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88.06	103.35	118.95	0.60

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INTERNATIONAL NEWS

European Commission adopts proposal for 2028-2034 EU long-term budget

The European Commission recently adopted a second package of seven sectoral proposals completing the framework for the next long-term European Union (EU) budget for 2028-2034.

These legal acts complete the Multiannual Financial Framework (MFF) 2028-2034 proposal, and cover the Single Market and Customs Programme; the Justice Programme; the Euratom Research and Training Programme; the Instrument for Nuclear Safety Cooperation and Decommissioning; the Nuclear decommissioning assistance programme of the Ignalina nuclear power plant in Lithuania (Ignalina programme); the Decision on the Overseas Association, including Greenland; and the Pericles V Programme.

The Single Market and Customs Programme will benefit citizens and companies by driving the completion of the EU Single Market, breaking down cross-border and cross-country barriers and fostering cooperation between national administrations.

It will ensure stronger consumer protection, drive standardisation measures and reduce administrative burden in the areas of customs, taxation and anti-fraud. The Programme will also cover the development, production and dissemination of official European statistics, which is critical in informing EU policies and is essential for evidence-based decision-making.

Support to the thirteen overseas countries and territories (OCTs), including Greenland, will continue to be covered by a separate and reinforced instrument under the next MFF with an allocation of almost €1 billion.

The Pericles V Programme will be continued to further the fight against euro-counterfeiting. It will help prevent and combat counterfeiting and counterfeiting-related fraud, while also adapting to new and evolving threats, thus strengthening the trust of citizens and businesses in the integrity of the euro, an official release said.

With these legal acts, the Commission completed its proposal for the next long-term EU budget for 2028-2034 amounting to almost €2 trillion in current prices.

The new MFF offers more flexibility across the budget, so Europe has the capacity to act—and react—fast when circumstances change unexpectedly or when new policy priorities need to be addressed.

The MFF is simpler, more streamlined and harmonised EU financial programmes, so that citizens and companies can easily identify and access funding opportunities.

The future long-term EU budget will be discussed by member states in the European Council, acting by unanimity, with the consent of the European Parliament for the MFF.

Source: fibre2fashion.com– Sep 06, 2025

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US tariffs hit Swiss exports, rating stays 'AAA': Fitch

The US' decision to impose 39 per cent tariffs on a broad swathe of Swiss exports poses a significant shock to Switzerland's competitiveness and will likely reduce its large current account surplus, Fitch Ratings said. The agency estimates Switzerland will face an effective tariff rate of 22.1 per cent, among the highest for advanced economies, reflecting its heavy trade reliance.

The US is Switzerland's second-largest export market after the EU. Exports are dominated by high-value goods, with pharmaceuticals accounting for 30 per cent of shipments to the US in 2024. Pharmaceutical sales to the US averaged 2 per cent of Swiss nominal GDP over the past decade, underscoring their importance to growth, Fitch Ratings said in a release.

Authorities are considering targeted support for industries hit by tariffs, which could raise fiscal costs. Still, Fitch affirmed Switzerland's 'AAA'/Stable rating. It expects Switzerland to seek greater foreign direct investment (FDI) in the US to secure tariff relief, rather than retaliating with tariffs of its own. Switzerland scrapped most industrial import tariffs in 2024, meaning nearly all US goods already enter duty-free.

Fitch cautioned that reduced external competitiveness could weigh on the economy over time, but the likelihood of a rating downgrade remains low.

Source: fibre2fashion.com– Sep 07, 2025

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The U.S.-China Cotton Supply Chain Continues to 'Decouple'

U.S. cotton exports are being remolded by geopolitical changes, experts say, as shipments to China plummeted by 90 percent in the first half of the year, yet ticked up in other Asian markets such as Pakistan, Turkey and Vietnam, the last of which saw a threefold increase.

The numbers, provided by data firm LSEG, are a reflection of the White House's tariff policies and the tit-for-tat response they have engendered, said Sheng Lu, professor of fashion and apparel studies at the University of Delaware.

While President Donald Trump's eye-watering 145 percent duty on Chinese goods has since been negotiated down to 30 percent, China has already been red-flagged by U.S. fashion companies for trade relationship risks, leading 80 percent of executives surveyed by the U.S. Fashion Industry Association this year to report plans of reducing apparel sourcing from the country.

Meanwhile, China's retaliatory tariffs against U.S. cotton, which were 15 percent in March and increased to an additional 125 percent in April, have "almost halted" China's cotton imports from the United States, Lu said. With a 90-day extension on the two nations' tariff truce, originally poised to end in early September, the current 10 percent moratorium rate in China isn't a long-term bet.

"Given the ongoing concerns about the bilateral trade relations, we might see the U.S.-China cotton apparel supply chain continue to decouple in the years ahead," he said.

Lu also pointed to a U.S. Department of Agriculture Foreign Agricultural Service report, published in May, that indicated that Beijing's subsidies for cotton grown in the controversial Xinjiang Uyghur Autonomous Region, plus a spate of clement weather that has resulted in bumper yields, have also muted China's demand for U.S. cotton.

