q-o-Q.

Consequently, total retail spend - combining both in-store and online sales - increased by 1.1 per cent M-o-M. This led to a slight but significant rise in the proportion of sales made online, which grew from 27.4 per cent in May 2025 to 27.8 per cent in June 2025, further solidifying the growing importance of e-commerce in the UK retail landscape.

Source: fashionatingworld.com– July 28, 2025

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Bangladesh eyes 10-20% tariff in final US talks

The Bangladeshi delegation left for the US yesterday to engage in the third and final round of negotiations with the Trump administration, seeking to lower a new tariff rate on the country's products.

The negotiations are scheduled to begin on July 29 and continue until July 31, whereas a 35 percent tariff is set to be imposed on Bangladeshi products entering the American markets from August 1.

"We are hopeful of a much lower tariff rate as the negotiations held to date have been in a congenial atmosphere," Commerce Secretary Mahbubur Rahman told The Daily Star over the phone before leaving the country.

"I see a positive sign in the negotiations," he said.

The tariff rate is likely to be in the range of 10 percent to 20 percent, as has been the case for some countries that have been able to avail revised tariff rates, he added.

For instance, Vietnam was able to settle on 20 percent, Indonesia and the Philippines 19 percent, Japan 15 percent, the UK 10 percent, and the European Union (EU) 15 percent.

Bangladesh has also revised its negotiation strategies, such as offering to buy 25 US-made aircraft instead of 14, he said.

Moreover, Bangladesh has already signed agreements with US suppliers to buy 3.5 million tonnes of wheat over the next five years. Another agreement was signed to import liquefied natural gas (LNG) from the US. The strategy is aimed at reducing the gap in bilateral trade, which is very much tilted towards Bangladesh.

Regarding buying more aircraft, the commerce secretary said that apart from reducing the trade gap to influence a tariff reduction, Bangladesh needs to build up its aircraft fleet for the future.

Moreover, Boeing's waiting list for the delivery of aircraft is already long, and Bangladesh may have to wait a really long time if the orders are not placed now, he said.

For instance, Vietnam has already sought 100 Boeing aircraft, while Indonesia has sought 50, he added. The agreements for the purchases are flexible, as the products can be availed even at a date later than that initially agreed upon, added Rahman. However, it is expected that Bangladesh will eventually benefit from these agreements, as the goods will meet demand, he said.

For instance, the local production of wheat is not enough to meet demand, and Bangladesh is dependent on imported wheat. Now the US will be a major source for wheat imports, he said. One garment exporter aiding the delegation as a private sector representative, asking not to be named, said, "I don't think we will get anything less than 25 percent, it's my gut feeling."

Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI), said Bangladesh eventually turned into a major garment exporter to the US market over the years, as the latter does not produce its own garments. But now the exports will depend on whether Bangladesh can sign a good tariff deal with the US, he said.

For Bangladesh, a 20 percent tariff would be better, he said.

Vietnam was able to attain 20 percent, but if any of its goods are found to be transhipped from China, a 40 percent tariff will be imposed, said Sattar. Vietnam imports a lot of Chinese raw materials, for which the US might ultimately impose the 40 percent tariff on its products, he said.

In that case, Bangladesh may enjoy a bit of a competitive edge with its 20 percent duty, he said.

"I am hopeful from the optimism of the negotiators. The tariff rate for Bangladesh may be more than 10 percent and at most 20 percent," the PRI chairman also said.

Masrur Reaz, chairman of Policy Exchange Bangladesh, said a deal could be reached at 15 percent, and it would be a very positive deal for Bangladesh. "I am hopeful and optimistic after the second round of negotiations, as Bangladesh is now much more prepared and strategic," he said.

Source: thedailystar.net– July 29, 2025

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NATIONAL NEWS

Commerce Ministry holds meeting with stakeholders of textiles, leather and footwear industry on India-UK CETA

The Department of Commerce, Ministry of Commerce and Industry, today held an industry interaction with stakeholders from the textiles, leather and footwear sector in New Delhi to discuss the opportunities created by India-UK Comprehensive Economic and Trade Agreement (CETA).

