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Currency Watch			
USD	EUR	GBP	JPY
88.14	103.76	119.64	0.60

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INTERNATIONAL NEWS

China to remain world's top textile manufacturer, German executive says

China will remain the world's leading textile producer, driven by higher quality standards, design innovation and the rapid use of artificial intelligence, said a German business executive.

Speaking on the sidelines of the 2025 autumn edition of the Intertextile Shanghai Apparel Fabrics exhibition in Shanghai in early September, Olaf Schmidt, vice-president for textiles and textile technologies at Messe Frankfurt Exhibition GmbH, a German trade fair and event organizer, said China remains a vital pillar of the group's global textile exhibition portfolio, hosting nine of its 60 textile trade shows.

Schmidt said that the Intertextile Shanghai Apparel Fabrics trade fair has grown into the most important platform globally for apparel fabrics, bringing together more than 3,700 exhibitors from 26 economies and buyers from nearly 100 countries.

"Shanghai is always a must-visit. It is where the global industry connects, showcasing the latest designs, materials and innovations," he said, adding that China's role as the world's exporter makes it a natural hub for global trading.

Beyond apparel, Messe Frankfurt also organizes home and technical textile fairs in China, with Intertextile Shanghai Home Textiles and Cinte Techtextil China drawing strong participation from both domestic and overseas exhibitors.

The German company also runs trade fairs in Vietnam, Uzbekistan, Colombia, and other markets to help textile businesses, including Chinese firms, tap into emerging opportunities.

"Despite tariff-related headwinds from the United States, China will remain the largest producer of textiles and garments in the long run," said Schmidt. "The industry here has transformed from a pure volume producer to a value-driven player, investing in sustainability, digital solutions and AI in design and production."

He noted that Chinese companies are increasingly building their own brands and offering tailor-made products, a move that can help them capture higher margins at home and abroad.

For example, more than 1,000 Chinese companies are expected to exhibit at Heimtextil, a flagship international trade fair for home and contract textiles, in Frankfurt in January, underlining their appetite to expand globally.

Chen Jianwei, a researcher at the University of International Business and Economics' Academy of China Open Economy Studies in Beijing, said a thriving exhibition economy will help China widen sales channels in both developed and emerging markets, while boosting trade in services in areas such as logistics, civil aviation, retail and catering.

In 2024, China hosted 3,844 economic and trade exhibitions covering a total of 155 million square meters. While the number of events was largely unchanged from the previous year, exhibition area expanded by 10.1 percent year-on-year, reflecting the steady growth momentum of the nation's exhibition industry, according to the China Council for the Promotion of International Trade.

Source: chinadaily.com.cn– Sep 08, 2025

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US' textile & apparel imports up 2.8% in Jan-July 2025; growth slows

The United States' textile and apparel imports rose by 2.86 per cent to $61.420 billion during January–July 2025, up from $59.715 billion in the same period of 2024. However, the growth in inbound trade slowed further in the first seven months of this year.

The US' tariff moves have increased inflation in the country which hurt consumers' buying capacity which has impacted textile and apparel imports.

China remained the largest supplier to the US, with a 21.29 per cent market share, followed by Vietnam at 16.36 per cent. However, China's share in inbound shipments has been declining every month, underlining a broader shift as American buyers diversify sourcing towards Southeast and South Asia to mitigate tariff exposure and rising costs.

During January–July 2025, apparel imports—which make up the majority of US textile imports—increased by 4.98 per cent to $45.799 billion, up from $43.624 billion in the same period of 2024.

Non-apparel imports, by contrast, declined by 2.92 per cent to $15.620 billion, according to the US Department of Commerce's Major Shippers Report. This divergence highlights that while US retailers continue to stock up on consumer-facing apparel goods, raw textiles and other non-apparel categories are being rationalised.

US apparel imports from Cambodia surged by 24.45 per cent, while imports from Bangladesh rose by 21.68 per cent. Imports from Vietnam increased by 16.97 per cent, Indonesia by 16.82 per cent, India by 16.10 per cent, Mexico by 2.71 per cent, Italy by 0.99 per cent, and Pakistan by 11.82 per cent—among the top 10 suppliers.

However, apparel imports from China decreased by 21.07 per cent and from Honduras by 11.69 per cent. This reflects the strengthening role of South and Southeast Asian nations in global apparel supply chains, backed by cost competitiveness, expanded production capacity, and in some cases preferential trade access.

In the non-apparel sector, imports rose from Vietnam by 26.62 per cent, Cambodia by 16.27 per cent, India by 6.50 per cent, Pakistan by 0.55 per cent, South Korea by 0.23 per cent, and Indonesia by 12.08 per cent. Meanwhile, shipments declined from China by 18 per cent, Türkiye by 9.73 per cent, Mexico by 2.06 per cent, and Italy by 2.06 per cent. The fall from China and Türkiye illustrates how tariffs and geopolitical shifts are reshaping sourcing decisions in categories beyond clothing.

During the period under review, total US textile and apparel imports stood at $61.420 billion. Of this, man-made fibre products accounted for the largest share, totalling $30.977 billion, followed by cotton products at $26.260 billion, wool products at $2,134.097 million, and silk and vegetable fibre products at $2,048.623 million. The continued dominance of man-made fibres underscores the US market's reliance on synthetics for affordability, versatility, and performance, even as cotton remains a critical segment.

