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September 22, 2025

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| USD            | EUR    | GBP    | JPY  |
| 88.14          | 103.42 | 118.73 | 0.59 |

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## INTERNATIONAL NEWS

### **Tariffs Won't Revive US Factories—but a Hybrid Approach Might**

2025 brought a revival of interest in domestic production, but these tariff-fueled discussions overlook the broader value proposition of U.S. manufacturing. Even as garment factories struggle and close, there are long-term advantages to investing in this ecosystem. Rebuilding domestic capacity could be an effective strategy to address a market that looks very different from the one that pushed brands offshore decades ago.

In the late '80s and early '90s, apparel companies began rapidly shifting production to low-cost, low-regulation countries. The relentless downward pressure on price led to growing minimums and longer lead times. John Thorbeck in "Under the Banyan Tree" illustrates the outcomes of this approach. Say a brand today buys 10 t-shirts. It sells three at full price—where the bulk of the profit comes from—and four at a discount, and then struggles to sell the last three, which are liquidated, shredded or burned.

Entrenched in this first-cost mindset, sourcing executives today still dismiss U.S. production as "too expensive." Sure, it's not competitive in a vacuum—but in a volatile retail landscape, a small share of responsive domestic production can help unlock a transformative model. Modernized and integrated into a hybrid global supply chain, U.S. manufacturing allows brands to respond to demand in real time, mitigate risk, reduce waste, and release capital otherwise tied up in unsold inventory.

Whether you call it postponement, replenishment or supply flexibility, the concepts are not new but three dynamics make this moment different. First, economic uncertainty, faster trend cycles, and shifting consumer behavior online make it increasingly difficult to forecast demand, and more costly to get it wrong.

Second, geopolitical and climate disruptions to shipping, material production and working conditions are upending sourcing. Third, the tools required to manage smarter, more agile supply chains are finally reaching maturity.

The narrow focus on first cost is increasingly out of touch with what it takes to run a successful brand; it is just one variable impacting profitability, alongside inventory turns, markdowns, working-capital exposure, and more. Small variations in first cost are less important than how long an item is held and whether it is sold at full price.

Profitability improves with a hybrid approach to sourcing, where predictable SKUs are produced in lower-cost environments while less predictable SKUs are produced with shorter lead times at a higher cost. This holds true even when short-run local production costs up to two-and-a-half times more, because it meets full-price demand and the costs can be averaged over the entire program.

Current supply chains are not well-designed to handle this onshore-offshore hybrid. While only a small share of production needs to be reshored, the infrastructure to support it does not yet exist. U.S. factories are under-resourced, outdated, and disconnected from the global supply chain, but their role in this opportunity makes them worth investing in, with cascading benefits beyond profitability.

U.S. manufacturing strengthens industry-wide resilience, protecting brands from overextension during geopolitical and climate disruptions—both of which are intensifying—while preserving the capacity to respond to upswings in demand.

It reduces overproduction, wasting fewer inputs while freeing up resources to invest in more sustainable materials, fair wages, and better end-of-life solutions. Long-haul air freight declines as last-minute production happens closer to home, while stable programs are more carefully planned for ocean freight. Brands also gain greater control over inputs like energy and materials.

Domestic production has a direct national security impact, ensuring the country retains some capacity in a critical industry and reducing exposure to global shocks. And innovation rises with necessity and proximity; when there is a financial incentive to produce locally, the incentives to invest in R&D shift accordingly.

Finally, in an industry that depends on it, creativity flourishes when designers work more closely with factories. It becomes easier to take creative risks when they don't need to commit to large minimums and can scale quickly to capture demand.

This is not about re-creating the industry of the past, but about developing the flexibility to navigate ongoing uncertainty. Done right, U.S. manufacturing can help drive the largest transformation in apparel supply chains since the rise of free trade and the emergence of China as a dominant source of supply.

Source: [sourcingjournal.com](http://sourcingjournal.com)– Sep 19, 2025

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## **AI may raise global trade 40%, GDP 13% by 2040: WTO**

Artificial intelligence (AI) could raise cross-border trade flows by nearly 40 per cent and global GDP by 12–13 per cent by 2040, provided enabling policies are in place, according to the 2025 World Trade Report by the World Trade Organization (WTO) Secretariat.

The report stresses bridging the digital divide, investing in workforce skills, and maintaining open trade to ensure inclusive growth.

AI adoption could raise incomes in low- and middle-income economies by 15 per cent and 14 per cent, respectively, if their digital infrastructure gap with high-income economies is halved.

The report highlights rising barriers, noting that quantitative restrictions on AI-related goods have surged from 130 in 2012 to nearly 500 in 2024, and tariffs remain high in some low-income economies. Access to AI-enabling goods remains uneven, with bound tariffs reaching up to 45 per cent in some low-income economies.

Trade plays a crucial role in enabling AI-supported growth by facilitating access to AI-enabling goods, which were worth \$2.3 trillion in 2023.

"AI has vast potential to lower trade costs and boost productivity. However, access to AI technologies and the capacity to participate in digital trade remains highly uneven. With the right mix of trade, investment and complementary policies, AI can create new growth opportunities in all economies. With the right frameworks, trade can play a central role in making AI work for all. The WTO is committed to supporting this effort," WTO director-general Ngozi Okonjo-Iweala said in her foreword to the report.

The report also highlights that the WTO provides a forum to discuss AI-related trade measures, with 80 specific trade concerns already raised. It suggests expanding participation in the WTO's Information Technology Agreement and updating commitments under the General Agreement on Trade in Services to make AI more affordable and inclusive.

The report was launched on the opening day of the WTO Public Forum on September 17, 2025.

"The new report comes amid the worst disruptions the global trading system has experienced in 80 years. Yet amid the risks to trade, growth and development prospects, there are bright spots – and one of them is the potential of artificial intelligence," Okonjo-Iweala added.

Source: fibre2fashion.com– Sep 22, 2025

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## **Producer prices of German industrial products 2.2% lower YoY in Aug**

The producer prices of industrial products in Germany were 2.2 per cent lower year on year (YoY) and 0.5 per cent lower month on month (MoM) in August this year, according to the Federal Statistical Office (Destatis).

Such prices were down by 1.5 per cent YoY in July 2025 and by 1.3 per cent YoY in June.

Lower energy prices were the main reason for the YoY decline in producer prices in August. Energy prices in August were down by 8.5 per cent YoY and 1 per cent MoM.

When energy prices are excluded, producer prices in August 2025 were up by 0.8 per cent YoY and dropped by 0.2 per cent MoM, a Destatis release said.