In a message to the meeting, Union Minister of Commerce and Industry, Shri Piyush Goyal, conveyed that the agreement is a transformative opportunity for India's textiles, leather, and footwear industries. He highlighted that the historic agreement opens a world of opportunities for these sectors. Shri Goyal noted that the landmark India–UK CETA has positioned India's textile sector for a significant surge in exports.

Secretary, Department of Commerce, Shri Sunil Barthwal, emphasised that eliminating tariffs and empowering MSMEs would promote inclusive growth and generate employment. He added that the agreement is also expected to enhance global recognition for Indian artisans and manufacturers.

As part of the stakeholder engagement, industry and institutional invitees to the meeting included the Council for Leather Exports (CLE), Confederation of Indian Industry (CII), Confederation of Indian Footwear Industry (CIFI), Indian Footwear Components Manufacturers Association (IFCOMA), the Footwear Design and Development Institute (FDDI), Central Leather Research Institute (CLRI), Leather Sector Skill Council (LSSC), various Textile Export Promotion Councils, Industry Associations and textile exporters.

Key government departments, including the Ministry of Textiles, Bureau of Indian Standards (BIS), Directorate General of Foreign Trade (DGFT), Department of Revenue, Department for Promotion of Industry and Internal Trade (DPIIT), as well as senior officials from the Department of Commerce, also attended the meeting to deliberate on opportunities and sectoral preparedness arising from the agreement.

The agreement provides Indian textile & clothing products with duty free access to UK market and addresses the duty disadvantages (of upto 12%) that the Indian textiles sector faced in UK vis a vis some key competing countries like Bangladesh, Cambodia and Pakistan. The zero-duty market access will benefit segments such as Ready-Made Garments, Home Textiles, Carpets and Handicrafts and set the tone for a sharp surge in exports.

The agreement will help in increasing demand of Indian Textiles and benefit all major textile clusters such as Tirupur, Jaipur, Surat, Ludhiana, Panipat, Bhadohi, Moradabad. The CETA is expected to have a positive impact across the textiles value chain, benefiting various stakeholders and boosting employment generation in this labour intensive sector.

CETA eliminates UK's import duties for Indian products, which till now are ranging from 2% to 8% for leather goods, 4.5% for leather footwear, and 11.9% for non-leather footwear. This levels the playing field for Indian exporters against competitors such as Bangladesh, Cambodia, and Vietnam, who have enjoyed preferential access to the UK market.

The tariff elimination is expected to nearly double India's leather and footwear exports to the UK—from USD 494 million in 2024 to USD 1 billion within three years. Key manufacturing hubs across the country are set to benefit significantly, with a projected surge in demand expected to generate thousands of new jobs, particularly among MSMEs, artisans, women entrepreneurs, and youth-led enterprises.

The agreement also simplifies customs procedures, aligns technical standards, and ensures protection of Indian Geographical Indications (GI) such as Kolhapuri footwear and Mojari, allowing Indian products to gain enhanced visibility in the UK's USD 8.7 billion leather and footwear market.

By facilitating duty-free access and regulatory ease, the India-UK CETA enhances pricing power and global visibility for Indian manufacturers, especially in high-quality leather and fashion products that are in strong demand in the UK.

CETA also promotes sustainable production practices and encourages MSMEs to adopt digital tools, integrate with global value chains, and expand their e-commerce footprint.

Government initiatives like the Indian Footwear and Leather Development Programme (IFLDP), with an outlay of INR 1,700 crore, and the proposed Focus Product Scheme for the footwear and leather sector support capacity expansion, technology upgrades, creation of mega clusters and design studios, and international brand promotion.

The India-UK CETA is a catalyst and a game changer for transforming the leather and footwear industry into a global powerhouse, driving economic growth, sustainability, and inclusive development for India's MSMEs and artisans.

The representatives of various Export Promotion Councils and Industry associations welcomed the India–UK CETA and mentioned that the duty-free access will make Indian products more competitive and provide a level playing field to Indian Textile exporters.During the interactions, the need for follow up steps to be taken by the textiles industry to effectively utilize the benefits provided by the FTA was also emphasized.

More sector based stakeholder consultations and workshops are slated to be held in the next few days to prepare the Industry to convert the potential opportunities created under CETA to actual gains. The Ministry will also reach out to the manufacturing clusters in states to prepare them for benefiting from the provisions of the landmark agreement.