In 2024, US textile and apparel imports experienced minimal growth of 2.66 per cent, reaching $107.723 billion. Apparel imports increased by 1.71 per cent to $79.257 billion, while non-apparel imports rose by 5.42 per cent to $28.465 billion. This modest recovery followed the sharper 20.51 per cent decline in 2023, when imports dropped to $104.959 billion from $132.201 billion in 2022.

The rebound in 2022 had itself been fuelled by pent-up demand post-pandemic, after a steep fall to $89.596 billion in 2020 from $111.033 billion in 2019. These fluctuations highlight the sector's sensitivity to global shocks, trade policy, and consumer demand cycles.

Source: fibre2fashion.com– Sep 09, 2025

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China's US-Bound Exports Plunge 33%; Global Postal Traffic Plummets 81%

Chinese exports to the U.S. contracted 33.1 percent in August to $31.6 billion worth of goods as tariffs have continued to cut into trade between the countries.

Total exports out of China saw a 4.4 percent annual increase to $321.8 billion, down from a 7.2 percent jump in July and marking the lowest export growth since February, according to data from China's General Administration of Customs released Monday. The total also failed to live up to 5 percent growth estimated by Reuters-polled economists.

Despite the overall trade shifts since President Donald Trump began ramping up tariffs worldwide, the U.S. remains China's largest trading partner, with the countries trading $42.9 billion in total goods in August.

Tariffs haven't been the only Trump-era trade policy upending movement of goods to the U.S.

With the de minimis exemption now closed off for low-value parcels from all countries, U.S.-bound shipments without ties to China are seeing a much steeper decline.

According to data from the United Nations' Universal Postal Union (UPU), postal traffic to the U.S. plummeted 81 percent from Aug. 22 to Aug. 29—the day the duty-free de minimis trade exemption was closed.

As of Friday, 88 postal operators informed the UPU they have suspended some or all postal services to the U.S. until a solution is implemented. Major carriers worldwide including DHL parent Deutsch Post, Correos de Mexico and France's La Poste are among the carriers that had decided to halt shipments to the U.S., blaming a lack of clarity provided by customs officials on the new guidelines. The parties were also concerned that certain technical details had been given only two weeks before the Aug. 29 deadline.

U.S. Customs and Border Protection (CBP) has since approved 12 businesses to collect and pay duties for the former de minimis-eligible packages. Businesses like Flexport, Zonos and SafePackage have since enabled select international postal carriers like U.K.'s Royal Mail, Canada

Post and Ukraine's Ukrposta to deliver service to the U.S., but the UPU noted that many operators "had not yet established a link" to the list of CBP-qualified parties.

The UPU is also working to flow international postal traffic back to the U.S., debuting a landed-cost calculator API for retailers and other customers. The solution enables posts to calculate and collect the required duties from customers at origin.

Additionally, the UPU is integrating a Delivered Duty Paid (DDP) solution within its Customs Declaration System (CDS) platform, which will be gradually rolled out to 176 postal operators using the platform.

As the international postal holdup persists, the U.S. still has to finalize a trade deal with China after the countries agreed to extend their tariff truce by another 90 days on Aug. 11. This locked U.S. tariffs of 55 percent on Chinese imports in place through early November, with Chinese duties on U.S. goods reaching 30 percent.

"With the temporary boost from the U.S.-China trade truce fading and the U.S. raising tariffs on shipments rerouted via other countries, exports are likely to come under pressure in the near term," said Zichun Huang, a China-focused economist at Capital Economics in a note Monday morning.

But despite the slowed global export growth, other markets including the 10-country the Association of Southeast Asian Nations (ASEAN), the European Union, India and Africa continue to be beneficiaries of the tariff-driven collapse in U.S.-bound shipments.

Exports to ASEAN increased 22.5 percent to $57.1 billion, with top market Vietnam seeing a 31 percent jump in goods from China throughout August, or $17.6 billion in total goods. Shipments to Thailand boosted 25 percent to $8.5 billion, while Singapore saw a 33 percent jump to $7.9 billion.

China has increasingly relied on these markets to route shipments to third countries, with the White House accusing the country of deliberately using them as transshipment hubs to circumvent U.S. tariffs. In response, the framework for the U.S. trade deal with Vietnam included a 40 percent tariff on transshipments.

Elsewhere, E.U. countries saw Chinese shipments to its 27 member states accelerate 10.4 percent to $51.7 billion, while exports to India increased 9.1 percent to $12.5 billion. Africa-bound exports from China surged 25.9 percent to $18.6 billion.

As China's Golden Week approaches at the start of October, demand for ocean cargo on the trans-Pacific trade lane is not projected to see a significant increase, according to a Thursday update from Flexport.

"Blank sailings may increase as Golden Week draws closer," the update read. "Carriers are unlikely to announce any capacity reductions until very close to the scheduled departure date, which may cause shipping schedules to slide."

The Premier Alliance of Ocean Network Express (ONE), Hyundai Merchant Marine (HMM) and Yang Ming are one such vessel-sharing group that is suspending one of its service lines on the trade lane. The ocean carriers are temporarily scrapping the Pacific South Loop 5 (PS5) service that travels from Qingdao, China to Long Beach, Calif., in a sign that bookings on the Asia-to-U.S. voyage are weaker than normal ahead of Golden Week.

Source: sourcingjournal.com– Sep 08, 2025

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Cotton Pilot Links Farm Data to Field Checks

The U.S. Cotton Trust Protocol has launched the framework for its pilot program, creating a scalable and verifiable supply of regenerative cotton. The Field Partner Program, now underway for the 2025 crop season, is designed to provide brands and retailers with traceable, regenerative cotton—and credible data.