Intermediate goods were also less expensive YoY in the month. By contrast, capital goods, non-durable and durable consumer goods cost more than a year earlier.

Source: fibre2fashion.com– Sep 22, 2025

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## **S African trade minister meets USTR to discuss high trade tariffs**

South African minister of trade Parks Tau recently initiated talks with US trade representative Jamieson Greer in Washington, DC, to negotiate a rollback of the high tariffs imposed by the Donald Trump administration.

The 30-per cent US tariff poses a significant threat to South Africa's economy grappling with growth challenges and high unemployment. It could also lead to substantial job losses.

Both sides want to set up a road map for future engagement and resolve ongoing trade and diplomatic issues.

While South Africa's trade ministry reported a constructive meeting, US trade officials have been silent on the deliberations.

Trump earlier accused the South African government of discrimination against the white minority, affecting bilateral relations.

The United States remains a key trade and investment partner for South Africa, with bilateral trade at \$15.1 billion in 2024, the American Chamber of Commerce's chapter in the country reported.

South Africa's exports to the United States were valued at \$8.2 billion in 2024; while US imports into the former were worth \$6.9 billion. There are over 600 US companies in South Africa and more than 22 South African companies in the United States.

Source: fibre2fashion.com– Sep 21, 2025

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## **Shein opens Chinese apparel manufacturing network to other fashion brands**

To create new revenue streams as well as ease pressure on its retail business due to the US tariffs, Shein Group is opening its Chinese apparel manufacturing network to other fashion brands. Known as Xcelerator, the company's new initiative allows brands to tap into Shein's supply chain-known for its ability to turn around new designs in as little as 5 to 7 days. This service is available to brands on the condition that they open a store on Shein's online marketplace.

Shein has been formally recruiting brands for the program over the past two months after nearly two years of preparation and testing. Currently, about 20 brands, including French fashion label Pimkie and Filipino designer Jian Lasala, are using the service, which is being promoted through a new website launched in August. Beyond manufacturing, Xcelerator also offers a suite of services that smaller brands often can't access at low costs, including sample development, warehousing, sales, and order fulfillment.

According to a Shein spokesperson, the program is designed to help brands overcome value-chain challenges by offering direct-to-consumer services, on-demand production, and global sales access to scale their creativity worldwide. By selling access to its supplier network, Shein is building a new growth pillar to counter the impact of recent US policy changes. The removal of tax exemptions for small parcels from China has created uneven sales trajectories for Shein's core business of selling low-cost apparel. While Shein's US sales have been stronger than those of rival PDD Holdings' Temu platform, the company is still grappling with a volatile trade environment.

Unlike open-access platforms like Alibaba and 1688.com, Shein's model links supplier access to participation on its marketplace. This strategy aims to both leverage its extensive manufacturing network and attract more fashion brands to its platform, which is an important step as it faces increased competition and ongoing hurdles with its planned initial public offering. Shein, which is now headquartered in Singapore, has confidentially submitted a draft prospectus for a listing in Hong Kong.

Source: [fashionatingworld.com](https://fashionatingworld.com)— Sep 19, 2025

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## **Tariffs to acutely hit inventory, availability in US retailers: BCG**

For consumer brands in the United States, tariffs will most acutely affect inventory positions and availability, as many retailers pulled back on purchases during the first half of the year, creating relative inventory scarcity and narrower assortments during the holiday season this year, according to Boston Consulting Group (BCG).

Goods in the fashion and luxury and consumer durables categories face the highest exposure to inventory constraints, given their weighting toward China and countries like Vietnam and Cambodia, which are projected to be subject to incremental tariffs of 20 per cent or more as of August 2025—an economic headwind that could produce a dip of 5 to 7 percentage points in gross margin, BSG said in a recent report.

EMarketer has projected that total US retail sales will rise by only 1.2 per cent in November and December this year compared to 4.3 per cent in the same months last year, and it has lowered its forecast for holiday sales by anywhere from about \$36 billion (2.5 per cent) to about \$100 billion (7 per cent) due to tariffs.

Titled ‘How Retailers Can DeRisk the 2025 Holiday Shopping Season’, the BCG report said brands need full visibility in their inventory positions and on trade-offs between volume and margin to build successful holiday pricing, promotion and marketing plans.

US retailers should take an omni-channel approach to planning and marketing. They should also develop strategies to win the last mile and get holiday shoppers into the store, the report recommended. And these imperatives must take into consideration the power of artificial intelligence (AI) technologies.

Retailers can use a three-pronged approach to address these unique challenges: reshape the plan to demand, execute with excellence, and tune and scale with agility, the report added.

Source: fibre2fashion.com– Sep 21, 2025

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## **UK apparel exports down 13.97% in H1 2025; Ireland leads demand**

The UK's total apparel exports dropped 13.97 per cent to \$1,582.238 million in the first half of 2025, down from \$1,839.403 million in H1 2024. The decline is attributed to persistent inflationary pressures, higher input costs, and weak retail demand in key markets.

Ireland remained the largest market for apparel exports from the UK in January–June 2025, accounting for 14.72 per cent of the UK's total apparel exports. Shipments to Ireland stood at \$232.936 million, edging up 1.94 per cent compared to \$228.514 million in the same period of 2024, according to sourcing intelligence tool TexPro. This growth highlights Ireland's steady demand despite an overall slowdown in UK's apparel trade.

France was the second-largest market for UK apparel exports, importing goods worth \$156.559 million, representing 9.89 per cent of the total in H1 2025.

The UK also exported apparel worth \$147.444 million to the United States (9.32 per cent share), \$135.134 million to Italy (8.54 per cent), \$130.297 million to the Netherlands (8.23 per cent), \$113.465 million to Germany (7.17 per cent), \$87.239 million to Spain (5.51 per cent), \$67.523 million to the United Arab Emirates (4.27 per cent), \$53.012 million to Hong Kong (3.35 per cent), and \$52.978 million to Iceland (3.35 per cent), as per TexPro. These figures reflect the UK's continued reliance on its European neighbours for apparel exports, even as global demand remains under pressure.

The UK's apparel exports had already been on a downward trajectory last year, falling 10.88 per cent to \$3,658.674 million in 2024 from \$4,105.948 million in 2023, following \$4,360.935 million in 2022. This sustained decline underscores the challenges facing UK exporters amid global economic uncertainty and shifting consumer preferences.

Source: fibre2fashion.com– Sep 21, 2025

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## **Mexico, Canada to boost trade ties, coordinate on USMCA review with US**

Mexican President Claudia Sheinbaum and Canadian Prime Minister Mark Carney yesterday promised to strengthen trade ties in the face of US tariff threats and pushed to keep the United States-Mexico-Canada trade pact (USMCA) alive in the lead-up to 2026 review talks.