The decline might appear especially acute because of stockpiling of U.S. cotton by the Chinese government in 2023 and 2024, said Jon Devine, senior economist in the corporate strategy and program metrics division at Cotton Incorporated, a nonprofit that promotes cotton growers in the

United States through research and marketing. He said that the large year-over-year decrease is due to going from an exceptionally strong year to one that's more restrained.

"Something else that's out there in terms of the cotton trade landscape is the increase in production that's been coming out of Brazil," he said. "Brazil has passed us as the No. 3 producer, and they passed us as the No. 1 exporter. But even with this rise of Brazil, their exports to China were down over 60 percent year over year for the crop year that just ended. So the pullback from China is affecting all shippers, including the U.S."

Even so, the United States was affected a "little bit more disproportionately," which is something Devine expected. The commodity world is particularly price-sensitive. If U.S. products are costing more, that's going to make them a harder sell in China.

Why other countries are snapping up more U.S. cotton, on the other hand, is harder to peg. Devine said it could be a way to curry favor with the Trump administration—Bangladesh is certainly going that route and perhaps India as well—or a strategy to stave off allegations of illegal transshipment. Vietnam, to name one example, relies heavily on thread and fabric from China. While downstream demand has overall been soft in recent years, he said, diversification is helpful for farmers to "get sales out there" and stabilize inventories.

"There's bound to be some reshuffling of the deck," Devine said. "If U.S. sales to China are getting squeezed, that's going to result in some spilling over into other markets. I think that's that's one main reason why we're seeing some of the sales come over."

Source: sourcingjournal.com– Sep 05, 2025

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Real new orders in German manufacturing down 2.9% MoM in Jul 2025

Real new orders in German manufacturing were down by 2.9 per cent month on month (MoM) in July this year after price, seasonal and calendar adjustment, according to provisional figures of the Federal Statistical Office (Destatis).

When large-scale orders are excluded, new orders were 0.7 per cent higher MoM.

The less volatile quarter-on-quarter (QoQ) comparison showed that new orders during May-July 2025 were 0.2 per cent higher; when large-scale orders are excluded, these were down 1.3 per cent QoQ.

New orders for capital goods were down by 2.4 per cent MoM in July and the same for intermediate goods were down by 5.3 per cent MoM, whereas for consumer goods, these were up by 4.3 per cent MoM in the month.

Foreign orders dropped by 3.1 per cent MoM in July 2025. Here, orders from the euro area decreased by 3.8 per cent MoM and orders from outside the euro area declined by 2.8 per cent MoM. Domestic orders fell by 2.5 per cent MoM in the month.

After revision of the provisional data, new orders in June this year decreased by 0.2 per cent MoM; the provisional figure was a 1-per cent drop. The revision is due to corrected data that were subsequently reported by a large enterprise in the automotive industry.

According to provisional figures, seasonally- and calendar-adjusted real manufacturing turnover in July 2025 was up by 0.9 per cent MoM. The calendar-adjusted turnover was 2.3 per cent higher year on year in the month.

After revision, there was an increase of 1.4 per cent MoM in real manufacturing turnover in June 2025; the provisional figure was a rise of 0.9 per cent.

Source: fibre2fashion.com– Sep 07, 2025

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UK launches consultation to reform $135.08 bn design sector

The UK Government has launched a major 12-week consultation, running from September 04 to November 27, 2025, to overhaul the UK's design protection framework and strengthen its £100 billion (~$135.08 billion) design sector.

The Intellectual Property Office is seeking views from independent creators, luxury brands, and other professionals. With around 80,000 businesses and nearly 2 million jobs, the sector is a critical driver of growth.

From the runways of London Fashion Week to British automotive engineering excellence, British design sets international trends and drives economic growth. Spanning everything from traditional craftsmanship to cutting-edge digital design, British creativity helps shape the world, Intellectual Property Office said in a release.

"From Mini to Burberry and the London Underground map, British design is renowned worldwide for its creativity and innovation. These reforms will help remove barriers and make it easier for designers of all shapes and sizes to protect their creations - cementing our position as one of the world's leading destinations for design investment and innovation," Feryal Clark MP, Minister for Intellectual Property said in a release.

The consultation addresses key challenges: a patchwork of overlapping rights causing confusion, abuse through dishonest filings, post-Brexit complications, and outdated rules failing to protect modern digital and AI-created designs.

Proposals include fighting design theft through enhanced search and examination powers, stronger bad faith provisions, and the rejection of filings that lack novelty.

Another focus is on streamlining processes by harmonising procedures, consolidating unregistered rights, providing clearer guidance, and introducing deferment provisions for up to 18 months. The proposals also aim to resolve Brexit-related issues by offering practical solutions for designs that lost automatic UK–EU protection.

In terms of enforcement and justice, a new small claims track within the Intellectual Property Enterprise Court is suggested to enable affordable resolution of design disputes. Finally, to modernise for digital innovation, the proposals recommend accepting CAD files and video evidence, updating definitions, and reviewing the scope of protection for AI-created designs.

