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88.71	104.67	119.83	0.60

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## INTERNATIONAL NEWS

### **US Trade Partners Scrap Retaliatory Duties, Vie for More Favorable Trade Terms**

Days ahead of a meeting between its leader, President Recep Tayyip Erdogan, and President Donald Trump, Turkey has removed tariffs on some American-made automobiles, agricultural products, chemicals, fuels and alcoholic beverages.

Erdogan, who arrived in the United States on Sunday, addressed United Nations General Assembly on Tuesday, and will fly to Washington for a meeting with Trump on Thursday.

The tariffs in question were put in place in 2018, during Trump's first term in office, as retaliation for duties levied on Turkey. Now, it appears that the foreign head of state is extending an olive branch ahead of a consequential meeting focused significantly on trade issues. Turkey currently faces tariffs of 15 percent on most products, as well as 50 percent duties on steel, as a part of Trump's tariff "reciprocal" tariff scheme.

"During our meeting, we will discuss issues aimed at strengthening our bilateral cooperation, with a focus on trade, investment and the defense industry. Regional issues will top our agenda," Erdogan said of the scheduled White House meeting, according to Turkish state-run news outlet Anadolu Agency.

He may have a shot at more favorable terms, given his longstanding relationship with Trump, which dates back to the latter's first term. Though they have disagreed over certain issues—Turkey was ousted from the Department of Defense's F-35 fighter jet program in 2019 after purchasing Russian missiles—there is a well-documented mutual respect between the two leaders. Trump has referred to Erdogan as a "friend," and the Turkish president expressed a desire to "reset" the trade relationship following the 2024 election.

Turkey also has a growing, but basically balanced, trade relationship with the U.S.—an advantage during a time when Trump is targeting American trade partners with higher tariffs over pervasive trade deficits. In 2024, U.S. total goods trade with Turkey totaled \$32.1 billion, with American

exports growing 5.6 percent from the year prior to \$15.4 billion. Turkish exports to the U.S. market totaled \$16.7 billion, up 8.6 percent from 2023.

Meanwhile, Kenya is hoping to finalize a trade agreement with the U.S. by the end of the year, its trade minister, Lee Kinyanjui, told Reuters. The country currently benefits from Africa Growth and Opportunity Act (AGOA) privileges, at least until the program lapses on Sept. 30, underscoring the urgency of a trade truce.

The sub-Saharan African nation's reciprocal tariff rate is currently set at 10 percent—the lowest rate available to U.S. trade partners under Trump's tariff regime. However, an end to the duty-free trade preference program will have significant consequences for Kenya's burgeoning apparel and textile manufacturing sector, which is responsible for about 300,000 jobs supported directly by AGOA trade.

Kinyanjui said a "sudden end" to AGOA would cause upheaval, adding that Kenya's government hopes for an extension in order to protect workers' livelihoods. "If there's no clear transition, there would be disruption," he added, according to Reuters.

The trade minister met with U.S. Trade Representative (USTR) Ambassador Jamieson Greer in August, and the two mutually agreed to further talks for a bilateral trade deal, but no further discussions have taken place.

Switzerland, which has been hit with a steep duty rate of 39 percent, is attempting to sweeten a potential deal with the U.S. by offering to buy more weapons and energy amid negotiations with American trade officials.

According to the Financial Times, larger purchases of enriched uranium and liquefied natural gas are on the table. Swiss economy minister Guy Parmelin has been tasked with interfacing with U.S. Commerce Secretary Howard Lutnick on the issue following a lackluster call between Swiss President Karin Keller-Sutter and Trump.

The leader reportedly pressed for a lower tariff rate, but was rebuffed. Traveling to Washington to meet with Trump in person shortly after yielded similarly disappointing results, with Trump holding firm on his established tariff rate and attributing his intractability to the multibillion-

dollar trade imbalance—\$38.3 billion, to be exact—between the U.S. and Switzerland.

Chief executive of the Swiss-American Chamber of Commerce Rahul Sahgal said the two sides have seen “some good progress lately,” but more talks are needed to move the ball forward.