Source: pib.gov.in– July 28, 2025

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India's trade performance remains resilient amid global shifts in Q1 FY26: DEA

Despite the ongoing shifts in global trade dynamics, India's trade performance remained resilient in the first quarter of the financial year 2026, according to the Monthly Economic Review report released by the Department of Economic Affairs (DEA).

The report highlighted that total exports, including both goods and services, grew by 5.9 per cent year-on-year (YoY) during the April-June period of FY26. Core merchandise exports, which exclude petroleum and gems & jewellery, saw an even stronger growth of 7.2 per cent YoY.

These figures reflect the strength and stability of India's external sector even in the face of global economic uncertainties. It stated, "Amid shifting global trade patterns, India's trade performance remains resilient in Q1 of FY26."

The report data also highlighted that the foreign exchange reserves remained at a comfortable level, providing an import cover of more than 11 months. This is a strong indicator of India's economic stability, helping cushion the economy from external shocks.

Additionally, despite fluctuations in global oil prices and a brief conflict in the Middle East, the Indian rupee showed low volatility and the exchange rate was well contained through the end of June 2025.

The report also touched upon the broader global trade environment. Continuing geopolitical tensions have added uncertainty and complexity to global trade flows.

However, global trade in goods and services demonstrated resilience in the first half of 2025, increasing by USD 300 billion.

According to UNCTAD's July 2025 update, global trade growth slowed in the first quarter of 2025 but showed a rebound in the second quarter. While developed countries led the trade growth during this period, developing countries lagged behind, despite their strong performance in earlier quarters.

A notable development has been the declining trend in trade-related uncertainty. The Trade Policy Uncertainty Index, which had peaked in April 2025, showed a significant drop of approximately 35 per cent on a month-on-month basis by June 2025, indicating improving clarity and stability in global trade policies.

In response to the ongoing global trade challenges, countries across the world are increasingly opting for bilateral negotiations to resolve trade disputes.

Simultaneously, they are focusing on building supply chain resilience by incentivising domestic production in critical sectors and diversifying their sourcing across regions.

These efforts aim to ensure long-term viability and stability of trade flows in a fragmented global economic environment.

Source: thehindubusinessline.com– July 29, 2025

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EXPORT COMPETITIVENESS OF MSMEs

The Government implements several schemes and initiatives to boost competitiveness of MSMEs to increase exports. Some of which are:

- The Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour- oriented certain items of textiles sector export has been implemented since March 07, 2019.
- Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has been implemented since April 01, 2021.
- Districts as Export Hubs initiative had been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
- A Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
- The International Cooperation (IC) Scheme facilitates MSMEs to participate in international fairs/exhibitions which give exposure to global market ecosystem, create network. The IC Scheme also has the Capacity Building for First Time Exporters component which facilitates MSEs for registration with various Export Promotion Councils for membership, Export Insurance Premium and fees towards Testing & Quality Certification for products and services.
- Under the MSME Champions Scheme, MSME-Sustainable (ZED) Certification Scheme, MSME-Competitive (LEAN) Scheme and MSME-Innovative Scheme (Incubation, Design & Intellectual Property Rights) provides holistic support to enable MSMEs to become globally competitive.
- 65 Export Facilitation Centres (EFCs) have been established to support promotion of export for MSME. These EFCs disseminate information on various schemes and assist MSME in export.

The Trade Enablement and marketing Initiative (TEAM) Scheme supports onboarding Micro and Small Enterprises (MSEs) onto the Open Network for Digital Commerce (ONDC) network. The initiative aims to empower 5 lakh MSEs with a special focus on ensuring at least 50% of the beneficiaries are women-owned enterprises. The TEAM scheme provides assistance in digital catalogue creation; account management etc. and also facilitates linkages with Seller Network Participants (SNPs) to promote market access and help MSEs thrive in digital economy.

National Small Industries Corporation (NSIC)'s e-Country Pavilion on MSME Global Mart fosters international trade partnerships by connecting Indian MSMEs with global markets. It serves as a virtual gateway for cross-border commerce, showcasing trade opportunities, product categories, expanded market access and bilateral trade data between India and partner countries.

The Trade Connect e-Platform is an information and intermediation platform for international trade, bringing together Indian Missions Abroad and officials from Department of Commerce and other organisations to provide comprehensive services for both new and existing exporters.