"Design is at the heart of everything we do as a creative nation. However, protecting brilliant design ideas has become unnecessarily complex. If you're a small business or start-up with an innovative idea, you shouldn't need extensive legal expertise just to navigate the system. That's why we're consulting on simplifying our designs framework. We want to remove the barriers that hold back creators and make protection straightforward and accessible. Because when we get this right, we're not just supporting individual designers – we're building the foundation for the next wave of British innovation that will drive growth right across the country," Chris Bryant MP, Minister for the Creative Industries, said.

Officials say these changes could deliver the most significant reform in decades, ensuring Britain's designers are equipped to compete globally. Consultation responses will help shape final policy options for Ministers.

"The UK Fashion & Textile Association welcomes this consultation and is committed to working with the IPO to ensure robust design rights and effective protection mechanisms that support UK creatives and help build a world-class design rights framework," Paul Alger MBE, international business director, UK Fashion and Textile Association, said.

"The British Retail Consortium welcomes the Government's consultation on modernising the UK's design protection system. Design is fundamental to retail success - from innovative packaging and store layouts to digital interfaces that enhance the customer experience," noted Helen Dickinson OBE, CEO of the British Retail Consortium.

Source: fibre2fashion.com– Sep 07, 2025

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China and India move closer to textile industry alignment

India and China, the two most powerful players in the global textiles and garment supply chain, are showing signs of moving beyond rivalry towards cautious cooperation.

The recent face-to-face bilateral meeting between Prime Minister Narendra Modi and President Xi Jinping at the SCO Summit in Tianjin (the last such meeting was in October 2019 in Mamallapuram, India) at the end of August marked a symbolic reset, with both leaders agreeing to revive direct flights, reopen border trade and resume cultural and tourism exchanges.

These steps, alongside pledges of greater economic and strategic collaboration, reflect a thaw in relations after years of tension following the 2020 Galwan clashes.

If sustained, this rapprochement could have far-reaching consequences for the global textile and garment sector, reshaping supply chains, sourcing strategies and the competitive balance across Asia and beyond.

Hybrid supply chains

China's strengths lie in large-scale manufacturing, synthetic fibres, advanced machinery and logistics efficiency, while India's advantages include advanced cotton production, a skilled workforce and expanding garment export hubs.

Deeper cooperation could give rise to hybrid supply chains, with Indian garment factories running on Chinese yarn and machinery before exporting finished products to Western markets.

This synergy would intensify competition against Bangladesh, Vietnam, and Türkiye, potentially consolidating textile power within Asia.

India's appeal to Western buyers has long rested on its role as a reliable alternative to China. Closer integration with Beijing, however, risks blurring that distinction.

While such ties may raise concerns in the US and EU about India's independence from Chinese supply chains, they could also give Indian manufacturers improved access to man-made fibres and fabrics—strengthening their ability to secure larger orders in fast-growing segments like sportswear and blended textiles and challenging Southeast Asia's competitive position.

China dominates the market for affordable textile machinery, although European suppliers continue to lead in high-end equipment.

Wider access to Chinese machines could help Indian mills modernise more quickly and at lower cost, putting pressure on European firms in mid-tier segments.

However, Europe is likely to retain its niche in premium processes such as finishing, coating, and technical textiles, where Chinese technology still lags.

Trade policy risks

Closer collaboration between India and China will not escape scrutiny in Western capitals.

The US and EU may view such integration as a tactic to circumvent tariffs or dilute diversification strategies, raising the prospect of new restrictions on Indian exports containing Chinese inputs, particularly in sensitive areas like synthetics and PPE.

For Indian exporters, easier access to Chinese polyester, viscose and other chemical fibres would provide more reliable input supplies and lessen reliance on unpredictable cotton harvests.

On the global stage, though, a surge in synthetic availability could drive down fibre prices, putting pressure on producers' profit margins in other regions.

Strain on low-cost competitors

Bangladesh, Cambodia, Ethiopia, and other emerging garment hubs have prospered as low-cost 'China alternatives.'

If India successfully combines its cotton base and labour pool with Chinese inputs and machinery, these smaller players could struggle to keep pace—particularly in fast fashion and synthetic-heavy segments where buyers prioritise scale, speed, and efficiency.

In the most optimistic scenario, India will evolve into a leading garment hub, supported by Chinese fibres and machinery, creating a highly efficient regional value chain that drives export growth and accelerates modernisation.

In the worst case, India risks being seen merely as an extension of China's supply chain, losing its independent appeal to buyers and inviting geopolitical pushback.

The more probable outcome lies somewhere in between—India will leverage Chinese inputs and machinery in mid-market segments while continuing to rely on European technology for premium processes, preserving a degree of independence in Western markets.

Shifting advantages

The likely winners in this evolving landscape are Indian garment exporters, Chinese fibre and machinery producers, Indian mills and global fast-fashion giants, all of whom stand to gain from lower costs and greater scale.

On the other hand, Southeast Asian producers, European machinery suppliers, and African garment hubs could see their competitive positions erode.

Indian cotton growers, Türkiye, and Pakistan face mixed outcomes, as synthetics gain ground and price competition intensifies.