“Negotiations are still ongoing, but I would not be hopeful for an imminent deal,” he added.

India, which faces 50 percent tariffs as of last month, is vying for relief as its U.S.-bound exports plummet. The country’s apparel and textile sector stands to see major contraction due to the sky-high tariffs, which the Clothing Manufacturers Association of India (CMAI) said will cause product prices to increase by up to 35 percent.

Secretary of State Marco Rubio met with Indian External Affairs Minister Subrahmanyam Jaishankar on the sidelines of the United Nations General Assembly on Monday, and his office’s comments underscored a desire on the part of both nations to work toward a symbiotic agreement.

“Secretary Rubio, reiterating that India is a relationship of critical importance to the United States, expressed his appreciation for the Indian government’s continued engagement on a number of issues including trade, defense, energy, pharmaceuticals, critical minerals, and other items related to the bilateral relationship,” the readout said.

“Secretary Rubio and External Affairs Minister Jaishankar agreed the United States and India will continue working together to promote a free and open Indo-Pacific region, including through the Quad.”

In recent weeks, however, Trump has been pressing U.S. allies like the European Union and the United Kingdom to up their own tariffs on India due to its close economic ties to Russia, which provides the country with much of its oil. Trump views India’s purchases as funding for the assault on Ukraine, for which he is eager to facilitate an end.

During his own address Tuesday at the UN gathering, the president renewed direct threats against Russia and his request to the EU, saying duties and sanctions are on the way unless it complies.

“If Russia does not end the war, the United States will impose very strict tariffs which would end the war very quickly, but the Europeans have to adopt them as well,” Trump said.

The event was not an occasion for diplomacy, at least for the American president, who lambasted the other heads of state present over issues including immigration and climate change. “Your countries are going to hell,” he said.

Source: sourcingjournal.com– Sep 23, 2025

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## **Trade Groups Urge Trump to Hold Firm on De Minimis Ban Amid Legal Challenges**

Trade organizations and advocacy groups are applauding President Donald Trump's decision to end the de minimis trade exemption globally—and urging the Commander in Chief to hold firm on the decision as it faces potential legal challenges.

The Coalition to Close the De Minimis Loophole, a collective made up of bodies like the National Council of Textile Organizations (NCTO), the Reshoring Initiative, the National Association of Police Organizations, Coalition for a Prosperous America (CPA), Facing Fentanyl, Families Against Fentanyl (FAF) and other groups pushing awareness about the dangers of fentanyl, last week released an open letter thanking the president for ending the provision, which facilitated the importation of more than 1.36 billion packages in 2024 alone.

Groups like NCTO have long argued that the so-called “loophole” has acted as a thoroughfare for cheap foreign-made products and illicit goods like fentanyl precursors to enter the United States unchecked and duty free—a circumstance that they believe has undermined domestic producers and endangered consumers.

“Your executive orders have helped to level the playing field, restoring fairness for U.S. manufacturers and laying the groundwork for reinvestment and job creation in the United States,” the letter to Trump said. “Your actions also have closed a dangerous gateway used by bad actors seeking to illegally funnel fentanyl and precursor chemicals and other illicit goods into the United States, contributing to the drug epidemic ravaging our communities.”

China—the most prolific user of the exemption—lost its access to de minimis in May, and other countries across the globe saw their privileges revoked on Aug. 29. But there could be a wrinkle in the president's plan, as he invoked the International Emergency Economic Powers Act (IEEPA)—the same 1977 trade law used to justify his global “reciprocal” tariff scheme—as the legal basis for the de minimis ban.

Trump's IEEPA tariffs have been at the center of a legal maelstrom, having been deemed illegal by two federal courts over the summer. Now, the lawsuits against the tariffs, brought by a dozen state attorneys general and

more than half a dozen American businesses, head to the Supreme Court for a final ruling. Plaintiffs argue that the president overstepped his authority by invoking IEEPA to impose the tariffs, and the lower courts agreed.

There have also been direct legal challenges to the de minimis ban, like a lawsuit brought by a Michigan auto parts retailer and distributor in May.