Both met during Carney's first visit to Mexico City as Canada's Prime Minister. "North America is the economic envy of the world, is the most competitive economic region of the world, and part of the reason for that is the cooperation between Canada and Mexico," Carney said in a press conference following the meeting. "We complement the United States. We make them stronger. We are all stronger together," he said.

Over three-fourths of Canada's exports and more than four-fifths of Mexico's are to the United States. Carney said he expects "much greater amounts of trade, much greater amounts of investment" between Mexico and Canada, while Sheinbaum said the two countries had agreed to a plan that what would "bring a new era of further strengthening economic ties" between the two sides.

Both want to raise bilateral trade through the free trade agreement through maritime routes, avoiding passage of goods through the United States, Sheinbaum said.

Carney aims to improve ties with Mexico during his two-day visit. The two leaders promised new rounds of bilateral meetings in the next few months, and greater collaboration on security issues, agriculture, energy, finance, health and environment, according to media reports.

Sheinbaum said the countries are already setting up teams and reviewing the agreement with the hopes of keeping trilateral free trade in place.

"USMCA is a testament to if Mexico, Canada and the United States work together, we can create prosperity, face global challenges successfully and position ourselves as the most dynamic region in the world," Sheinbaum added.

Source: fibre2fashion.com– Sep 20, 2025

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## **FTA may boost Bangladesh's growth in Singapore garment market**

Singapore and Bangladesh are set to sign a free trade agreement (FTA), which is expected to boost Bangladesh's penetration in Singapore's garment market. Bangladesh is one of the world's leading garment exporters, yet Singapore's imports from the country have nearly halved in the first seven months of the current year.

The agreement comes at a crucial time for Bangladesh, which has been grappling with declining orders from several markets amid global economic slowdown and higher production costs.

Singapore imported apparel worth \$45.982 million from Bangladesh during January–July 2025, a sharp 46.12 per cent decline compared to \$85.350 million in the same period last year, according to sourcing intelligence tool TexPro.

This steep drop reflects subdued demand, possible diversion of sourcing to competing countries like Vietnam and Indonesia, and a broader contraction in Singapore's apparel imports.

Bangladesh has not only lost market share but also slipped in its ranking among Singapore's largest garment suppliers. Its share dropped to 4.04 per cent in the first seven months of 2025 from 6.79 per cent a year earlier, and its ranking fell from fourth to sixth position. Such a fall could pressure Bangladesh's export earnings and highlights the urgency for preferential trade access through the FTA.

Singapore's total apparel imports stood at \$1,137.537 million during January–July 2025, down 9.54 per cent from \$1,157.556 million in the corresponding period last year. This contraction signals soft retail demand in Singapore, potentially influenced by cautious consumer spending and slower economic growth in the city-state.

Historically, Singapore's imports from Bangladesh have been volatile. In 2022, imports were valued at \$160.218 million, representing 6.86 per cent of total apparel imports, making Bangladesh the fifth-largest supplier after China, Italy, Indonesia, and Vietnam.

Imports dropped disproportionately in 2023 to \$105.156 million, and Bangladesh's ranking slipped to sixth position. Singapore's overall apparel imports also fell slightly to \$2,292.241 million in 2023 from \$2,335.816 million in 2022, as per TexPro.

In 2024, Bangladesh's exports to Singapore recovered, reaching \$145.808 million, with a market share of 6.54 per cent and a ranking of fourth among suppliers. Singapore's total apparel imports for that year amounted to \$2,230.806 million. Bangladesh's share of Singapore's apparel market has fluctuated between 4 per cent and 7 per cent over the last four years.

Source: fibre2fashion.com– Sep 22, 2025

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## **Bangladesh: Ctg port's higher tariffs put on hold for a month**

The government has deferred the rollout of Chattogram port's new tariff structure by one month after business leaders pressed for a year-long postponement and a phased increase.

Speaking at a seminar at the port's conference room yesterday, Shipping Adviser Brig Gen (Retd) M Sakhawat Hussain said the revised rates, due to take effect on September 15, would remain suspended for now.

The decision follows widespread criticism from exporters and importers, who said higher charges will push up the cost of foreign trade and erode the country's competitiveness as it prepares to graduate from least developed country status next year.

In the first comprehensive revision in nearly 40 years, the Chittagong Port Authority (CPA) last week raised service charges by an average of 41 percent through a gazette notification.

Container handling fees were among the steepest increases, with loading and unloading charges rising by almost \$25 per container.

CPA collects fixed tariffs for services provided from the moment a ship enters Bangladeshi waters.

At the port, a series of activities takes place from piloting a ship from the outer anchorage to the jetty, to tugboat services, water supply, crane charges, berthing, loading and unloading containers and delivering goods. CPA charges a fee for each of these services, which together make up the port's tariff.

Business leaders said such an abrupt jump in port charges would inflate production and freight costs while leaving long-standing inefficiencies at the port unaddressed.

Hussain said the government is determined to enhance the port's capacity through initiatives such as fast-tracking the Bay Terminal project and expanding the use of other facilities, including Mongla port and Kamalapur ICD.



He added that foreign operators are not the only way to expand capacity, noting that no country has increased foreign investment by shutting its doors.

He also said the government plans to build a cold chamber facility at Mongla port to store perishable goods, which could help transform it into a regional trading hub if its full potential is realised.

At the seminar, titled "Workshop on Customs and Port Management: Problems, Prospects and Way Forward", chief adviser's Special Assistant Anisuzzaman Chowdhury called for a taskforce of all relevant agencies to speed up operations at the country's seaports.

Senior Secretary of the Ministry of Shipping Mohammed Yousuf, Chairman of the National Board of Revenue (NBR) Md Abdur Rahman Khan, CPA Chairman Rear Admiral SM Moniruzzaman and Chattogram Additional Commissioner Nusrat Sultana were present. Economic Relations Division (ERD) Secretary Md Shahriar Kader Siddiky chaired the event.

Additional Secretary of ERD and Project Director of Support to Sustainable Graduation Project (SSGP) AHM Jahangir delivered the welcome address.

NBR Member Md Al Amin Pramanik, CPA Member Commodore Ahamed Amin Abdullah and Shahed Sarwar, deputy managing director of Chowdhury Group, took part as panellists.

Source: thedailystar.net– Sep 21, 2025

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## **Bangladesh: Govt to address SME export barriers**

The government will take initiatives to address hurdles faced by micro, small, and medium enterprise (MSME) entrepreneurs in exporting their products, said Lutfey Siddiqi, special envoy on international affairs to the chief adviser.