"The Trust Protocol is built on a foundation of continuous improvement and providing a science-based approach, supported by a verification process to meet assurances for our members," said Daren Abney, executive director of the U.S. Cotton Trust Protocol. "This program is a direct extension of that commitment."

By leveraging the Trust Protocol's data verification and traceability infrastructure, the science-based sustainability program said, the initiative directly addresses the growing demand for regenerative materials by establishing a formal market pathway. Developed with input from member brands and aggregators, the pilot will test the program's framework before a broader rollout, planned for 2026. The trial will examine market demand for regenerative cotton and traceability of bales in the supply chain, as well as the credibility of its assurance system. The effort is aligned with Field to Market's regenerative agriculture guidance, too.

"There is a clear and growing demand for materials that contribute to a regenerative agricultural system," Abney said. "This initiative creates a formal pathway for recognizing regenerative practices at the field level, enhancing value for our growers and providing brands and retailers with the credible sourcing options they need to meet their sustainability targets."

The Field Partner Program introduces a dual framework—one "where practices meet outcomes to create maximum impact," according to the voluntary program for U.S. cotton growers and traceability platform for all stateside cotton. The pilot will also consider demand for participating in a scalable system to provide a clear pathway for regenerative U.S. cotton to move through the supply chain.

The pilot program is designed to achieve four key objectives: assess market demand, test and enhance the field partner relationship, prove end-to-end traceability and validate the program's credibility.

Up first is considering industry appetite for regenerative cotton bales from the Trust Protocol's 40-plus member brands. The Memphis, Tenn.-based organization will then explore relationship dynamics with cotton merchants and co-ops to strengthen their role in the assurance process; demonstrating how to trace regenerative cotton bales through the value chain, meanwhile, tackles traceability. Finally, the protocol will validate the program's credibility through a reportedly robust set of technical requirements and a multi-level assurance system.

The program draws on the Trust Protocol's existing system, using field-level data to pre-assess grower eligibility. Verification will occur alongside the standard Trust Protocol process, combining field visits with satellite imagery. The framework aims to link practices with measurable outcomes—positioning it as a first-of-its-kind regenerative standard.

The Trust Protocol has set minimum requirements for its Field Partner Program, adapting regenerative agriculture frameworks from major organizations. To qualify, growers must adopt practices that address soil health, water use, synthetic inputs, water quality and biodiversity.

Mordor Intelligence data estimated the regenerative agriculture global market size at $9.2 billion, projected to reach over $18.3 billion by 2030 at a compound annual growth rate of 14.75 percent.

The revenue-funded organization cited rising demand for corporate net-zero pledges and supportive public policy as powerful levers shifting capital away from conventional input-intensive systems and toward practices that restore soil ecology instead. Lest one forget regulatory tailwinds; the European Union Nature Restoration Law obliges EU member states to rehabilitate 20 percent of degraded ecosystems by 2030.

Source: sourcingjournal.com– Sep 08, 2025

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China's foreign trade up 3.5% YoY in Aug 2025

China's foreign trade in goods in yuan-denominated terms rose by 3.5 per cent year on year (YoY) in August this year to 29.57 trillion yuan ($4.14 trillion), according to official data.

Exports jumped by 4.8 per cent YoY, while imports climbed by 1.7 per cent to mark the third month of simultaneous growth in a row.

Between January and August, the country's goods trade expanded by 3.5 per cent YoY, the General Administration of Customs (GAC) said.

Exports led the overall expansion during the eight-month period, surging by 6.9 per cent YoY, while imports witnessed a slight drop of 1.2 per cent YoY.

The growth rate accelerated by 0.6 percentage points from the reading for the first six months, a state-controlled news outlet cited Lu Daliang, director of GAC's department of statistics and analysis, as saying.

Despite a challenging external environment, China's foreign trade has remained quite resilient while greater potential continues to be unleashed, Lu said.

The association of Southeast Asian Nations (ASEAN) retained its position as China's largest trading partner in the first eight months this year, with bilateral trade expanding by 9.7 per cent YoY, accounting for 16.7 per cent of the country's total foreign trade.

The European Union ranked second, with trade up by 4.3 per cent YoY. The United States was China's third-largest partner, though bilateral trade declined by 13.5 per cent during the period, GAC data showed.

Meanwhile, China's trade with the partner countries participating in the Belt and Road cooperation reached 15.3 trillion yuan—up by 5.4 per cent YoY.

Source: fibre2fashion.com– Sep 09, 2025

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Italy's retail sales stable in July; online sales rise 2.9 per cent

Italy's retail sector showed signs of stagnation in July 2025 as seasonally adjusted sales stayed flat in value and slipped 0.2 per cent in volume compared with June, according to Istituto Nazionale di Statistica (Istat) data.

Over the three months to July, sales were marginally higher—up 0.6 per cent in value and 0.1 per cent in volume—suggesting consumers remain cautious amid inflationary pressures and weak purchasing power.

On an annual basis, July retail sales grew 1.8 per cent in value but were unchanged in volume, indicating that price increases rather than higher demand continue to drive growth.

Large-scale distribution channels such as supermarkets and hypermarkets outperformed, with sales up 2.8 per cent, while small-scale retail rose 0.6 per cent and non-store sales increased 0.9 per cent.