“Insofar as recent or future court rulings overturn, nullify or introduce any uncertainty regarding your order ending de minimis for all commercial packages, we urge you to use existing executive authorities without hesitation to ensure that the de minimis loophole remains closed for good,” the Coalition’s letter said.

The group did not elucidate other legal avenues that the president could pursue in order to execute the ban, but Treasury Secretary Scott Bessent has repeatedly stated that if Trump’s IEEPA tariffs are overturned by the Supreme Court, the administration is prepared to use “other authorities” to make sure the tariffs stay in place, though he’s “confident” that the administration’s agenda will prevail.

Another prevalent argument against halting the de minimis exemption stems from the sheer scale of enforcement and the challenges that mail carriers and Customs and Border Protection (CBP) will face when it comes to tariff collection and inspection, respectively.

“We are pleased to note that the price surges, supply chain collapses, and delivery delays predicted by de minimis supporters have not come to pass in the wake of the end of de minimis globally,” the Coalition wrote.

While Trump’s decision to end de minimis treatment for all low-value commercial shipments took effect just weeks ago, the bulk of de minimis packages hail from China, which was cut off over four months ago “without any significant disruptions,” the signatories wrote. They said the “panic stoked by de minimis supporters” over foreign postal operators suspending shipments to the U.S. has been “overblown,” as just 5 percent of de minimis shipments enter the country through the mail.

Private express carriers like UPS, DHL and FedEx adapted to the China shift with few disruptions, they added (though DHL recently hired 200 new customs agents to help cope with shifting trade policy). “Foreign postal services are also adapting to the new rules. Some posts, like Royal

Mail, resumed shipments after brief adjustments. Others, like Australia Post, have paused parcels temporarily while updating systems.”

The group said it aims to continue “challenging misconceptions” about de minimis trade as a part of its advocacy work.

Source: sourcingjournal.com– Sep 23, 2025

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## **Domestic demand to cushion Asia-Pacific slowdown in 2025 & 2026: S&P**

External forces are set to weigh more heavily on Asia-Pacific growth through the rest of 2025 and into 2026, according to S&P Global Ratings. While resilient domestic demand is expected to cushion the blow, rising trade barriers and global uncertainty are reshaping the region's economic trajectory.

Higher US import tariffs are disrupting trade, investment, and growth across Asia-Pacific. For the US itself, tariffs are fuelling inflation even as growth slows and the labour market weakens, S&P Global Ratings said in its latest prediction report tilted, 'Economic Outlook Asia-Pacific Q4 2025: Growth to Ease on External Strain'.

It expects the Federal Reserve to deliver two additional 25 basis points (bps) cuts to its policy rate in both 2025 and 2026, following the September reduction. The tariff shock is not evenly distributed. China has so far fared relatively better than Southeast Asian emerging markets, while India has been hit harder than anticipated. Developed economies in the region are broadly in line with expectations. Compared to pre-Trump era levels, all Asia-Pacific economies now face significantly higher effective tariffs, with India experiencing the steepest increase.

Mexico's recent tariff hikes on non-FTA partners underscored the risk of broader global protectionism. In Asia-Pacific, only Japan, Malaysia, Singapore, and Vietnam have agreements with Mexico that shield them from such measures.<sup>a</sup>

China's exports held up until August, but shipments to the US plunged 33 per cent year-over-year (YoY). Stronger trade with ASEAN helped offset the decline, yet higher US and Mexican tariffs, weak housing demand, and slowing consumption are expected to drag growth.

S&P projects China's GDP to slow to 4.6 per cent in 2025 and 4 per cent in 2026, down from 5.3 per cent in the first half of 2025.

Persistent overcapacity and subdued demand continue to squeeze profits, with nominal GDP growth falling to 3.9 per cent in Q2—its lowest since the COVID-19 crisis.

Exports across Asia-Pacific remain supported by frontloading and strong global demand for technology, especially AI-related equipment. Taiwan, South Korea, Singapore, Malaysia, Thailand, and Vietnam are key beneficiaries. Domestic demand remains robust, particularly in India, where S&P forecasts GDP growth at 6.5 per cent this fiscal, aided by government spending, tax cuts, and a benign monsoon.