He gave the assurance at a roundtable titled "Ways to Facilitate SME Entrepreneurs' Exports and Connect Them to Global Markets," organised by the SME Foundation at Parjatan Bhaban in Dhaka, according to a statement issued yesterday.

The roundtable was chaired by SME Foundation Chairperson Md Mushfiqur Rahman.

Entrepreneurs attending the discussion highlighted the challenges they face in exports, including delayed payments from buyers, obstacles in sending product samples, online transactions, and alleged harassment from customs, Bangladesh Bank, payment gateway companies, and commercial banks.

These issues, they said, lead to losses and undermine buyer confidence in timely product delivery.

Responding to their concerns, Siddiqi immediately instructed government and private sector representatives present at the event to work on solutions.

SMEs currently contribute around 30 percent to Bangladesh's economy. Over 85 percent of industrial employment is generated by this sector, the statement read.

The SME Foundation, established in 2006 under the Ministry of Industries, has so far supported about two million small and medium entrepreneurs, 60 percent of whom are women, according to the statement.

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Source: thedailystar.net– Sep 22, 2025

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## NATIONAL NEWS

### **India to be fastest-growing major economy with 6.5% GDP in FY26: S&P**

India is set to remain the world's fastest-growing major economy, with gross domestic product (GDP) projected to expand 6.5 per cent in fiscal 2026 (FY26), matching the growth rate of fiscal 2025 (FY25), according to Crisil, an S&P Global company. The outlook reflects India's domestically driven resilience, though global tariff shocks and slowing external demand present risks.

Crisil highlighted that favourable monsoons, easing crude oil prices averaging \$65–\$70 per barrel, and reduced interest rates will support growth. Inflation is expected to ease towards the Reserve Bank of India's (RBI) 4 per cent target, enabling monetary policy flexibility. Income tax cuts and potential goods and services tax rationalisation are expected to bolster consumption, particularly in rural areas, Dharmakirti Joshi said in an article on S&P Global.

India's macroeconomic growth trajectory shows a return to its pre-pandemic trend, averaging 6.6 per cent annually in the decade to 2020. While stimulus and a low base lifted growth to 8.8 per cent between FY22–FY24, higher inflation and fiscal normalisation moderated expansion thereafter. For FY26, the HSBC Purchasing Managers' Index signals sustained momentum across both manufacturing and services.

Yet, challenges loom. US tariffs are likely to erode competitiveness of Indian exports, with nearly 20 per cent directed to the US, where economic growth is slowing to 1.7 per cent in 2025. The eurozone, accounting for 17.3 per cent of exports, also faces weak demand. Rising risks of low-cost imports from China further threaten domestic industries, the article added.

Despite these headwinds, buffers remain. Services exports—constituting 47 per cent of India's total exports—are expected to provide resilience as they are less exposed to global trade shocks than goods. The current account deficit is projected to stay manageable at around 1 per cent of GDP, backed by robust foreign exchange reserves of \$702.8 billion.

The government capex remains a priority, with central and state expenditure rising strongly in early FY26 despite deficit-reduction goals. Monetary easing and fiscal support are expected to provide cyclical momentum, though fiscal space remains constrained.

Looking ahead, policymakers face the dual task of sustaining growth drivers at home while navigating an uncertain global trade environment. Success in balancing domestic reforms, infrastructure investment, and foreign trade agreements will be key to India's long-term ambition of achieving developed nation status by 2047, concluded the article.

Source: fibre2fashion.com– Sep 22, 2025

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## **India, Oman to sign CEPA trade pact very soon: Oman's Ambassador to India**

India and Oman are set to sign the Comprehensive Economic Partnership Agreement (CEPA) "very soon" with both nations eyeing diversification of their trade basket to include more commodities and exchange of services, the country's Ambassador to India Issa Saleh Abdullah Saleh Alshibani said.

In an interview to PTI, Oman's Ambassador to India said negotiations have concluded and currently the legislative and administrative processes are in motion.

"Hopefully... we will reach a stage of signature very soon," he said in response to a question related to the expected timeline for signing of the agreement.

Talks for the agreement, officially termed as CEPA, formally began in November 2023.

In such agreements, two trading partners significantly reduce or eliminate customs duties on a maximum number of goods traded between them.

They also ease norms to promote trade in services and attract investments.

On the impact in terms of bilateral trade after signing of the CEPA, the Oman Ambassador to India said, "We have seen the effect of different CEPA agreements signed by India with other countries." The proposed agreement would simplify and increase the scope of trade beyond energy, into other commodities, Alshibani said.

India's key imports from Oman are petroleum products and urea. These account for over 70 per cent of imports. Other key products are propylene and ethylene polymers, pet coke, gypsum, chemicals and iron and steel.

"So the main export (from Oman to India) where the trade balance really makes a difference, it depends on oil prices and petrochemical prices. I think this is where the serious thinking about the CEPA agreement came out, this business relationship should be expanded to other commodities, where we see other commodities and services exchange between the two," Oman's Ambassador to India told PTI.

Oman is the third-largest export destination for India among the Gulf Cooperation Council (GCC) countries. India already has a similar agreement with another GCC member, the UAE, since May 2022.

During 2024-25, bilateral trade between India and Oman stood at \$10.61 billion.

There are over 6,000 India-Oman joint ventures in Oman with estimated investment of over \$776 million.

Indian companies have emerged as leading investors in Oman, particularly at Sohar and Salalah Free Zones. The cumulative FDI equity inflow from Oman to India between April 2000 and March 2025 is \$605.57 million.

Source: thehindubusinessline.com– Sep 21, 2025

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## **US calls Piyush Goyal's visit for trade talks an important step forward**

The United States (US) calls Commerce and Industry Minister Piyush Goyal's visit to America for trade talks an "important step," amid the growing pressure on India to conclude a trade deal.

"As President Donald Trump has said, the United States and India are continuing negotiations to address trade barriers between our two nations. This visit is an important step in the process. President Trump is certain our two countries can come to a successful conclusion," a US Embassy spokesperson said in response to a query sent by Business Standard.

According to people aware of the matter, Goyal will meet United States Trade Representative (USTR) Jamieson Greer this week on the sidelines of the United Nations General Assembly (UNGA) in New York. They would discuss key trade-related matters as well as the trade agreement since an early conclusion is being eyed.

The commerce and industry ministry did not respond to Business Standard's query. However, an official statement from the ministry on Saturday evening said that Goyal is set to visit the US and hold talks with US officials on September 22. He would advance discussion towards achieving 'early conclusion of a mutually-beneficial trade agreement'. The statement did not specify details of the travel plans and the US administration officials Goyal is meeting.