This information was given by the Minister of State for Micro, Small and Medium Enterprises, Smt. Sushri Shobha Karandlaje, in a written reply in the Rajya Sabha today.

Source: pib.gov.in– July 28, 2025

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Indian home textile sector to double its share in the UK market

Vijay Agarwal, Chairman of the Cotton Textiles Export Promotion Council (Texprocil), said, "The India–UK FTA marks a momentous milestone following three years of rigorous negotiations. It is poised to provide a major impetus to labour-intensive sectors such as textiles —particularly home textiles— currently facing a 12% tariff in the UK. With duty-free access, India has the potential to double its share in the UK home textiles market within the next three years. Moreover, with 99% of goods now qualifying for duty-free entry, Indian exporters will gain a substantial competitive advantage in the UK market."

On the investment side, the trade agreement is expected to encourage greater bilateral cooperation between Indian and UK companies, facilitating joint ventures, innovation partnerships, and market development initiatives, he said.

According to Sudhir Sekhri, chairman, AEPC, "This deal will usher a new era of garment trade with the UK. It will enhance market access, spur investment and job creation in the garment sector."

"The India- UK FTA will not only give competitive market access to the Indian apparel products in the UK market, but also increase the trust and reliability factor by streamlining customs procedures and mutual recognition of standards, thereby, reducing the compliance burdens for the Indian apparel exporters," he added.

The UK is a global fashion hub and the fifth largest garment importer of the world, buying $ 19.7 billion worth apparel in 2024. India exported $ 1.2 billion worth of garments emerging as one among top four suppliers to the UK last year.

For most of the garment products, the duty to export to the UK is 9.6%. India mainly exports cotton-based garments such as t-shirts, ladies dresses, and babywear but lacks competitiveness in winter wear and MMF garments, the AEPC said.

A. Sakthivel, vice-chairman of AEPC, added the agreement is a game-changer for the Indian textiles and apparel industry.

The Powerloom Development and Export Promotion Council said a significant portion of synthetic and blended textiles, cotton fabrics, made-ups, and home furnishings will now have duty-free access to the UK market. K. Sakthivel chairman of Pdexcil, said the agreement marks a new era for Indian powerloom manufacturers and exporters. The elimination of tariffs on key textile products will significantly enhance the weaving sector's global competitiveness, allowing MSMEs to scale up exports and tap into premium markets across the UK.

There will be zero-duty market access for a wide range of synthetic, blended, and cotton fabrics and improved market entry for value-added textile products such as bedsheets, curtains, and garments.

Source: thehindu.com– July 24, 2025

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CETA joins India's expanding trade playbook: A new template for future FTAs

A new acronym has entered India's trade vocabulary — Ceta, short for Comprehensive Economic and Trade Agreement — signed with the United Kingdom (UK) on July 24 in London.

The agreement covers 26 areas, including tariffs cuts, services, government procurement, digital trade, and intellectual property. It is expected to significantly boost bilateral trade, which stood at $54.9 billion in FY25, with India running an $11.7 billion surplus. With new openings in goods, services, and investment, two-way trade could surpass $100 billion within the next decade.

But more than being just a trade booster, the agreement signals a shift in India's FTA (free trade agreement) strategy — softening long-held protections in areas like public procurement, auto tariffs, and pharmaceutical licensing.

Here's a look at the key concessions exchanged.

Tariff concessions: For India, $6.5 billion, or 45 per cent, of exports like textiles, footwear, carpets, automobiles, seafood, and fresh fruit will now enter the UK duty-free, down from earlier tariffs of 4-16 per cent. Another $8 billion in exports — mainly petroleum, pharmaceuticals, diamonds, and aircraft parts — already enjoyed zero tariffs under UK rules even before the deal. The UK has committed itself to eventually eliminating duties on all Indian goods, with only a few farm items like rice and sugar excluded. The UK also secures significant access. Today, 94 per cent of its $8.6 billion exports to India face medium to high duties. India will now remove tariffs on 90 per cent of these goods, with 64 per cent, including salmon, lamb, aircraft parts, machinery, and electronics, getting immediate duty-free entry. Another 26 per cent, including chocolates, soft drinks, cosmetics, and auto parts, will see phased reductions over 10 years.