India-China textile cooperation cannot be viewed in isolation. Within broader frameworks such as the revived Russia-India-China (RIC) troika and the Shanghai Cooperation Organisation, closer trade integration signals a tilt towards multipolarity.

Yet India's reliance on Western capital and technology, coupled with enduring mistrust of Beijing, suggests that this alignment will be tactical rather than transformational.

Any sustained shift in ties between these two textile giants will reshape global sourcing patterns and redefine the geography of garment production.

Whether India can balance the benefits of collaboration with China against the risks of dependence and Western backlash will ultimately determine the next chapter for the global textile and garment industry.

Source: fibre2fashion.com– Sep 07, 2025

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Turkiye's fabric exports dip, imports rebound in H1 2025

Turkiye's fabric exports declined by 2.55 per cent to $2,100.923 million during January–June 2025, compared to $2,155.688 million in the same period last year. In contrast, imports rose 4.89 per cent in the same period, reflecting shifting trade dynamics. The trend underscores ongoing export weakness amid mild import recovery, reversing last year's decline.

Fabric exports have been on a downward trajectory since peaking at $4.902 billion in 2022. They slipped 5.87 per cent to $4.614 billion in 2023 and fell further by 5.33 per cent to $4.368 billion in 2024. This marks the third consecutive year of contraction, signalling structural challenges for the Turkish textile industry, according to sourcing intelligence tool TexPro.

Italy was Turkiye's top export destination in H1 2025, with shipments worth $182.343 million (8.68 per cent of total exports). Other key markets were Belarus ($160.885 million, 7.66 per cent), Morocco ($155.988 million, 7.42 per cent), Spain ($155.118 million, 7.38 per cent), and Egypt ($124.065 million, 5.91 per cent), as per TexPro.

On the import side, Turkiye's fabric inflows had contracted in the past two years—from $2.477 billion in 2022 to $2.184 billion in 2023 (down 11.82 per cent), and further to $1.826 billion in 2024 (down 16.39 per cent). However, imports rebounded in H1 2025, rising 4.89 per cent.

China was the largest supplier, accounting for 27.09 per cent of imports worth $249.562 million, followed by Egypt ($205.343 million, 22.29 per cent), Italy ($123.204 million, 13.37 per cent), Malaysia ($59.010 million, 6.40 per cent), and South Korea ($54.045 million, 5.87 per cent). This shift suggests Turkiye's domestic demand is stabilising, even as export competitiveness faces pressure.

Source: fibre2fashion.com– Sep 08, 2025

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Vietnam's trade surplus with US $14 bn in Jan-Aug 2025

Vietnam’s total trade was worth $597.93 billion in the first eight months this year—up by 16.3 per cent year on year (YoY), according to the National Statistics Office (NSO).

Export turnover grew by 14.8 per cent YoY to $305.96 billion, while imports rose by 17.9 per cent YoY in value to $291.97 billion, resulting in a trade surplus of $13.99 billion.

The government sector announced export and import volumes worth $76.69 billion and $94.77 billion during the period—up by 3.2 per cent and 17.9 per cent YoY respectively.

Exports and imports of foreign direct investment (FDI) sector hit $229.27 billion and $197.2 billion during the eight-month period—up by 19.3 per cent and 25.1 per cent YoY respectively, a domestic news outlet reported.

In August, exports were worth $43.39 billion—up by 14.5 per cent YoY, while imports were estimated at $39.67 billion—up by 17.7 per cent YoY.

The United States remained the largest importer of Vietnamese goods ($99.1 billion) and China was Vietnam's top supplier of goods ($117.9 billion).

Source: fibre2fashion.com– Sep 08, 2025

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Bangladesh's RMG exports rise 9.6% to $7.1 bn in July-Aug 2025

Ready-made garment (RMG) exports (Chapters 61 and 62) from Bangladesh increased by 9.63 per cent to $7.130 billion during July–August 2025, the first two months of fiscal 2025–26 (July–June), according to provisional data from the Export Promotion Bureau (EPB).

This was up from $6.504 billion during the corresponding months of the previous fiscal.

Woven garment exports slightly outpaced knitted garment exports in terms of growth.

Knitwear exports (Chapter 61) rose by 9.11 per cent to $3.949 billion, compared to $3.620 billion in the same period of fiscal 2024–25. Woven apparel exports (Chapter 62) increased by 10.28 per cent to $3.180 billion, up from $2.884 billion in July–August 2024, EPB data showed.

Home textile exports (Chapter 63, excluding 630510) also grew, rising by 12.68 per cent to $139.02 million, compared to $123.38 million in the same period of the previous fiscal.

Collectively, exports of woven and knitted apparel, clothing accessories, and home textiles accounted for 83.69 per cent of Bangladesh's total exports, which stood at $8.685 billion during the period.

Exports of cotton and cotton products, including yarn, waste, and fabrics (Chapter 52), edged up by 1.70 per cent to $94.55 million during the review period, compared to $92.97 million in the same period of the previous fiscal.

In August 2025, RMG exports totalled $3.168 billion, marking a 4.75 per cent decline from $3.325 billion in the corresponding month of the previous year.

Knitwear exports fell by 6.34 per cent to $1.771 billion, while woven garment exports decreased by 2.65 per cent to $1.396 billion.