Goyal's visit follows the meeting of chief negotiators from both the countries in New Delhi on September 16.

A team of officials headed by Assistant USTR for South and Central Asia Brendan Lynch and Indian team headed by special secretary in the commerce department Rajesh Agrawal met earlier this week.

They decided to intensify efforts to achieve early conclusion of a 'mutually-beneficial' trade deal, setting aside recent strains in bilateral relationship. Both sides had also called the meeting 'positive'.



Earlier this month, US ambassador designate to India Sergio Gor had said that the US administration had invited Goyal to Washington to resolve trade tensions between the two countries. Gor had also said the issues will get resolved in a few weeks.

This will be the second meeting between the trade negotiating teams since the US administration last month imposed a punitive 50 per cent tariff on a majority of Indian goods.

This includes the 25 per cent tariff for purchasing Russian oil.

During the talks, one of India's top priorities will be to sort out the imposition of an additional 25 per cent tariff.

Last month, a commerce department official had said that addressing the issue of the high 50 per cent tariff imposed by Washington on Indian exports will be necessary to strike the deal.

"...whenever we strike a deal, both the tariffs (additional 25 per cent and 25 per cent on purchase of Russian oil) need to be addressed...It doesn't need to be addressed at the same exact time, it can be addressed in multiple other ways. But addressing both is necessary to have an effective trade deal on the day," the official had said.

Source: business-standard.com - Sep 21, 2025

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## **Guidebook on Mapping of Harmonized System of Nomenclature (HSN) Codes unveiled by Union Minister of Commerce & Industry, Shri Piyush Goyal**

Union Minister of Commerce and Industry, Shri Piyush Goyal, released the Guidebook on Mapping of Harmonized System of Nomenclature (HSN) Codes prepared by the Department for Promotion of Industry and Internal Trade (DPIIT) on 20th September 2025 during the event on “Celebrating 10 Years of Make in India and Discussion on Next Gen-Reforms 2.0” in New Delhi.

The Guidebook which provides allocation of 12,167 HSN Codes to 31 Ministries and Departments of the Government of India, aims to promote the adoption of data-driven approach for manufacturing development, investment promotion, and trade facilitation. It shall serve as the foundation for building a resilient and competitive manufacturing ecosystem.

Emphasizing the significance of this exercise, Shri Goyal mentioned that the Guidebook is a significant stride towards strengthening domestic production capacity and fostering sectoral growth. Additionally, it will also support more effective Trade Agreement negotiations which are aligned with national economic priorities and domain strengths.

With the facilitation for identification of the relevant Ministry or Department for specific HSN Codes, this initiative will streamline regulatory processes and further enhance ease of doing business. He added that the Guidebook shall play an integral role in accomplishing the vision of Viksit Bharat by 2047, where governance is responsive to the needs of the industry.

The origin of the development of the Guidebook lies in the observation of persistent challenges arising during trade negotiations, import substitution efforts and redressal of industry concerns due to the absence of definitive mapping of HSN Codes. Further, unmapped Codes were misclassified as ‘Residual Products’ due to unclear ownership. To address the matter, DPIIT followed a holistic and proactive approach, by undertaking the value-chain and use-case analysis for each of the 12,167 HSN Codes sourced from the Central Board of Indirect Taxes and Customs (CBIC) Tariff Manual.

Following this, a thorough review of the Allocation of Business (AoB) Rules, 1961, was done for mapping of each HSN Code based on the nature and end-use of the product. Once the preliminary mapping was completed, several Inter-Ministerial Consultations, multiple Joint Working Group meetings, over 300 one-on-one meetings with Ministries and Departments, and numerous Industry Stakeholder consultations were conducted. The feedback received was systematically analyzed and incorporated to ensure reflection of ground-level realities. The exercise eventually led to the mapping of 12,167 HSN Codes to 31 Ministries and Departments. This extensive and consultative effort culminated in the development of the Guidebook, which now stands as a foundational resource for advancing manufacturing and trade related goals.

The Guidebook on Mapping of HSN Codes is a critical enabler for Ministries and Departments to translate policy intent into actionable outcomes. To support its effective use, a dedicated section titled “How to Use the Guidebook?” has also been developed, anchored in three operational pillars. The first segment on “Manufacture in India”, focuses on positioning India as a global manufacturing hub by emphasizing on sector-specific policy alignment, value chain strengthening, and workforce development. Building on this foundation, the “Strengthen Brand India” pillar aims to elevate the global perception of the ‘Made in India’ label through prioritization of quality enhancement. Complementing these efforts, the “Make for the World” pillar is dedicated to support more effective trade negotiations, thereby, enabling Indian products to capture a greater share in international markets.

In conclusion, the Guidebook on Mapping of HSN Codes is not merely a classification exercise but a strategic instrument for shaping the industrial future of India. It empowers Ministries and Departments to adopt an outcome-oriented approach to economic growth and development by streamlining custodianship of products. As India advances towards establishing itself as a global manufacturing hub, this Guidebook becomes pivotal in aligning policy, investment, and trade related matters. With the Guidebook as a catalyst, India is equipped to convert its industrial ambition into international leadership by laying the foundation for a robust and future-ready economy by 2047.

Source: pib.gov.in- Sep 21, 2025

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## **Press Release: Ministry of Commerce & Industry**

- Press Statement on visit of Indian delegation to the United States of America
- Union Minister of Commerce and Industry, Shri Piyush Goyal launches report on Assessment of Logistics Cost in India, strengthening data-driven logistics planning
- Union Minister of Commerce and Industry Piyush Goyal launches IPRS 3.0 to benchmark industrial parks and boost Make in India initiative
- Union Minister of Commerce and Industry launches Logistics Data Bank (LDB) 2.0 to boost India's digital trade and export competitiveness
- Union Minister for Commerce and Industry, Shri Piyush Goyal launches LEADS 2025 to benchmark logistics performance across States and UTs
- Union Minister of Commerce and Industry Shri Piyush Goyal releases the "Guidebook on Mapping of Harmonized System of Nomenclature (HSN) Codes"
- The Union Minister for Commerce and Industry, Shri Piyush Goyal unveils Make in India Commemorative Coin to mark a decade of the initiative
- Union Minister of Commerce & Industry Shri Piyush Goyal Launches Integrated State and City Logistics Plans

Source: [pib.gov.in](http://pib.gov.in)- Sep 20, 2025

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## **Is India ready to be the next China?**

With effect from August 27, Washington slapped a punitive 50 per cent tariff on a wide swath of Indian imports, jolting one of the country's most globally exposed manufacturing sectors—textiles and apparel. Indian suppliers who had built their order books around the US holiday calendar suddenly faced price points that many buyers will not accept, while New Delhi raced to cushion the shock with tax and trade fixes at home.