Southeast Asia is expected to see growth ease by 0.4 percentage points to 4.5 per cent in 2025, while Australia may gain from easier financial conditions following policy rate cuts.

Inflation across the region has stayed modest, creating scope for further monetary easing. Regional central banks have cut policy rates by an average of 55 bps in 2025, with more expected as US rates decline. In India, inflation is projected at 3.2 per cent for FY25-26, leaving room for an additional 25 bps cut. Japan's inflation path is closing in on the Bank of Japan's 2 per cent target, setting the stage for gradual policy tightening.

The report stated that despite resilient domestic demand, Asia-Pacific remains highly exposed to external shocks. Rising tariffs, global protectionism, and China's manufacturing overcapacity threaten to undercut competitiveness and profitability across the region. Yet accommodative policies, solid consumption, and strong investment in technology may help offset some of the external drag.

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## **Uzbekistan announces tax, customs incentives for textile enterprises**

Uzbek President Shavkat Mirziyoyev recently signed a resolution on measures to accelerate reforms and expand export potential in the textile and knitwear industry, setting a 9-per cent increase in 2026 production to 146 trillion soums and boosting exports to \$3.3 billion.

Measures to back financial recovery include restructuring the debts of cotton-textile clusters on loans issued from the State Agricultural Support Fund for the 2022-2023 harvest.

For clusters with collateralised assets, interest payments will be deferred until the principal is repaid. Those who met obligations on time will be refunded half of interest paid, while accrued penalties on overdue interest as of August 1, 2025, will be written off.

Farmers will receive subsidies of 1 million soums this year for each tonne of raw cotton sold to processors via exchange trading to ensure uninterrupted cotton harvesting. Clusters and enterprises financing cotton cultivation or procurement with their own funds will be reimbursed 10 per cent of its cost, according to domestic media reports.

Beginning September 1, a reduced social tax rate of 1 per cent will be imposed for three years on cotton-textile clusters and textile and knitwear enterprises. In addition, customs duties will be waived off on blended fabrics, textiles and raw materials for the leather and silk industries not produced in Uzbekistan.

Source: fibre2fashion.com– Sep 24, 2025

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## **Brazilian retailers to curb investments amid high rates: Fitch**

Brazilian retailers' investment plans are likely to remain restrained until at least 2026, given a challenging macroeconomic backdrop of prolonged high interest rates, above-target inflation, and softer demand, Fitch Ratings has said.

Competition remains intense in e-commerce and cash-and-carry channels, while easing in apparel retail due to higher import taxes. Foreign players are also expanding their presence as local incumbents prioritise profitability over aggressive growth.

Fitch projects median capex-to-revenue ratios at 3–3.5 per cent in 2026–2027, down from 3.8 per cent in 2024 and over 6 per cent during 2019–2022. Companies with higher leverage are prioritising deleveraging and integration of acquisitions over expansion.

Fitch forecasts median revenue growth to slow to around 10 per cent in 2025–2026, with EBITDAR margins improving by 40 basis points from 2024 levels, driven by expense rationalisation and profitability focus.

However, high interest costs — consuming about 33 per cent of cash generation — and negative free cash flows through 2026 will limit deleveraging. Net debt/EBITDAR is projected to stay at 2.8x in 2026 and 2.6x in 2027, with interest-and-rent coverage below 2x.

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## **Indonesia, EU sign long-awaited trade deal**

Indonesia and the European Union finalised negotiations on a trade agreement Tuesday (September 22, 2025) after nearly a decade of talks, a senior minister said.

The Indonesia-European Union Comprehensive Economic Partnership Agreement (CEPA) is the third deal Brussels has signed with Southeast Asian countries, after Singapore and Vietnam.

The pact was signed by EU Trade Commissioner Maros Sefcovic and Indonesian Minister of Economic Affairs Airlangga Hartarto in Bali and will open investment in strategic sectors such as electric vehicles, electronics, and pharmaceuticals.