For the first time in any FTA, India will cut duties on a set number of high-end UK cars from 100 per cent to 10 per cent over 15 years. Alcohol tariffs will also fall sharply — from 150 per cent to either 75 per cent or 40 per cent — for qualifying UK-origin spirits priced at $6 or more per bottle. India has kept out a list of sensitive products like apples, walnuts, whey, certain seeds, gold bars, and smartphones.

Government procurement: For the first time, around 40,000 high-value contracts from central ministries and departments — covering transport, green energy, and infrastructure — will be open to UK suppliers. These firms will be able to bid via India's Central Public Procurement Portal and GeM (government e-marketplace) platform, and will receive national treatment for all covered procurements.

Notably, UK-origin goods with just 20 per cent domestic content will qualify as "Class II" local suppliers under India's Public Procurement Order, a category earlier reserved for Indian firms with 20-50 per cent local content. While India has retained exclusions for sensitive areas like health, agriculture, MSMEs, and small-value contracts, the overall concession is the most expansive India has ever granted in any trade deal.

Intellectual property concession: India has accepted the language in the "Intellectual Property" chapter, which could weaken its ability to issue compulsory licences during public health or climate emergencies.

For the first time in any FTA, India has agreed to explicitly uphold the principle of "adequate remuneration" to patent holders as a binding bilateral obligation. This risks narrowing India's policy space under domestic law. The deal also promotes voluntary licensing as the preferred approach, tilting the balance toward patent holders and away from public health needs.

Services: India has opened up key sectors like telecom (100 per cent foreign direct investment), financial services (FDI in insurance capped at 74 per cent), auditing, construction, and environmental services to UK firms under the new trade deal. India has also agreed to recognise some UK professional qualifications in fields like accounting, though legal practice remains off limits.

In contrast, the UK's offer on services is far more limited. While it allows Indian investment in sectors like information technology and consultancy, it has made no binding commitments to ease visa access for Indian professionals — a key Indian demand. Just 1,800 visas a year are offered for niche roles like yoga teachers and classical musicians.

The UK hasn't restored post-study work visas and retains its strict points-based immigration rules. One modest gain is the Double Contribution Convention, which spares over 75,000 Indian workers on short assignments from paying UK social security tax if they've paid in India.

Change in approach: The FTA marks a major shift in how India approaches trade deals. In the past, India shielded sensitive areas like government procurement, autos, and pharmaceuticals. But under this agreement, it has started opening up these sectors.

Similar steps were taken in recent deals with the United Arab Emirates and European Free Trade Association, but the UK agreement goes even further — and upcoming FTAs with the European Union and US could push this trend deeper. India's success in sectors like autos and pharma came from years of targeted policy support and government-procurement policies. By relaxing these protections, India risks weakening the very tools that built its industrial strength and ensured economic independence.

Source: business-standard.com– July 24, 2025

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Exim matters: No substantial changes in new law on bills of lading

Last Monday, the Bills of Lading Act, 2025, that aims to replace the Indian Bills of Lading Act, 1856, was enacted. The new law will come into effect on a date to be notified by the government.

In substance, the new legislation changes nothing. The bill of lading, issued by the carriers to the shippers, will continue to be a receipt for goods, evidence of the contract of carriage and a document of title to the goods. Upon endorsement of the bill of lading, the property and the rights under the contract of carriage will continue to pass on to the endorsee.

The rights of the carriers for stoppage in transit or claims of freight will continue. In the hands of the endorsee or the consignee, the bill of lading will continue to be the conclusive evidence of shipment even where goods are not laden on board, except in the event of fraud.

So, why did the government decide to bring in new legislation? The aim is to simplify legal language, restructure complex provisions, enhance clarity, promote ease of understanding, and enable smoother enforcement in line with contemporary trade and legal standards, says the government. A closer scrutiny reveals nothing of the sort.

The 1856 law has a preamble and three sections. The new law uses the same wordings in its preamble and three sections. The three new sections relate to short title and commencement, power of the government to give directions and repeal and savings. They do nothing to change the essence of the 1856 law. It is unclear why the government wants powers to issue directions in respect of bills of lading.