E-commerce remained resilient, recording a 2.9 per cent year-on-year (YoY) rise, underscoring the ongoing shift in consumer behaviour toward digital channels, Istat said in a release.

Among non-food product categories, YoY performance was mixed, reflecting uneven consumer demand across different segments of the retail market.

Source: fibre2fashion.com– Sep 09, 2025

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Bangladesh and India's Most Active Cargo Ports Strain Under Volume Surge

The largest container ports in Bangladesh and India are continuing to feel the heat of congestion as record cargo volumes flow through their gateways.

At Bangladesh's Chattogram Port, a summer surge in traffic has been triggered by India's clampdown on land-based trade routes. And on India's west coast, Mundra Port is grappling with acute landside congestion that threatens freight flows into the northern part of the country.

Data from Kuehne+Nagel's weekly port operational update released Friday morning suggested that Mundra and Chattogram both were "slightly disrupted," marking two of three ports across the Middle East-Indian subcontinent with that designation.

The Port of Salalah in Oman was the third port with disruption, with the remaining 12 tracked by Kuehne+Nagel operating at "business as usual" levels.

The good news for Chattogram is that the severity of congestion has declined in recent weeks.

For Chattogram Port, also known as Chittagong Port, average waiting times of vessels have eased from three weeks prior, when vessels were waiting 4.5 days to berth. That number has shrunk to 1.19 days over the past week.

Yard occupancy for containers is 85.4 percent, with the Chattogram Port Authority is strictly limiting port stays, especially for gearless vessels. At the time of publishing, four vessels were waiting for a berth, according to K+N.

Conversely, Mundra Port has seen more berthing delays. The average waiting time to berth over the past week has been 1.38 days, down from a 1.48 day average the week prior, but up from a one-day average two weeks earlier.

In the case of Chattogram, there was simply too much cargo flowing in and out of the port in August. The New Mooring Container Terminal (NCT), the largest container-handling facility at the port, processed 122,517 20-foot equivalent units (TEUs) in August, a 27.6 percent increase from the year prior.

The port now expects total 2025 throughput to come in at 3.7 million TEUs across all terminals, a 13 percent jump over 2024 full-year totals.

Chattogram Port is central to Bangladesh trade, handling more than 90 percent of cargo exiting and entering the country.

The flood of cargo cramming the port further kicked up a notch after India imposed sweeping restrictions in May by banning several Bangladeshi exports via land ports, including ready-made garments, jute products and processed foods. This came in retaliation for Bangladesh banning yarn imports from India via land ports the month prior.

With the restrictions, shipments through land ports plummeted through the summer. According to Bangladesh's tax and customs collection agency, the National Board of Revenue (NBR), volumes via these gateways plunged 26 percent in July and 52 percent in August as exporters had to reroute goods out of the country via ocean.

Due to the idle activity, Bangladesh closed three land ports on the Indian border at the end of August, and suspended operations at another.

"We are ready to handle the additional pressure created by increasing exports to India via the seaport," said Omar Faruk, secretary of the Chattogram Port Authority, telling Bangladeshi publication The Business Standard that the port had expanded capacity by 10 percent.

At Mundra Port, the congestion outside the port has disrupted the flow of rail-bound cargo into northern India. According to an August update from Australia-based third-party logistics provider Transolve Global, delays for railed freight are reaching 15 to 20 days "due to a deteriorating slowdown in import clearance out of heavily congested container yards."

Mundra can handle up to 30 trains a day, transporting roughly 5,000 TEUs to 6,000 TEUs daily on average.

According to a report from supply chain publication Journal of Commerce, container lines that offer regular calls at Mundra have told customers the backlog is increasing supply chain risks for the trade as train turnarounds "remain increasingly chaotic."

Mundra Port owner Adani Ports and Special Economic Zone Limited (APSEZ) highlighted August's record levels of intermodal container movement on the railroads.

Mundra handled approximately 97,000 TEUs across 756 import cars, exceeding the earlier record of 94,000 TEUs. For double-stack container handling, in which railroad cars carry two layers of intermodal containers, the port set new benchmarks with 542 cars carrying 31,000 imported TEUs. Total double-stack volumes, including exports, reached about 50,000 TEUs across 885 cars, surpassing the previous month's record of approximately 46,000 TEUs.

Source: sourcingjournal.com– Sep 08, 2025

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NATIONAL NEWS

Officials explore input tax credit fixes for smooth GST transition

In an inter-ministerial meeting chaired by Cabinet Secretary T V Somanathan ahead of the implementation of goods and services tax (GST) reforms on September 22, senior officials from various departments on Monday proposed allowing unutilised input tax credit (ITC) to be used for paying state GST (SGST), offsetting Customs duty, or converting it into tradable scrips, as possible solutions to address transition issues.

The meeting came at a time when many sectors have raised concerns over compensation cess, accumulated input tax credit, and an inverted duty structure.

Following the recent GST rate rationalisation exercise, many products, including fast-moving consumer goods (FMCG), food items, and pharmaceuticals, will attract 5 per cent GST, while certain inputs are taxed at 18 per cent, including services used. This is expected to create an inverted duty structure, leaving a significant portion of ITC unutilised, and thus affecting working capital and constraining operational flexibility for smaller manufacturers.

“Inverted duty structure was one of the key issues raised by ministries affected by it,” a government official said, requesting anonymity. The meeting was attended by secretaries and senior officials from revenue, textiles, agriculture, heavy industries, consumer affairs, commerce, chemicals and fertilisers, and steel, among others.