Early analysis frames the move as both a macroeconomic risk and a sector-level stress test for India's export engine. Yet the bigger question is not just how India absorbs the shock today, but whether it can build the resilience China once mastered.

The tariff is a blunt instrument, and textiles are its blunt-force victim. Home textiles and apparel—traditionally India's strongest US plays—now confront either margin compression or order deferrals. Ratings agency CRISIL (Credit Rating Information Services of India) has warned of a 5-10 per cent revenue decline for home-textile exporters this year if the levy persists, a number that underlines how tightly Panipat, Tiruppur and other clusters are tied to US demand cycles.

The political signalling from Washington is clear—even US commentary concedes that the move strains ties. For Indian boards and planners, the challenge is more practical. Repricing programmes, diversifying lanes and finding ways for domestic demand to shoulder more of the load.

### **Domestic cushion**

New Delhi's first response has been to fortify the home front while keeping export lines moving. A reset of the GST (goods and service tax) drops the rate on value apparel to 5 per cent while pushing higher-ticket garments into 18 per cent bracket from September 22.

The structure is designed to buoy mass-market demand and ease working-capital pressure in the value tier, even as premium apparel absorbs the higher slab. At the same time, the government has temporarily waived the roughly 11 per cent duty on raw cotton imports until the end of December, easing cost pressures for spinning and composite mills.

A lower GST is not just a consumer story but also a factory-floor story. India's fashion market is heavily skewed to the sub-\$30 segment, where tax relief can unlock price elasticity and lift throughput. Retailers expect the festive-wedding overlap to amplify volumes, giving integrated clusters the earliest lift as orders refill at new price points. Domestic demand can soften the blow—but India's export engine still needs recalibration.

### Export recalibration

The tariff arithmetic is unforgiving. A 50 per cent surcharge on landed value overwhelms any benefit from a softer rupee or cheaper cotton, particularly in labour-intensive categories where Bangladesh and Vietnam already compete at scale. The faster hedge is lane diversification, pushing more programmes into markets where India enjoys zero or low-duty access and routing inputs to meet origin thresholds. Exporters are also working with buyers to share costs and redesign products—altering blends, weights and finishes—to claw back margins.

India has some alternatives. Existing corridors with the UAE and Australia, the UK FTA, and ongoing talks with the EU, can absorb part of the US shock if rules of origin are managed carefully. The cotton-duty holiday, though temporary, also prevents a cost spiral at an inconvenient moment, but tariffs alone will not decide India's trajectory—the real test is whether investment and scale can close the China gap.

### Building scale

Despite the tariff shock, India continues to pursue long-term reforms designed to solve the scale puzzle that defined China's rise. The Production Linked Incentive (PLI) scheme for textiles, focused on man-made fibres and technical textiles, remains open through September 30, with dozens of approved beneficiaries. The PM MITRA programme, meanwhile, is rolling out seven integrated parks with shared utilities and logistics, targeting \$8.4 billion in investment and two million jobs.

If these parks deliver true China-style density—common processing, worker housing and fast turnarounds—they can become shock absorbers, allowing firms to pivot products and markets quickly when external tariffs shift. India cannot replicate China's WTO-era tailwinds, but it can recreate the ecosystem logic in pieces. If these initiatives succeed, shocks like the US tariff become speed bumps rather than roadblocks.

## The China question

India's textile story has long mixed strengths in cotton, entrepreneurial clusters and design with weaknesses in fragmentation and logistics. When the Multi-Fibre Arrangement ended in 2005, China seized the moment with integrated scale, while India moved more gradually. Over the past decade, India's push into man-made fibres and technical textiles has been its most meaningful pivot, broadening beyond commodity cotton into higher-value, stickier categories.

The current tariff crisis tests whether that system has matured enough to reallocate capital and capacity without losing vendors or buyers. The better question, then, is not whether India can become the next China, but whether it can build a China-complementary platform—one that combines domestic demand, speed, reliability and compliance at scale.

## Outlook

The next two quarters will reveal whether India's tariff wall at home is tall enough to shelter the fibre-to-fashion value chain while the US front remains hostile. If GST 2.0 lifts value apparel throughput, if the cotton duty holiday prevents a raw-material spiral, and if PM MITRA and PLI milestones hold investor confidence, the damage is containable, and the strongest firms may even gain share.

If, however, the levy lingers into 2026 and price-sensitive US programmes relocate to rivals, India's calendar-year outlook will flatten. The sensible plan is to execute for resilience now—protect the value tier at home, double down on synthetics and technical textiles, and qualify more export lanes abroad.

India is not yet the next China. But with reforms taking root and domestic demand as ballast, this tariff shock could prove to be the stress test that accelerates its textile ecosystem towards scale.

Source: fibre2fashion.com— Sep 21, 2025

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## **Why China's exports have stayed resilient in the face of Trump's tariffs**

China has been preparing for a trade shock since tariffs were first imposed in 2018, during the previous Trump presidency. By the time tariffs were rolled out again in 2025, Chinese authorities had taken steps to de-risk exports.

Chinese goods exports grew 4.4% year-on-year in August. This was the slowest rate in six months and the worst performance since the US's Donald Trump administration imposed tariffs on almost all economies. Exports to the US dropped by as much as 33%. It was partly the result of front-loading shipments earlier this year, but also because export orders have been put on hold while both sides await clarity on the evolving tariff situation.

Does this mean that the Chinese export juggernaut has been halted? Well, not really.

In fact, exports from China appear to be remarkably resilient even in the face of trade tensions. China has been preparing for a trade shock since tariffs were first imposed in 2018, during the previous Trump presidency. By the time Trump rolled out his new tariff plan again in 2025, Chinese authorities had already taken steps to mitigate the risk they faced from relying so heavily on exports.

### **Find new markets**

China's core strategy was to reduce reliance on the US by diversifying into new export markets. Since 2018, the US's share in China's exports has declined by nearly eight percentage points. This was mostly set off by the increase in export shares of members of the Association of Southeast Asian Nations (Asean), Latin America, and Africa.

In Africa, China has established deep trade links by riding on the Belt and Road Initiative (all except one African nation has signed up for it in some form). The BRI modus operandi is as follows: China lends money to poorer nations for developing infrastructure and industrial zones. Chinese firms carry out the task of building projects and maintaining them. In return, China gains valuable natural resources or access to ports, and can introduce its products into African markets.