“By finalising this agreement, the EU and Indonesia are sending a powerful message to the world that we stand united in our commitment to open rules-based and mutually beneficial international trade,” Mr. Sefcovic said after the signing.

“In all, EU exporters will save some €600 million (\$708 million) a year in duties paid on their goods entering the Indonesian market, and European products will be more affordable and available to Indonesian consumers.” EU President Ursula von der Leyen said in a statement.

The right moment

Indonesia has been in talks with the EU since 2016, but negotiations for a trade deal initially saw little progress.

Issues such as palm oil and deforestation posed stumbling blocks, but U.S. President Donald Trump’s sweeping tariff policy “created the urgency” to expedite an agreement, said Deni Friawan, researcher at the Centre for Strategic and International Studies.

The trade deal also included a protocol on palm oil, the EU said in a statement, without providing details.

President Prabowo Subianto travelled to Brussels in July and announced with EU chief Ursula von der Leyen that the two sides had reached a “political agreement” to conclude the deal after 19 rounds of negotiations.

Indonesian Chief Economic Minister Airlangga Hartarto said uncertainties caused by the “tariff war and protectionism” between major countries pushed the two sides “to seek certainty through a stable bilateral agreement”.

“This is a ten-year journey that has resulted in a milestone that reflects our commitment and the commitment of stakeholders to an open, fair, and sustainable economic assistance,” he told a news conference.

The agreement was expected to “mitigate risks from the impact of the global tariff war”, Mr. Airlangga told AFP in a statement.

“This signing came at the right moment. It was finalised because of Donald Trump’s tariff war, and we need to seek an alternative market in Europe, and Europe has the same interest, they need a market to penetrate,” Bhima Yudhistira Adhinegara, executive director of the Center of Economic and Law Studies, told AFP.

“Around 80% of Indonesian exports to the EU will be tariff-free after the deal comes into force,” Mr. Airlangga said in June. “It is expected to benefit the country’s top shipments to the bloc including palm oil, footwear, textiles and fisheries,” he added.

The EU is Indonesia’s fifth-largest trading partner with bilateral trade reaching \$30.1 billion last year.

“The agreement would further open up EU access to the Indonesian market of around 280 million people,” Mr. Deni said.  
Green policy tensions

Ties had been frayed by issues including a proposed import ban by Brussels on products linked to deforestation that has angered Indonesia, a major palm oil exporter.

Under the EU deforestation regulation, exports of a vast range of goods – including soy, timber, palm oil, cattle, printing paper and rubber – are prohibited if produced on land deforested after December 2020.

Mr. Airlangga said Mr. Sefcovic had promised to give “special treatment” regarding the regulation for countries that have signed trade agreements with the bloc.

The EU has postponed the rule's implementation to the end of this year after a backlash.

However, activists are concerned the trade agreement will lead to more deforestation driven by increased demand for Indonesian palm oil.

“The remaining natural forests in palm oil concessions will potentially be cleared in the near future (and) converted into plantations,” said Syahrul Fitra of Greenpeace Indonesia.

Brussels reportedly pushed to include provisions about deforestation in the agreement, but details have not been made public.

After Tuesday's (September 22, 2025) signing, the two sides are expected to carry out steps including legal checks and translation of the official documents, Mr. Airlangga said.

The deal will then have to be ratified by EU members as well as lawmakers in the European Parliament and Indonesia.

“The agreement is expected to be implemented by 2027,” Mr. Airlangga added.

Source: thehindu.com– Sep 23, 2025

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## **Egypt, Singapore to explore FTA feasibility, sign cooperation MoUs**

Singapore and Egypt recently agreed to explore the feasibility of a free trade agreement (FTA) and take advantage of each other's strengths and strategic locations during Singaporean President Tharman Shanmugaratnam's official visit to Cairo, where he met his Egyptian counterpart Abdel Fattah Al Sisi.

The two presidents witnessed the signing of several memoranda of understanding (MoUs) on cooperation in economy, maritime transport, health, agri-research, micro, small and medium enterprises and start-up development, capacity building and social protection, an official release from the Singaporean Ministry of Foreign Affairs said.