The preamble of the 1856 law was contained in a single paragraph. That has now been split into 4 smaller parts. The section titled 'rights under bill of lading to vest in consignee or endorsee' is carried into the new legislation with the same title and words.

The wordings in the section titled 'right of stoppage in transit or claims for freight not to be affected' have been merely split into three smaller parts. The section titled 'bill of lading in hands of consignee etc. conclusive evidence of shipment against the master etc.' uses the same words. Only some formatting has been done in the new legislation.

The government's claims that the 1856 law was colonial and outdated and that its repeal reflects our constitutional values are spurious.

The 1856 law remedied three flaws. Before its enactment, some rights under the bill of lading stayed with the shipper even after the property passed to the endorsee through endorsements in the bills of lading.

Secondly, the bills of lading in the hands of bonafide holders were being questioned by the carriers on the plea that goods were not laden on board.

Thirdly, the rights of the carriers for stoppages in transit and claims for freight were not explicit. Surprisingly, the preamble in the new law says that it remedies the same three flaws that were already remedied through the 1856 law.

Obviously, whoever drafted the new legislation only did a copy-paste job without any application of mind. It is surprising that such a glaring defect in the preamble went through the hierarchy unnoticed by the senior government functionaries. It is a pathetic commentary on the law making process.

Source: business-standard.com– July 27, 2025

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US needs more negotiations with India for trade deal ahead of August 1 tariff deadline

US Trade Representative Jamieson Greer said “more negotiations” will be needed with India on a trade deal just days before an August 1 deadline for higher tariffs.

Washington needs additional talks to gauge how ambitious India’s government is willing to be to secure a trade agreement, Greer said in an interview on CNBC on Monday. He acknowledged he had previously suggested a deal with New Delhi might be imminent, but highlighted that India’s historic policy of strongly protecting its market meant that reducing barriers would represent a major reversal.

“We continue to speak with our Indian counterparts, we’ve always had very constructive discussions with them,” he said.

“They have expressed strong interest in opening portions of their market, we of course are willing to continue talking to them. But I think we need some more negotiations on that with our Indian friends to see how ambitious they want to be.”

He spoke a few days after Commerce Minister Piyush Goyal said he was optimistic that an agreement could be reached to avert threatened tariffs of 26%. Goyal insisted there weren’t any sticking points in the US-India relationship, and said that immigration rules — including those around H-1B visas for skilled workers — had not come up in talks.

“The thing to understand with India is their trade policy for a very long time has been premised on strongly protecting their domestic market. That’s just how they do business” Greer said.

“And the president is in a mode of wanting deals that substantially open other markets, that they open everything or near everything.” The US team will visit India in August for the next round of negotiations for the proposed bilateral trade agreement between the two countries.

On April 2 this year, US President Donald Trump announced high reciprocal tariffs. The implementation of high tariffs was immediately suspended for 90 days till July 9 and later until August 1, as America is negotiating trade deals with various countries.

India has hardened its position on the US demand for duty concessions on agricultural and dairy products. New Delhi has, so far, not given any duty concessions to any of its trading partners in a free trade agreement in the dairy sector.

Certain farmers' associations have urged the government not to include any issues related to agriculture in the trade pact.

India is seeking the removal of this additional tariff (26 per cent). It has also sought the easing of tariffs on steel and aluminium (50 per cent) and the auto sector (25 per cent).

These issues are an important part of the trade pact negotiations.

Against these, India has reserved its right under the WTO (World Trade Organization) norms to impose retaliatory duties.

The country is also seeking duty concessions for labour-intensive sectors, such as textiles, gems and jewellery, leather goods, garments, plastics, chemicals, shrimp, oil seeds, grapes, and bananas, in the proposed trade pact.

On the other hand, the US wants duty concessions on certain industrial goods, automobiles, especially electric vehicles, wines, petrochemical products, agricultural goods, dairy items, apples, tree nuts, and genetically modified crops.

The two countries are looking to conclude talks for the first tranche of the proposed bilateral trade agreement (BTA) by fall (September-October) this year. Before that, they are looking for an interim trade pact.

India's merchandise exports to the US rose 22.8 per cent to USD 25.51 billion in the April-June quarter this fiscal year, while imports rose 11.68 per cent to USD 12.86 billion.