China's influence on African consumption is the result of years of policy planning: cheap Chinese solar panels dominate Africa, Chinese company Transsion controls half of Africa's smartphone market, and China accounts for more than 40% of Africa's textile imports.

Latin America and Africa provide mineral and agricultural inputs; in return, they buy Chinese products. The added bonus? Given that most emerging market currencies have been depreciating against the dollar, trading partners are happy to use the Chinese renminbi to settle trades, thereby furthering Beijing's ambition to internationalize the use of its currency.

### Produce overseas

Here's another strategic step that China has taken: investing heavily in production facilities in the Asean member countries. The initial motivation was to reduce costs, but since 2018, these locations have been used to re-route Chinese exports and evade US tariffs.

Going forward, the adoption of stricter rules of origin is expected to reduce such transshipments. But exports to Asean member nations will continue to flourish for two reasons.

One, having manufacturing bases in the region is a huge advantage. A plant of Chinese conglomerate BYD in Thailand—which went operational in July 2024—has brought jobs to the host country, and also serves neighbouring high-growth markets. At present, BYD dominates new electric vehicle (EV) sales in Thailand, Malaysia and Singapore.

Two, over time, Chinese investments also lead to domestic value addition, thus creating a win-win situation for China as well as the host country. For instance, China is currently building a new BYD factory in Cambodia, while also developing EV charging infrastructure and training local workers with a view to building capabilities there.

Both these strategies seem to have paid off handsomely for Beijing: China now accounts for nearly a quarter of the total goods imported into Asean nations, up from around 20% just about a decade ago.

## Adapt and innovate

But the key reason why China's exports are resilient even in the face of current challenges is the ability of its companies to adapt and innovate. Studies show that innovation allows exporters to manage hostile economic environments because their products are state-of-the-art and high in quality, and remain in demand even in tough years. Innovation is more than entrepreneurial spirit—it is the outcome of expertise in research and development (R&D) and technological prowess.

The ability to innovate with the backing of research has propelled China from being a seller of cheap plastic goods to the developer of a pathbreaker such as DeepSeek, an artificial intelligence firm that took the world by storm last year. China's gross expenditure on R&D is around 2.5% of GDP, comparable with the top exporting nations. Since 2015, China's patent office has received over a million applications each year—in 2023, it issued 920,790 patents, the highest in the world.

Moreover, a new government anti-innovation campaign is urging businesses to avoid price wars and focus on quality and innovation—clearly, policymakers are aware of the critical role of R&D spending in securing future profitability.

What does all this mean?

In summary, China has developed a formidable export sector, which is keeping it afloat. It has a 14.5% share in global exports, well-entrenched in global supply chains, driven by innovation and productivity, with access to a wide range of markets, and showcasing a diverse array of products, ranging from Labubu dolls to rare earth metals. As Indian policymakers scramble to mitigate the impact of the US tariffs on India, there is much to learn from China's journey of building resilience in exports.

Source: livemint.com– Sep 21, 2025

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## **CBAM already hurting India's exports to EU: GTRI**

The European Union's Carbon Border Adjustment Mechanism (CBAM) has started hurting India's exports of steel and aluminium even before the actual collection of the tax under it has begun, according to a report by Global Trade Research Initiative (GTRI).

### **CBAM's Early Impact on Indian Exports**

The tax under CBAM will be collected from January 1, 2026, while the reporting requirements on carbon emissions at the production stage on steel and aluminium began from October 1, 2023.

Because of the complexities involved in reporting, several companies have opted out of exporting to the EU, leading to a 24.4% drop in India's steel and aluminum exports — to \$5.82 billion in FY25 from \$7.71 billion in FY24, the report said.

Steel was hit hardest, with iron and steel exports plunging 35.1% to \$3.05 billion, while articles of iron and steel fell 6.8% and aluminum exports declined 9.8%.

### **Carbon Pricing Gap Widens Burden**

The latest announcement by the 27-nation grouping, in its new strategic agenda for India, allowing Indian exporters to deduct the price paid under the upcoming Carbon Credit Trading Scheme (CCTS) from CBAM liabilities is no extra favour. This has been presented as a concession to India but it is not a concession — Article 9 of CBAM Regulation already allows such deductions for all countries, Ajay Srivastava, founder of GTRI, said.

CBAM is the tax levied on excess carbon emitted during the production of select products like iron and steel, aluminium, cement, electricity, hydrogen and fertilisers. The EU has prescribed a threshold of carbon emission on each product, beyond which, this tax will be imposed.

In September, the EU announced exemption to companies importing less than 50 tonnes of CBAM goods. However, most commercial shipments have far greater volumes, making this exemption practically meaningless.

Indian exporters will be unable to utilise this small concession of carbon price adjustment anytime soon. The CCTS, India's first national carbon market, was legally notified under the amended Energy Conservation Act, 2022, but remains at a preparatory stage.

Even when fully operational, the Indian carbon price is expected to remain below \$10 per tonne of carbon dioxide, far below the EU Emissions Trading System (ETS) price of around €65/\$71 per tonne. This means, Indian exporters would still need to pay the difference — roughly \$61/tCO<sub>2</sub> — as CBAM liability, leading to a significant additional cost burden.

Indian exporters already face safeguard measures and anti-dumping duties in the EU. Safeguard tariff rate quotas (TRQs) cap duty-free imports for 26 steel product categories, and imports above quota attract a 25% tariff. For stainless steel cold-rolled flat products from India, provisional anti-dumping duties range between 13.6% and 34.6%. CBAM levies will be over and above these duties, further eroding the competitiveness of Indian producers.

“India should also negotiate with Brussels for transition flexibilities — similar to what the US reportedly secured — such as longer phase-in periods, partial waivers, or recognition of domestic carbon payments,” Srivastava added.

Without such measures, CBAM can hurt trade with the EU and undermine the ongoing India-EU FTA negotiations, he said.

Source: [financialexpress.com](https://financialexpress.com)– Sep 21, 2025

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## **Tiruppur weaves a new synthetic future, eyes ₹25,000 cr exports by 2030**

Many call it a quiet textile revolution, engineered by the Tamil Nadu government alongside a determined group of exporters in Tiruppur. Long recognised as India's knitwear capital and a hub of cotton textiles, the city is now making waves in the global market for man-made fibre (MMF) garments — powered by aggressive policies and bold industry moves.

The figures are striking. From virtually no exposure to MMF four years ago, Tiruppur is today exporting around \$500 million worth of such garments. The timing is significant: Globally, MMFs such as polyester, viscose, and nylon account for more than 60 per cent of fibre consumption, compared with about 25 per cent for cotton.