Outbound shipments of home textiles (Chapter 63, excluding 630510) dropped by 12.14 per cent to $70.94 million. Exports of cotton and cotton products rose by 3.08 per cent to $48.16 million, up from $46.71 million.

Bangladesh's RMG exports climbed by 8.84 per cent to $39.346 billion in fiscal 2024–25, compared to $36.151 billion in 2023–24, $38.142 billion in 2022–23, $42.613 billion in 2021–22, and $31.456 billion in 2020–21, according to EPB data.

Source: fibre2fashion.com– Sep 07, 2025

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Bangladesh: Govt to form expert panel for trade talks

Bangladesh will form an expert panel for negotiations as the country seeks to sign deals with major trading partners ahead of its graduation to a developing nation from the least developed country (LDC) category.

The country has been negotiating with nearly a dozen countries to sign free trade agreements (FTAs), preferential trade agreements (PTAs), comprehensive economic partnership agreements (CEPAs), and economic partnership agreements (EPAs) to retain preferential trade benefits following the LDC graduation slated for November next year.

If the new resource pool is approved, it will engage in negotiations with major trading partners to sign deals in line with government rules and regulations.

"We are trying to form a pool of resources for negotiations to sign the trade agreements," Commerce Secretary Mahbubur Rahman said at an event titled "Building national capabilities in trade negotiations: reflections & way forward" held at the InterContinental Dhaka hotel yesterday.

Negotiations for signing a trade deal with Singapore will begin soon, while talks are underway for a similar one with Korea, the secretary said.

A team from Bangladesh is now engaged in the final round of negotiations in Tokyo to finalise an EPA, which the two nations may sign this year, Rahman added.

If signed, it will be Bangladesh's first full-fledged economic partnership agreement, as previously the South Asian nation had signed only a PTA with Bhutan in December 2020.

Commerce Adviser Sk. Bashir Uddin said by strengthening policy frameworks and institutional support, the government aims to ensure that this pool evolves as a dynamic force, fully equipped to navigate the complexities of international trade and safeguard Bangladesh's economic interests in the years ahead.

Built on the foundation of continuous learning and adaptability, the trade negotiators' pool is poised to deliver an enduring impact, Bashir Uddin also said.

British High Commissioner to Bangladesh Sarah Cooke said her country will continue extending duty-free market access to Bangladeshi goods in the post-LDC period.

She also expressed her country's interest in sharing expertise on trade negotiations with Bangladesh.

Chief Adviser's Special Envoy on International Affairs Lutfey Siddiqi said Bangladesh's export basket is very narrow and negotiators will face many difficulties with different countries.

Resident Representative of the United Nations Development Programme Stefan Liller and Additional Commerce Secretary Md Abdur Rahim Khan also spoke at the event. Bangladesh has already met the criteria for graduation in all three categories: per capita income, human asset index, and economic vulnerability index.

Even so, leading business figures have urged the government to seek a six-year deferral of LDC graduation, warning the economy is unprepared for the loss of vital trade preferences. Citing domestic and international pressures—nearly 40 percent currency devaluation, high interest rates, and a fraught investment climate—they petitioned to delay the transition from November 2026 to 2032.

Their main concern is the loss of duty-free, quota-free access to the European Union, which they estimate could cut annual exports by up to 14 percent, or $7 billion, crippling readymade garments and footwear that make up almost 90 percent of exports.

Experts stress Bangladesh must negotiate trade deals to preserve market access after graduation. Without talks, the country faces higher tariffs in the EU, UK, and other destinations.

Starting negotiations early will allow time to build consensus, align domestic policies with global standards, diversify export destinations, and reduce overreliance on a few markets. Most importantly, timely deals will ensure a smoother transition and protect jobs and growth driven by exports.