Egypt was the first Arab country to recognise Singapore's independence in 1965. Tharman invited Al Sisi to visit Singapore next year to commemorate the 60th anniversary of their diplomatic relations.

Tharman also met Egyptian Prime Minister Mostafa Madbouly, who updated him on economic developmental plans and investment opportunities for Singaporean companies.

The two leaders agreed that there was scope to step up bilateral economic cooperation and for both sides to work closely together to drive innovation in port, airport and water management, the release added.

Source: fibre2fashion.com– Sep 23, 2025

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## **Vietnam and APAC Rocked By Tariff Impacts, United Nations Says**

While countries across the globe are facing hardships due to the double-digit duties imposed by the Trump administration, they've been particularly detrimental to the American fashion industry's leading China alternatives. According to new data from the United Nations Development Programme (UNDP), shocks caused by tariffs are pummeling Southeast and East Asia with ferocity, rivaled narrowly in impact by South Asia and the Pacific. The group's data, released last week, showed that Cambodia's exports to the U.S. could fall by 24 percent, Vietnam and Fiji by more than 19 percent, and Sri Lanka by about 15 percent.

Vietnam, America's premier footwear supplier outside of China, could see one-fifth of its export volume evaporate because of the 20 percent tariffs it now faces. While that rate is less than half of the 46 percent President Donald Trump originally threatened earlier this spring, the country (which was the No. 6 exporter to the U.S. last year with volumes of goods worth \$136.5 billion flowing through ports of entry) now stands to see its exports fall over time by over \$25 billion.

Its own export data showed that exports fell 2 percent month-over-month in August, with shoes alone seeing a 5.5 percent decrease. Vietnam produces products for Nike, Adidas, Timberland, Puma, Skechers, Dr. Martens and dozens of other household name brands, and is the second largest footwear supplier in the world.

According to the UNDP, the potential hit to one-fifth of Vietnam's export business is almost twice as high as the 9.7 percent average decrease being felt across other Southeast Asian production hubs. "Exporters are adjusting, but resilience depends on market exposure and product mix," analysts wrote.

And while the longtime target of the president's ire—China—also faces new tariffs, they currently stand at just 10 percent while officials from Beijing and Washington work toward a long-term bilateral trade agreement. That pause on much higher 30 percent duties expires Nov. 10, and there are signs that it has given China time to adapt its strategy, allowing for export growth rather than the dwindling exports its neighbors have faced.

Between April and August, China's exports grew 5.9 percent from the same period the year prior, with a 25 percent fall in exports to the U.S. worth \$57 billion offset by 11 percent gains in exports across the rest of the world, amounting to \$146 billion in new business. Cambodia's losses stand to be great, too, due to its dependence on the U.S. as an export market, though they pale in comparison to Vietnam in value and volume. As one of the most vulnerable nations to Trump's tariff regime, the Southeast Asian nation could see its overall exports to the U.S. tumble 23.9 percent. Last year, Cambodia exported \$2.79 billion in apparel to the U.S., and \$933.8 million in footwear.

When considering that 58 percent of the country's exports are destined for American shores, the country's exposure to tariff impacts is substantial. "In effect, Cambodia could lose more than half of its U.S.-oriented exports, translating into a contraction of over one-third of its total export sector," the UNDP report said. "Such a shock is deeply consequential for an economy so dependent on trade."

The social toll to the Asia-Pacific region could be "severe," it added, as only 54 percent of its people have social protections, and 1.3 billion are employed informally, meaning there's no safety net should they lose their jobs. UNDP wrote that the small enterprises that make up many export-led sectors are often "the first to fall" in the event of trade shakeups, like an aggressive new tariff policy from a primary export market.

More than 60 percent of the countries in the region are seeing stagnation or backsliding when it comes to social progress, and the tariffs could drive that number down to new lows. For example, last week, the Cambodian government approved a new minimum wage significantly lower than the nation's nearly 1 million garment, footwear, textile and travel goods workers were demanding.