When Business Standard met K M Subramanian, president of the Tiruppur Exporters' Association (TEA) and promoter of KM Knitwear, he laid out a road map. "Our target is to increase the export revenue from ₹44,747 crore to ₹1 trillion by 2030. The idea is to raise the share of MMF from around ₹4,500 crore (\$500 million) now to ₹25,000 crore (\$3 billion) by then," Subramanian said. "We had near zero MMF in our basket almost four years back," he added.

### **The spark**

The segment got a leg up from a special scheme launched by the M K Stalin government a few years ago, offering subsidies to MMF yarn, fabrics made from recycled materials, and technical textiles manufacturing units. This was followed by a partnership with Taiwan, a global leader in MMF processing, and, this June, a new integrated textile policy that earmarked ₹250 crore to strengthen the ecosystem.

The Tiruppur industry expects at least ₹1,000 crore of MMF processing investments this year, and over ₹10,000 crore over the next five years.

Taiwanese chemical, machinery, dye, and technology suppliers have already set up a base in Tiruppur, providing expertise to help transition. The roster includes Tainan Enterprise, Lealea Group, Alchemie Taiwan, and Hsing Yong Ho. By late July, leaders from these companies had convened a series of meetings with local businesses.

Tamil Nadu's own textile giants have stepped forward too. Companies such as Menaka Mills, SCM Garments, TechnoSport, Best Corporation, CR Garments and Shobikka Knits are investing heavily in MMF knitting and processing. "We are getting help from Taiwanese companies, and some are already in Tiruppur. Around six companies have built their manufacturing units. We need 20–30 more to achieve the \$3 billion export target for 2030," said Sunil Jhunjhunwala, co-founder of sportswear company Technosport. India must accelerate its free-trade agreements with the US and EU to secure a level playing field in global markets, he added.

"All the global sportswear and activewear giants like Adidas are looking for MMF. It is the future, and we have to catch up with other markets importing fabrics from China, Taiwan, and South Korea initially and exporting garments made out of it, until the ecosystem is developed," said A Sakthivel, founder of Poppys Knitwear and TEA chairman.

The Centre has also stepped in with a push, through the production-linked incentive (PLI) scheme and the development of PM MITRA parks dedicated to MMF apparel, fabrics, and technical textiles.

### Challenges ahead

MMFs fall into two broad categories: Synthetic, derived from crude oil, such as polyester, acrylic and polypropylene; and cellulosic, produced from wood pulp, like viscose and modal. While India has a foothold in cellulosic fibres, exporters say it needs an overhaul.

"Indian companies should also invest in new-age MMF like lyocell and polyester filament, rather than continued investment in conventional products. These new-generation products are most sought after in the global market," Jhunjhunwala observed, pointing out that China dominates in this space. Imports of Chinese fabrics are currently hindered by the quality control order (QCO), adding another bottleneck.

Others warn India risks being left behind. "By 2016, we had 40 kilotonne lyocell supplies, and we are at the same level now, whereas China zoomed from zero to 2,000 KT during the same time," said an industry leader.

At present, India holds just 3.4 per cent of the global trade in MMF textiles. Projections suggest exports will rise by 75 per cent to \$11.4 billion by 2030, from the current \$6.5–7 billion. Yet, according to Arun Ramasamy, chairman of TEA's MMF Sub-Committee, "We have a

knowledge gap compared to China, Taiwan, Vietnam and other MMF-advancing countries, affecting the production of high-quality, value-added MMF products. These issues need to be addressed immediately.”

TEA’s plan is clear: Import fabrics and manufacture garments for the US and EU markets; plough investment into knitting and processing; and within five years, establish a full value chain of MMF including yarn, dyes and chemicals.

If the blueprint unfolds as intended, Tiruppur —long defined by cotton — could soon weave a new chapter in India’s textile story.

Source: business-standard.com– Sep 20, 2025

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## **Tariffs hit Karnataka textile sector hard, hopes pinned on trade talks**

Karnataka plays an important role in India's textile and apparel ecosystem, accounting for around 20 per cent of the country's total garment production, according to some estimates.

The state is also a key producer of essential raw materials, contributing roughly 49 per cent of India's silk and wool, 6 per cent of its cotton, 5 per cent of Man-made Fibres (MMF), and 10 per cent of the nation's total fabric output, as per some estimation, while Bengaluru, the state's capital, is widely referred to as the 'garment capital' of the country.

However, like the other manufacturing hubs across India, Karnataka is facing mounting challenges due to the United States' imposition of 50 per cent reciprocal tariff on Indian goods.

This has disrupted trade and triggered widespread concern within the state's apparel and garment sector, which is also one of the largest employment generators.

Industry insiders say exports to the US — a key market — have nearly come to a halt, forcing many factories to operate well below capacity, and if the situation persists, large-scale layoffs and factory shutdowns cannot be ruled out.

While some relief has come in the form of cotton duty waiver and other policy support, these measures are not sufficient to offset the impact of 50 per cent tariffs, even as they underline that the industry's survival will now depend largely on how swiftly market diversification takes place, implementation of stronger trade policies, and tapping into domestic consumption to bridge the gap.

A glimmer of hope nonetheless has emerged with the resumption of high-level discussions between India and the United States. The discussion marks a positive shift following the prolonged diplomatic strain after US President Donald Trump imposed additional tariffs in response to India's energy trade with Russia.



The recent discussion signals a thaw in the mutual relations and offers an opportunity to recalibrate the trade dynamics between the two countries.

In the talks, the US delegation was led by Brendan Lynch, US Trade Representative for South Asia, while India was represented by the senior Commerce Ministry official Rajesh Agarwal. The dialogue is being seen as a major step towards de-escalating trade tensions.

Adding to the optimism is President Donald Trump's recent expression of hope about securing a comprehensive trade agreement with India, which was met with an equally positive response from Prime Minister Narendra Modi, who highlighted that such negotiations could unlock the vast untapped potential of the India-US partnership.

This mutual show of intent has bolstered the industry's spirit, which sees it as a sign towards an early resolution, which will help stabilize the sector and revive its growth momentum.

However, others are for a more cautious approach. Their apprehensions stem from some recent media reports, which, citing sources, reportedly claimed that, although Brendan Lynch and Rajesh Agarwal held "positive and forward-looking" discussions aimed at reviving the bilateral trade agreement (BTA) negotiations, the next formal round of negotiations will begin subject to the outcome of virtual interactions to address certain contentious issues.

It would therefore be prudent to acknowledge the prevailing uncertainty as all eyes are now on how things unfold in the coming days.

Source: fibre2fashion.com– Sep 21, 2025

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