Source: thedailystar.net– Sep 08, 2025

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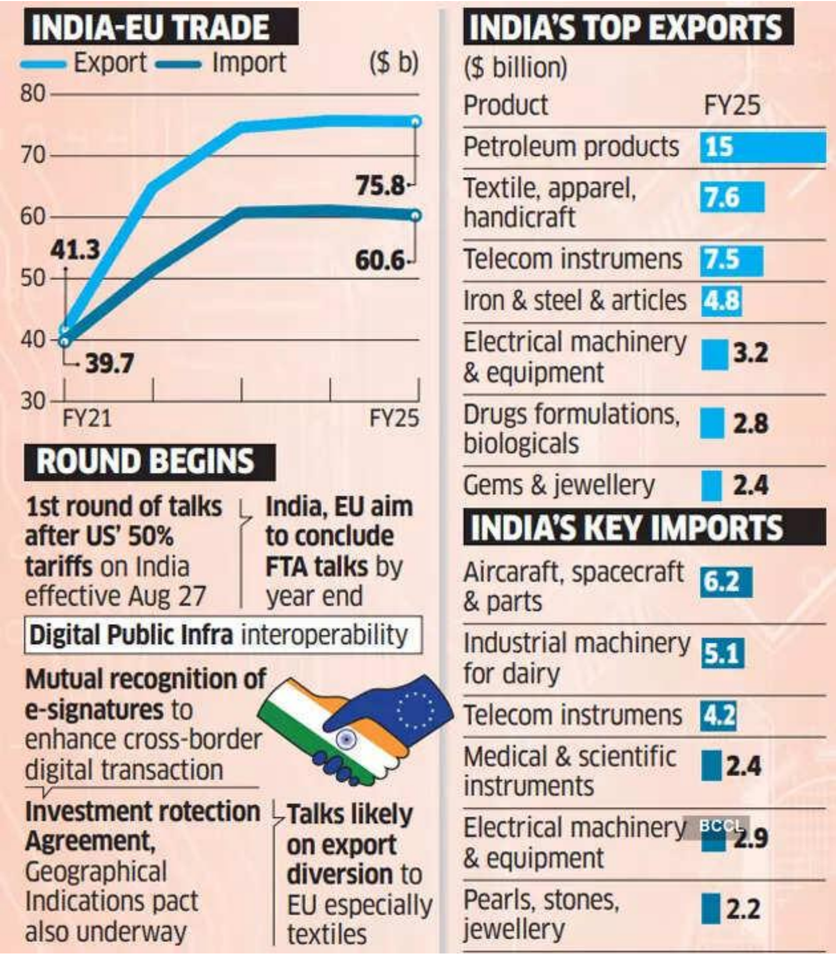
NATIONAL NEWS

India, EU to hold 13th round of FTA talks in Delhi; pact likely by year-end

European Commissioner for Trade and Economic Security, Maroš Šefcovic, is also expected to visit India later this week as both sides attempt to finalize the trade pact by the end of the year.



The 13th round of the India-EU free trade agreement (FTA) negotiations will be held in New Delhi starting Monday.

European Commissioner for Trade and Economic Security, Maroš Šefcovic, is also expected to visit India later this week as both sides attempt to finalize the trade pact by the end of the year.

Source: economictimes.com– Sep 08, 2025

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India, EU working on series of transformative initiatives besides eyeing to seal FTA by December

Eyeing to conclude their ambitious free trade deal soon, India and European Union will hold two rounds of crucial negotiations in next one month to overcome differences in areas of rules of origin, market access and duties on wine and dairy products, authoritative sources said on Sunday.

European Commission's agriculture commissioner Christophe Hansen and trade chief Maros Sefcovic are visiting India this week to hold talks with their Indian interlocutors as both sides look to seal the free trade agreement (FTA) by end of this year.

The European Union is India's biggest trade partner with bilateral trade in goods recording USD 135 billion in the financial year 2023-24.

Besides the trade deal, India and the EU are also in the process of firming up a series of transformative initiatives including a new politico-strategic vision and key foundational frameworks to expand defence ties -- moves that came against the backdrop of increasing geopolitical uncertainty.

Significantly, the EU will unveil its new strategic vision for ties with India on September 17 that will comprise key elements of its futuristic outlook for relations with New Delhi.

The new measures are expected to be unveiled at the India-EU annual summit that is likely to be held in India within the first few months of next year.
The two sides will also hold a series of high-level meetings and talks in the next three months that include a visit to India by the EU's Political and Security Committee comprising envoys of the bloc's 27 member nations.

The India-EU counter-terror talks are also slated for this month in Brussels while the Standing Committee of EU parliament on trade will visit New Delhi in October. It will be followed by the Indo-Pacific ministerial forum on November 20-21.

The next meeting of the EU-India Trade and Technology Council (TTC) is also likely to take place in November. The foreign policy and security dialogue between the two sides are also set to be held in Delhi.

The EU's High Representative for Foreign Affairs and Security Policy, Kaja Kallas, is expected to visit India either in December or in January.

While the 13th round of negotiations for the FTA will be held this week in New Delhi, the next round has been slated for early next month in Brussels.

The two sides have already concluded negotiations on 11 chapters that included customs and trade facilitation, dispute settlement, digital trade, sustainable food system, small and medium-sized enterprises, competition and subsidies and capital movements.

Negotiations on several key chapters including rules of origin and market access are yet to be concluded, the sources said. It is learnt that there are issues relating to non-tariff barriers as well but both sides are hopeful of resolving all contentious matters by finding the "right equilibrium".

In a phone conversation last week, Prime Minister Narendra Modi and EU's top leaders Antonio Costa and Ursula von der Leyen pledged to seal the trade deal soon and underlined the importance of India-EU partnership in jointly fostering global stability, and promoting a rules-based order.

The new strategic vision for India-EU ties will be analysed by various member nations before it is ratified. The vision document, set to be the guiding light for next phase of India-EU relations, is expected to be adopted at the summit.

To boost defence cooperation, the two sides are negotiating a security of information agreement and two other frameworks with a larger aim to ramp up defence ties including to jointly develop military equipment and hardware, the sources said.

The upcoming meeting of the TTC assumes significance. The TTC was unveiled in 2022 to facilitate exchange of critical technologies relating to an array of domains including artificial intelligence, quantum computing, semiconductors and cybersecurity.