An email query sent to the Finance Ministry remained unanswered until the time of going to press.

Although the government has allowed 90 per cent refund on inputs in cases of inverted duty structure, experts note that refunds are not admissible for GST paid on capital goods and input services. “That’s why it is imperative for the government to address this issue so that lower tax benefits could be passed on to consumers,” a tax expert said, requesting anonymity.

A second tax expert, also speaking on condition of anonymity, added that the suggestions made by ministries could face resistance from states over concerns regarding revenue loss. Legal hurdles also remain, as the law does not permit adjusting central GST (CGST) against SGST and vice versa. “Unutilised ITC carries both CGST and SGST components, and existing GST circulars do not permit refunds of unutilised ITC arising solely due to a reduction in rates on the same item. Also, allowing ITC to be used for SGST would perhaps not be welcomed by states due to potential revenue implications,” he said. “Customs duty cannot be offset with GST credits as it is levied under a separate legislation,” the expert added, noting that tradable scrips remain a feasible option, pending approval by the GST Council.

Tradable scrips are certificates issued by the government that can either be used to pay specified taxes or sold to other businesses, providing liquidity similar to export incentive vouchers. “The tax authorities may not support the issue of such scrips to discharge GST liability due to the risk of misuse -- unless digitally generated and traded on the GSTN platform, which would require major system upgrades,” a former tax official said.

Abhishek Jain, indirect tax head & partner at KPMG, said the government could consider allowing refunds on capital goods and input services under the inverted duty structure to ease the problem of blocked credit. “However, such a move cannot be taken overnight as it carries the risk of misuse by fraudulent taxpayers. It would be a major reform that needs to be implemented with caution and strong safeguards,” he added.

Krishan Arora, partner with Grant Thornton Bharat, said there is an immediate need for policymakers to avoid inverted duty structures, particularly in sectors where GST rates have dropped to 5 per cent from 12 or 18 per cent, such as FMCG and pharmaceuticals.

“There ought to be adequate measures to ensure transitional relief through clear and transparent refund schemes, and ongoing efforts to ensure there are no working capital blockages. The government should also consider any further rate corrections for raw materials where such rates are still pegged at 18 per cent while final products are taxed at reduced rates of 5 per cent,” he added.

Source: business-standard.com– Sep 08, 2025

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India trails Vietnam and Bangladesh in US textile import growth

US textile and apparel imports from India grew more slowly than from Vietnam and Bangladesh during January–July 2025, according to a comparative analysis by the Confederation of Indian Textile Industry (CITI) based on the latest OTEXA trade data.

Imports from Bangladesh increased by 21.1 per cent in the first seven months of this year, and from Vietnam by 17.7 per cent, while imports from India rose by 11.4 per cent. In contrast, US imports from China saw a sharp decline of 19.9 per cent during the same period.

CITI noted that in July 2025, US imports from Vietnam and Bangladesh rose by 14.2 per cent and 5.2 per cent, respectively, over July 2024. While growth momentum moderated compared to June 2025, both countries continued to strengthen their market position in the US.

According to trade data, US imports from Vietnam increased to $1.86 billion in July 2025 from $1.63 billion in July 2024. Overall imports from Vietnam grew to $10.41 billion in January–July 2025 compared with $8.84 billion in the corresponding period of last year.

US imports from Bangladesh rose 5.2 per cent to $0.750 billion in July 2025 against $0.710 billion in July 2024. Cumulative imports expanded to $5.110 billion during January–July 2025, up from $4.220 billion in the same period last year.

In July 2025, imports from India increased 9.1 per cent to $0.860 billion from $0.79 billion in July 2024. Total imports from India grew to $6.220 billion in January–July 2025 compared with $5.58 billion a year earlier.

Source: fibre2fashion.com– Sep 08, 2025

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India's textile exports to US jumped 9% in July on pre-tariff rush

A rush by US textile and apparel companies and their Indian suppliers to ship goods before the Donald Trump administration's new tariff on India took effect led to a 9.1 per cent year-on-year (Y-o-Y) rise in India's exports in July. On a month-on-month basis, exports grew 12 per cent over June, according to data shared by the Office of Textiles and Apparel (OTEXA), part of the US International Trade Administration.

An analysis by the Confederation of Indian Textile Industry (CITI) said that despite this growth, India's expansion remained significantly lower than that of its key competitors in the year-to-date period. Exporters from Tiruppur told Business Standard that while major US brands have agreed to continue with existing orders for the upcoming summer season, they are doing so at a discount of 5-8 per cent, depending on the margins of Indian exporters.

"In July, US textile and apparel imports from Vietnam and Bangladesh rose by 14.2 per cent and 5.2 per cent, respectively, compared to July 2024. While growth momentum moderated versus June, both countries continued to strengthen their position in the US market," CITI's analysis said.

The rise in exports from India and other suppliers came largely at China's expense, as Beijing's shipments to the US fell 35 per cent versus July 2024.

From January to July, India's textile and apparel exports to the US rose 11.4 per cent to $6.22 billion, up from $5.58 billion in the same period of 2024.

For Vietnam, exports touched $10.41 billion, up 18 per cent Y-o-Y, while Bangladesh's exports rose 21 per cent to $5.11 billion. The rise was mainly owing to a 20 per cent dip in Chinese exports $11.21 billion.

The textile and apparel sector accounts for about 2 per cent of India's gross domestic product (GDP) and is one of the country's largest sources of jobs and livelihoods. The US remains India's single-largest market, accounting for almost 28 per cent of its textile and apparel exports.