Source: economictimes.com– July 29, 2025

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India's export outlook at risk from US tariffs and global slowdown, says finance ministry

The Finance Ministry on Monday raised concerns that the United States' recent "reciprocal" tariff measures could adversely affect India's trade performance in the coming quarters, despite a generally optimistic domestic outlook.

In its June Monthly Economic Review, the ministry flagged that though India's economy is showing steady growth, global challenges — especially a slowdown in the US owing to the tariffs— could impact India's export growth.

It further noted that the US economy contracted by 0.5% in the first quarter of 2025, adding to concerns about weakening global demand.

"Despite the broadly positive outlook, downside risks remain. While geopolitical tensions have not elevated further, the global slowdown, particularly in the US (which shrank by 0.5 per cent in Q1 2025), could dampen further demand for Indian exports," the report said.

Indian exports, already vulnerable to volatile global conditions, could see further strain if US tariffs are expanded or deepened in sectors critical to bilateral trade. The review also pointed to slow credit growth and weak private investment appetite as domestic factors likely to temper economic acceleration, even as overall macro indicators remain stable.

"Continued uncertainty on the US tariff front may weigh on India's trade performance in the coming quarters. Slow credit growth and private investment appetite may restrict acceleration in economic momentum," it added.

The protectionist tariffs set by the Trump administration is set to kick in on August 1, after a delay from the original July 9 implementation date. To avert the country from damage from the 26% tariff to be imposed on all goods from India, New Delhi has been in rushed neogtiations with Washington the past month.

However, the possibility of the inking of a trade pact has dimmed as the deadline comes closer with little information on further progress.

Union Commerce Minister Piyush Goyal had said earlier this month that India is no rush to sign an FTA and will only do so when the agreement is as beneficial to New Delhi as it is to the US.

Other than the so-called "reciprocal" tariffs on all imports, the Trump administration has also imposed sector-specific tariffs on auto, steel, alluminium, and copper with anticipation of tariffs on pharmaceutical imports as well.

Source: economictimes.com– July 28, 2025

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US wants India to eliminate tariffs upfront as trade deal deadline nears

The United States (US) is pushing India to commit to an immediate elimination of Customs duties on most products as soon as the bilateral trade deal being negotiated by the two countries takes effect, posing another hurdle in concluding an agreement before August 1, when new US tariffs will kick in.

"The US has sought from India an aggressive timeline for duty elimination. It wants zero duty on most of its products as soon as the deal comes into force, except for a few tariff lines that can be phased out in a year or two," a government official said, requesting anonymity.

Under the so-called "tariff staging", countries gradually reduce or eliminate import duties on sensitive goods over a specified period of time while removing tariffs on non-sensitive items immediately when the agreement comes into force.

For example, in the recently concluded UK trade deal, India committed to phase out tariffs on 90 per cent of goods over a period of 10 years, with 64 per cent of goods to be tariff-free as soon as the FTA becomes operational.

After the EU and the US sealed a deal on Sunday, the focus has now shifted to whether India and the US could complete negotiations for the interim trade deal before August 1.

In an interview with CNBC on Monday, the US Trade Representative Jamieson Greer on Monday appeared to indicate that negotiations with India may spill over beyond the imminent deadline.

"The thing to understand with India is their trade policy for a very long time has been premised on strongly protecting their domestic market. That's how they do business there.

And the President is in a mode of wanting deals that substantially open other markets, that they open everything or near everything," Greer said.

"So we continue to speak to our Indian counterparts. We have always had very constructive discussions with them. They have expressed strong interest in opening portions of their market. We, of course, are willing to continue talking to them. But I think that we need some more negotiations on that end with our Indian friends to see how ambitious they want to be," Greer added.

If an agreement is forged, the US-India pact could follow the same pattern as other recent deals announced by the US, with around 15 per cent tariffs on Indian exports to the US in return for tariff cuts, investment pledges, and regulatory access for American firms, reckoned Ajay Srivastava, founder of Delhi-based trade think tank Global Trade Research Initiative.

"A deal with the US, India's largest trading partner, would be a major economic and strategic step for New Delhi. But India must be careful not to give in to unbalanced or excessive U.S. demands," Srivastava underlined.

Source: business-standard.com– July 28, 2025

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