Source: economictimes.com– Sep 07, 2025

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‘Can’t leave exporters high and dry’: FM Sitharaman says package soon for exporters hit by US tariffs

India will announce a package of relief measures to support exporters facing hardships in the wake of steep US tariffs, finance minister Nirmala Sitharaman said on Friday.

This statement comes as the US President Donald Trump last month imposed additional duties on Indian goods, including a 25% punitive levy linked to New Delhi’s Russian crude oil imports. With this, tariffs on several products—ranging from garments and jewellery to footwear and chemicals—have climbed as high as 50%.

Sitharaman said that this package would help those industries affected by the recently imposed tariffs.

“Government will come out with something to handhold those who have been hit by 50% tariffs,” Sitharaman told CNBC TV18, without elaborating further.

Key govt scheme soon

Highlighting that India can't leave its exporters “high and dry,” Sitharaman said, “Industries have been speaking about tariffs and their impact. The government has designed something, and we will come up with the same for companies hit by 50% tariffs,” the news channel reported.

However, the finance minister added that the proposed plan would need Cabinet approval.

Last week, a Hindustan Times report, citing two government officials, said that the Centre is finalising a comprehensive export support strategy to address immediate liquidity challenges caused by the tariffs.

According to one official cited in the HT report, “It is anticipated that exporters may face delayed payments, stretched receivable cycles, and cancelled orders due to the tariff shock."

"To prevent working capital stress and protect employment, the government is considering several steps to ease liquidity, prevent insolvencies, and allow exporters to sustain operations until new markets are tapped," he added.

The officials said the government is also exploring Covid-style liquidity relief measures while working on medium- and long-term strategies for market diversification and supply chain integration.

Strain on India-US trade ties

Once seen as strategic partners, the tariffs, among the harshest imposed under Donald Trump's administration, have strained trade relations between the two democracies.

According to industry estimates cited by Reuters, nearly 55% of Indian exports to the US, worth around $48 billion, now face a cost disadvantage against competing suppliers from Vietnam, China and Bangladesh.

Source: hindustantimes.com– Sep 08, 2025

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Exporters to meet RBI Governor on Sep 11 seeking easier loan repayment terms, support to enter new markets

Days after meeting Finance Minister Nirmala Sitharaman, exporters are set to meet RBI Governor Sanjay Malhotra on September 11 seeking a range of support measures – from a weaker rupee, easier loan repayment terms to credit support to help diversify into other markets – to tide over the immediate stress caused by US tariffs, The Indian Express has learned.

This comes as exporters aim to continue servicing US buyers despite the pressure of tariffs, in order to preserve long-standing relationships. Exporters have said that front-loading exports could cushion the tariffs hit for a few months, but higher tariffs over six months would create broader stress and could risk job losses.

“We are going to meet the RBI Governor next week to seek immediate relief. If the pain is going to last for six months, we need the delta of 30 per cent tariffs between us and our competitors to come down. If the government can bridge it by 15 per cent and the industry can chip in with 15 per cent, we can remain competitive.

The other way to do it… we will ask the RBI if we can get realisation on the real effective exchange rate (REER) of 103 only for the US. The elimination of gap between the current rate of 88 and 103 will help us to bridge the delta,” Pankaj Chadha, Chairman, Engineering Export Promotion Council (EEPC) of India said.

“Exporters cannot fix the delta of 30 per cent. The problem is I can’t go out of the US market. Once I am out, it will be difficult to get back. The buyer will change his distributor and check with new people. Our products are not something that cannot be replaced. So we need the delta to be covered to remain competitive in the US market,” Chadha told The Indian Express at the sidelines of EEPC India’s Pharma MachTech and LabNext Expo.

Meanwhile, the Federation of Indian Export Organisations (FIEO) has sought relief on penal interest waivers to soften the hit due to US tariffs. “Exporters are set to ask that banks should refrain from levying penal interest on pre- and post-shipment export credit,” a person aware of the development said.

FIEO has also asked the RBI to nudge banks to extend the moratorium up to 12 months on principal and interest for eligible export credit. To help with Non-Performing Asset (NPA) recognition, banks could be allowed to extend recognition up to 180 days past due before classifying the specific export exposure as an NPA, FIEO has asked RBI.

"Banks can refrain from tightening pricing grids or collateral purely due to a one-notch rating downgrade attributable to macro US-market stress where operating metrics remain satisfactory," exporters said.

To help exporters push for newer markets, exporters have asked RBI to introduce a sovereign-guarantee window up to ₹25 crore per exporter for new-market entry without collateral for a limited period.

In the last fiscal year, the US accounted for 20 per cent of India's merchandise exports and 2 per cent of its overall GDP, according to Crisil estimates. Trade experts estimate that the value of India's merchandise exports to the US could drop by as much as 40–45 per cent in 2025–26 compared with the previous year.

Think-tank Global Trade Research Initiative (GTRI) estimates that product exports to the US could fall to $49.6 billion this year from nearly $87 billion in 2024–25, as two-thirds of exports by value to the US will be hit by 50 per cent tariffs, taking effective tariff rates to over 60 per cent in some product categories.