"It is a fact that no new orders are being placed by the US companies in Tiruppur. However, the existing orders are being maintained by the US brands, as a sudden diversification of orders is not viable," said Elangovan Viswanathan, president of the Buying Agents Association and managing director of SNQS Internationals.

"They are picking the summer season orders. The industry in Tiruppur may face a hit of around ₹10,000-15,000 crore if no new orders are placed for next year," said Viswanathan.

India's textile and apparel exports to the US were close to $11 billion in FY25. China is the largest supplier to the US, followed by Vietnam, India, and Bangladesh. At 20 per cent each, the tariff rates for Vietnam and Bangladesh are significantly lower than those applied to India.

Source: business-standard.com– Sep 08, 2025

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India, Israel sign bilateral investment treaty

Indian finance minister Nirmala Sitharaman and her Israeli counterpart Bezalel Smotrich have signed a bilateral investment treaty (BIT) to promote investments between the two sides, the former's finance ministry announced today.

The treaty assures appropriate protection to Israeli investors in India and vice versa.

Smotrich is on a three-day visit to India between beginning today and is scheduled to meet commerce and industry minister Piyush Goyal. He will also visit Mumbai and the GIFT City in Gandhinagar, Gujarat. This is the fourth visit to India by any Israeli minister this year.

"The Government of India and the Government of the State of Israel sign Bilateral Investment Agreement #BIT in New Delhi, today," the ministry said in a post on X.

Both countries are also negotiating a free trade agreement.

Between April 2000 and June 2025, India received $337.77 million foreign in direct investment (FDI) from Israel.

The BIT also offers protection to investments from expropriation, transparency, transfers and compensation for losses.

Israel has signed BITs with over 15 countries since 2000, including South Africa, the United Arab Emirates, the Philippines, Thailand and Japan.

Source: fibre2fashion.com– Sep 08, 2025

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World needs stable environment for trade; practices must be fair: India

The world is seeking a stable and predictable environment for trade and economic practices should be fair, transparent and to everyone's benefit, External Affairs Minister S Jaishankar said on Monday, against the backdrop of increasing global concerns over Washington's tariff tussle.

In an address at a virtual BRICS summit, the external affairs minister said India strongly believes that the international trading system's foundational principles of non-discriminatory and rules-based norms must be protected and that there is a need to create more resilient and reliable supply chains.

Jaishankar represented Prime Minister Narendra Modi at the summit that saw participation of Chinese President Xi Jinping, Russian President Vladimir Putin and several other leaders of the grouping.

It was convened by Brazilian President Luiz Inacio Lula da Silva to discuss trade disruptions triggered by US' policies on trade and tariff.

The US slapped 50 per cent tariffs on Brazilian exports like in the case of India.

Jaishankar's participation at the summit in place of PM Modi is seen as part of New Delhi's "balancing act" with the Trump administration increasingly getting suspicious about the BRICS.

In his remarks, Jaishankar called for urgent resolution to ongoing conflicts, adding the Global South has experienced a deterioration in its food, energy and fertilizer security. However, the major focus of his speech was on trade.

"The world as a collective is seeking a stable and predictable environment for trade and investment. At the same time, it is imperative that economic practices are fair, transparent and to everyone's benefit," he said.

"When there are multiple disruptions, our objective should be to proof it against such shocks. That means creating more resilient, reliable, redundant and shorter supply chains," he said.

Jaishankar said the world requires "constructive and cooperative" approaches to promote trade that is sustainable.

"Increasing barriers and complicating transactions will not help. Neither would the linking of trade measures to non-trade matters," he said.

The external affairs minister said BRICS itself can set an example by reviewing trade flows among its member states.

"Where India is concerned, some of our biggest deficits are with BRICS partners and we have been pressing for expeditious solutions. We hope that this realisation will be part of the takeaways from today's meeting," he said.

The remarks assumed significance as they came amid India's ballooning trade deficit with China.

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Source: business-standard.com– Sep 08, 2025

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India's cotton procurement set to reach record level

India's cotton sowing area has slightly declined this season, but the country is poised to purchase a record quantity of seed cotton (kapas) after an 8.27 per cent increase in the minimum support price (MSP). The government will procure cotton through the Cotton Corporation of India (CCI). With the exemption of import duty until the end of December 2025 keeping prices from rising, farmers will have little choice but to sell to the government.

According to the Ministry of Agriculture, India's cotton sowing area stood at 108.77 lakh hectares as of August 29, 2025, 2.62 per cent lower than 111.39 lakh hectares during the same period last year. The five-year average is 129.50 lakh hectares. Cotton sowing typically begins in May in north India and continues until the third week of September in central states.

The ministry estimated cotton production at 306.92 lakh bales of 170 kg each, 5.8 per cent lower than the 2023–24 marketing season. The Cotton Association of India (CAI) projected production at 311.40 lakh bales in its August 2025 report. Lower acreage may reduce production in the 2025–26 marketing season, beginning in October. However, government procurement is expected to remain strong due to current market dynamics. The MSP for medium staple cotton was raised by 8.27 per cent to ₹7,710 per quintal this year.

Trade sources noted that while higher MSP benefits farmers, it makes Indian cotton less competitive globally. ICE cotton December 2025 contracts traded at 66.03 US cents per pound, equivalent to ₹45,700 per candy of 356 kg (₹128 per kg). Even after adding import costs, foreign cotton will remain cheaper, while Indian cotton will cost no less than ₹63,000 per candy under the increased MSP.

The government recently extended duty-free cotton imports until December 2025, allowing the domestic textile industry continued access to cheaper cotton for an additional three months. The duty removal was initially limited to 40–42 days until the end of September, when the current marketing season ends, but was extended into the new season starting in October, when arrivals will pick up mid-month.

Market experts believe duty-free imports during the first three months of the new season will prevent domestic prices from rising. With domestic demand slowing due to cheaper imports, farmers will be compelled to sell to the CCI. Experts estimate procurement may reach 140 lakh bales, around 40 per cent higher than the current season's 100 lakh bales, setting a new record for government cotton purchases.

Source: fibre2fashion.com– Sep 08, 2025

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North India's cotton yarn market stays weak amid tariffs, low demand

North India's cotton yarn prices remained unchanged on the first day of the week, with Delhi and Ludhiana markets continuing to face sluggish demand amid payment constraints. Traders said weak demand for downstream products such as fabric and garments has led to a liquidity crunch in the yarn market, with buyers' purchasing capacity consistently declining. The cotton yarn market is waiting for positive signals from global developments, as domestic demand alone cannot absorb the large production, especially during the winter season.

Panipat market also reported stability in recycled yarn prices. According to market sources, manufacturers are busy rescheduling production plans following the imposition of US tariffs. Traders expressed hope that the issue might be resolved by November 2025.

In Delhi, market dynamics remained unchanged from the previous week, with no immediate shifts expected. "The market hopes for resolution of the US tariff issue in November. The 50 per cent tariff has disrupted the entire textile value chain, while the domestic market has also failed to support sentiment," a Delhi-based trader told Fibre2Fashion.

In Delhi, 30 count combed knitting yarn was traded at ₹253-254 (approximately \$2.87-2.89) per kg (GST extra), 40 count combed at ₹280-281 (approximately \$3.18-3.19) per kg, 30 count carded at ₹227-229 (approximately \$2.58-2.60) per kg, and 40 count carded at ₹252-254 (approximately \$2.86-2.89) per kg today.

The Ludhiana market continues to face weak demand for cotton yarn from both domestic and global buyers. Traders said the US tariff has dented buying interest in the consumer industry, while the domestic market alone cannot absorb the large production of cotton yarn. Local demand is also limited, as several parts of the country are affected by floods.

In Ludhiana, 30 count cotton combed yarn was sold at ₹253-263 (approximately \$2.87-2.99) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹243-253 (approximately \$2.76-2.87) per kg and ₹248-258 (approximately \$2.82-2.93) per kg, respectively; and carded yarn of 30 count was noted at ₹233-238 (approximately \$2.65-2.70) per kg today, according to trade sources.

Recycled PC and cotton yarn prices remained steady. Panipat's home textile exporters, heavily dependent on the US market, are now rescheduling production following the imposition of 50 per cent tariffs. Several manufacturers may be forced to reduce home textile output.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹73-76 (approximately $0.83-0.86) per kg (GST paid). Other varieties and counts were noted as: 10s recycled PC yarn (Black) at ₹55-58 (approximately $0.62-0.66) per kg, 20s recycled PC yarn (Grey) at ₹97-100 (approximately $1.10-1.14) per kg and 30s recycled PC yarn (Grey) at ₹127-132 (approximately $1.44-1.50) per kg.

Meanwhile, 10s recycled cotton yarn was traded at ₹107-108 (approximately $1.22-1.23) per kg and 18s recycled cotton yarn ₹137-138 (approximately $1.56-1.57) per kg. Cotton comber prices were noted at ₹122-123 (approximately $1.39-1.40) per kg and recycled polyester fibre (PET bottle fibre) at ₹77-82 (approximately $0.87-0.93) per kg today.

In north India, cotton prices have fallen by ₹10–20 per maund of 37.2 kg since last Thursday, though prices were unchanged on Monday. Spinning mills remain cautious with purchases amid demand uncertainty. New cotton arrivals have begun in a few mandis of Haryana, but seed cotton inflows remain negligible as the crop has been delayed by 15–20 days due to erratic rains in northern states.

September delivery new cotton prices were noticed between ₹5,525 to ₹5,600 (approximately $62.76–63.62) per maund of 37.2 kg. while seed cotton was priced between ₹6,800-7,000 (approximately $77.25–79.52) per quintal of 100 kg.

Old cotton prices in Punjab ranged from ₹5,730 to ₹5,740 (approximately $65.09–65.21) per maund of 37.2 kg; in Haryana, ₹5,550–5,600 (approximately $63.05–63.62) per maund; and in upper Rajasthan, ₹5,720–5,760 (approximately $64.98–65.43) per maund. In lower Rajasthan, prices stood at ₹52,200–₹54,200 (approximately $592.98–615.70) per candy of 356 kg.

Source: fibre2fashion.com– Sep 08, 2025

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'Final nail in our coffin': US tariff threat looms large at Bhiwandi powerloom hub

Undeterred by the loud clanging of powerlooms that drowns the entire Karkhaana, Ramesh Sahani examines, with hawk-eyed attention, an assembly of looms as they churn grey cloth out of yarn.

"I have become so used to the clamour now that I can even sleep through it. Rather, my sleep gets disrupted if the machine stops working. It means something is wrong," says Sahani, a native of Uttar Pradesh's Deoria, who has been working as a labourer in Bhiwandi's power looms for the past 20 years.