Around 30 per cent of exports to the US – valued at $27.6 billion in FY25 – will remain duty-free as product categories such as pharmaceuticals, electronics and petroleum products have been exempt from Trump's tariffs, while 4 per cent of the exports – mainly auto parts – will face a 25 per cent tariff rate.

Source: indianexpress.com– Sep 08, 2025

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Call to bring down 18% GST rates on apparel sector

The Kerala Textile and Garments Dealers Association has urged the Finance Minister to reconsider the revised 18 per cent GST rates, saying that its impact on the apparel market is not small.

As per the new rates, the limit of ₹1000 has been increased to ₹2500 and 18 per cent tax has been imposed on sales above that.

The increase in the limit from ₹1000 to ₹2500 in the context of inflation in the last 8 years is not at all a relief. It is estimated that the average consumer spends around ₹2500 on clothes during the festive season and imposing 18 per cent tax will hit consumers and traders hard.

Clothing traders in Kerala and Tamil Nadu are already reeling under a severe crisis. It will be difficult for individual firms, especially those marketing wedding wear and traditional wears. At a time when the sector is waiting reduced GST rates, such a hike cast a shadow on the apparel market.

T. S. Pattabhiraman, president of The Kerala Textile and Garment Dealers Association requested the government to rethink its decision and introduce a uniform rate.

At a time when consumers are dependent on foreign markets, the Indian apparel market is facing huge challenges. He also urged the government to bring down the rates as the apparel sector, which is providing employment to lakhs, is struggling for survival.

Source: thehindubusinessline.com– Sep 07, 2025

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From large exporter to net importer: India's looming cotton crisis

New Delhi: The current summer-sown season will be his last tryst with cotton, a crop that once brought prosperity in his entire village, said Kailash Rao Kadam, a 55-year-old grower from western Maharashtra.

Although farmers like him commonly face fluctuations in profits, the lowest prices in three years, which cotton buyers however deem high because the fibre is much cheaper abroad, and a decline in productivity have convinced Kadam to switch to something else.

The worsening terms of trade has turned India, a large exporter, into a net importer. Cotton imports this year, at 300,000 bales, have outweighed its exports of 1,700,000 bales. "If I continue with cotton, it will make me a beggar," Kadam said over the phone from Aurangabad.

The popular BT cotton, a genetically-modified variety once glorified as white gold, has run its course. This lies at the heart of the crunch. It no longer defends against pests, having lost its effectiveness over the years, and alternatives are few and far between.

Many farmers, especially in Punjab, have switched to desi (traditional) varieties to fend off voracious whiteflies, which can devour whole fields overnight, said Joginder Dhinsa, a grower from Mansa.

The crisis has deepened this year because the government has allowed duty-free imports for a four-month period until December to cushion the textile sector, battling losses amid high domestic prices of the fibre. The highly labour-intensive sector is also bracing for the worst impacts of US President Donald Trump's 50% tariff.

A inter-ministerial meeting last week acknowledged the need for a technology breakthrough soon enough and reviewed implementation of a five-year cotton productivity mission worth ₹2500 crore announced by finance minister Nirmala Sitharaman in this year's Union Budget.

The slide in cotton output is alarming. In the 2024-25, the country is expected to produce 29.4 million bales (of 170 kg each), the lowest in more than a decade. At the peak of BT cotton's successful run in 2013-14, output stood at 39.8 million bales.

The cotton productivity mission will focus on developing "climate-smart, pest-resistant, and high-yielding cotton varieties, including extra long Staple (ELS) cotton, using advanced breeding and biotechnology tools", an official said.

"Biotechnology tools" mean India could give a go ahead to an upgraded or next generation home-grown GM technology in cotton, although the government is against allowing transgenic food crops.

Notes from the review meet showed that GM upgrades in the pipeline include field trials of a proprietary 'BioCotX24A1' transgenic technology of Bioseed Research India Ltd. The company has sought permission for a second round of field trials from Genetic Engineering Assessment Committee, the GM regulator.

Another firm, Rasi Seeds Pvt Ltd, has sought clearances for first-stage field trials for a gene that is aimed to give protection against the pink bollworm, the main pest BT cotton was meant to kill.

"The government is also looking at modernising 1000 ginning mills to bolster the sector under the plan announced as part of the budget," an official said.

Source: hindustantimes.com– Sep 08, 2025

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Tamil Nadu signs new textile MoUs in UK

As part of the 'TN Rising Europe' investment delegation, MK Stalin, Chief Minister, Tamil Nadu signed several memoranda of understaning (MoUs) in the United Kingdom.

These MoUs were signed with several companies in the textile technology and garment sectors. According to the government, these agreements represent long-term strategic moves for Tamil Nadu into high-value sectors, with the goal of positioning the state as a national and global leader in these niche fields.

One of the key agreements was with a subsidiary of the UK-based Britannia Garment Packaging, Britannia RFID Technologies India. The company will invest $58.97 million to build a high-capacity RFID tag manufacturing facility in Tirupur and Namakkal. The project is expected to create 550 jobs and will help digitize the supply chain and improve traceability in the garment industry, the government adds.

Source: fashionatingworld.com– Sep 06, 2025

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