Over the past decade, many powerlooms in Bhiwandi have fallen silent as the industry has been struggling to keep up amid cheap imports and the blow dealt since demonetisation and the introduction of GST shortly after.

And now, US President Donald Trump's decision to impose a steep 50 per cent tariff on merchandise from India has only threatened to wipe-off what is left of the industry in Bhiwandi, including the thousands of migrants that work in its looms in 12-hour shifts, say business owners.

"The industry is already dying and many looms have shut shop in recent years. Amid all this, the decision to levy such high tariffs by the US government could be like the final nail in the coffin for us," said Akram Ayub Ansari, a power loom owner whose family has been working in the industry since 1942.

Amid Trump's decision to impose a tariff of 25 per cent on several Indian goods and a penalty of 25 per cent on top of it by August 27, the textiles industry, which accounts for the highest share of Indian exports to the US — at $ 10.9 billion in the year 2024-25 — is projected to take the biggest hit not just in value terms but also in terms of the people it employs.

The impact of the tariff is also expected to trickle down to the powerlooms which produce nearly 60 percent of India's export fabrics.

Bhiwandi, the powerloom hub

Accounting to a state government appointed committee in 2024, nearly 12.7 lakh powerlooms provide livelihoods to nearly 30 lakh people in

Maharashtra, making it home to one of the largest number of powerlooms in India.

Of these, the highest numbers were concentrated in Bhiwandi. Here, the power looms — having transitioned from traditional handlooms — spin yarn in raw material, known as grey cloth in industry parlance, which is later sent for production across merchants and centres for finishing work.

The history of Bhiwandi's traditional powerlooms goes back over 160 years when a large population of Julaha and Bunkar communities — traditional weaver communities — from Uttar Pradesh escaped after the failed mutiny of 1857 and traveled along the Mumbai-Agra route.

In Maharashtra, they settled along pockets like Bhiwandi, besides Malegaon, which grew as textile hubs over the years. It was following the closure of Mumbai's mills in the early 1980s that Bhiwandi's powerlooms further boomed — in what gained the town the moniker of "Manchester of India".

A report from the National Institute for Micro, Small and Medium Enterprises (NI-MSME) showed that prior to demonetisation and GST implementation, Bhiwandi was home to as many as 12 lakh powerlooms alone with its industry's turnover estimated at Rs 10,000 crore annually. However, demonetisation, GST implementation and high power tariffs dealt a significant jolt to the largely unorganised industry and the number of power looms have since dwindled to less than 6 lakh at present.

The fear

For many traditional mill owners, who echo that they make a marginal profit of 50 paisa per metre of cloth sold, the US' steep tariff could pose an existential threat to the powerlooms.

"We are expecting a massive impact in the next 2 – 3 months owing to cancellation of orders for us. When the exporters start feeling the pinch of high tariffs on Indian commodities, they will prefer countries like Bangladesh, China, Vietnam with lower tariffs and cancel orders with Indian manufacturers. As our orders reduce, how will we afford to maintain our costs of operations?," said Akram Ansari.

Pointing to a line of restive TFO machines which twist and double yarn, Yaseer Khan, a worker in a powerloom estate in Bhiwandi's Sawandhe village said, "Earlier, all our machines used to work for 24 hours. Now, 40 percent of the machines have been permanently shut while the rest only work in one shift of 12 hours. If we stop receiving orders from the exporters, then what will produce these clothes for? Where will we keep them?"

Saleem Ansari, a second generation power loom owner added, "As the demand and order dries up and our products will remain unsold, we will have to slash our rates. Furthermore, when bigger companies will be unable to sell their products abroad, they will flush our markets with their apparel for cheaper rates, which will further impact us."

Some powerloom operators like Hiren Nagda said that they have already started witnessing an impact with their orders witnessing cancellations.
In a labour-intensive industry like Bhiwandi, the blow to mill owners is projected to impact jobs for thousands of migrant workers who work 12-hour shifts a day to eke out a meagre living.

Sarosh Fakih, a Bhiwandi-based businessman whose family has been involved in the town's business industry since the 1880s, said that in Bhiwandi textile is not mere business but also a means of livelihood.

"Majority of the labour in textile hubs like Bhiwandi hails from the states of Uttar Pradesh, Bihar, Odisha while some are from West Bengal, where they don't even make a monthly income of Rs 3,000. Their purchasing power comes from places like Bhiwandi, Tirupur etc, with the labourers sending their money back home for their family's survival. If the industries are hampered here, the effect will not just be limited to Bhiwandi but it will have a pan-India effect," added Fakih.

Despite the concerns, some are optimistic.

Shameem Momin, who is involved in the powerloom business, said that the tariff crisis could actually prove beneficial in the long run for Bhiwandi's beleaguered loom industry through domestic reforms.

"We can easily fight these tariffs if the government supports us through reforms which can improve our manufacturing competitiveness. These domestic reforms can encompass capital, land and tariff reforms as well as sustained investment in infrastructure and productivity," said.

Meanwhile, Bhiwandi East MLA Rais Shaikh on September 1 wrote to Chief Minister Devendra Fadnavis calling for a clear plan of action to sustain the loom units.

"If immediate remedial measures are not taken, thousands of families may be pushed into deeper economic distress. The government must present a clear plan of action to the people of Maharashtra to mitigate the crisis, safeguard employment, and ensure the sustainability of this vital sector," wrote Shaikh in the letter.

Source: indianexpress.com– Sep 09, 2025

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