"The global economy is entering a new chapter of rising protectionism, shifting trade alliances, and deepening uncertainty," said Kanni Wignaraja, UN Assistant Secretary-General and UNDP Regional Director for Asia and the Pacific. "For Asia-Pacific, one of the most trade-dependent regions, this turbulence is seismic. It is also a moment of choice for economic and social reform."

Source: [sourcingjournal.com](https://sourcingjournal.com)– Sep 22, 2025

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## **Bangladesh: Exports to India via Ctg port soar after land port curbs**

Merchandise shipments to India through the country's premier seaport in Chattogram have surged after New Delhi imposed restrictions on goods entering through land ports.

Over the past four months, India has introduced three separate restrictions on Bangladeshi exports of items such as garments, processed food, plastics, yarn, furniture and, most recently, raw jute and jute products.

Sea routes are still open for Indian importers, but they are slower and costlier. Bangladeshi goods now travel from Chattogram to Colombo before reaching Kolkata or Mumbai's Nhava Sheva port.

Despite the added time and expense, Indian importers have continued sourcing from Bangladesh due to the lack of viable alternatives. Abul Bashar, chairman of BSM Group, said businesses always calculate time and cost.

"That is why Indian importers have not stopped," he said, adding that sea routes from Bangladesh to India can still be cheaper than sourcing from other countries. Similar to Bashar, Syed Tanvir Ahmed, managing director of Pacific Jeans, said trade costs are higher by sea, but duty-free access keeps Bangladeshi garments attractive.

"The problem is that all this trade is now funnelling through the lone gateway of Chattogram port," said Ahmed.

While Chattogram has so far absorbed the redirected flow, shipments to India through the 11 land ports, as well as Mongla and Pangaon, have fallen by nearly 15 percent in value and 19 percent in volume.

### **SHARP JUMP THROUGH CTG PORT**

Exports to India through Chattogram port rose 139 percent year-on-year in the first eight months of this year to \$338.2 million, up from \$141.4 million a year earlier, according to the National Board of Revenue (NBR) and Chattogram Customs House.

In the same period, volumes more than doubled to 116,000 tonnes from 60,525 tonnes. In the first eight months of this year, Bangladesh exported 760,000 tonnes of goods worth \$1.2236 billion to India. In the same period last year, exports reached 854,000 tonnes valued at \$1.1844 billion.

This represents a rise in earnings of \$39.2 million or 3.31 percent, but a fall in volume of 93,000 tonnes or 10.9 percent.

Of this, shipments through Chattogram, Mongla and the country's largest land port, Benapole, totalled \$824 million compared with \$770 million in the same period last year.

In the January-August period this year, exports through all gateways except Chattogram port amounted to 644,000 tonnes worth \$885.4 million, down from 792,000 tonnes worth \$1.04 billion a year earlier.

In other words, exports outside Chattogram fell by \$157.6 million in value and 148,000 tonnes in volume.

Benapole, once the busiest land port for bilateral trade, suffered the steepest losses.

In the first eight months of this year, shipments through Benapole dropped to 201,000 tonnes worth \$486 million, from 281,000 tonnes worth \$623.8 million last year, a 22 percent decline in value and a 29 percent fall in volume.

Mongla port also saw exports collapse. Goods worth \$5.3 million moved to India through Mongla in the first eight months of 2024. But during the same period this year, exports declined to just \$91,000.

#### **CTG PORT CARRYING A HEAVY LOAD**

The new trade flow with India has piled pressure on Chattogram port, which already handles about 84 percent of Bangladesh's total international trade.

The port's storage capacity is 53,500 twenty-foot equivalent units (TEUs), and operations remain smooth if container numbers stay below 40,000.

But since March, volumes have consistently exceeded 43,000 TEUs. On August 16, storage reached a record 49,131 TEUs, causing fears of congestion spiralling out of control.

"Increasing reliance on a single port is not healthy for Bangladesh," said Khairul Alam Suzon, vice-president of the Bangladesh Freight Forwarders Association.

"If the government does not accelerate modernisation of secondary ports, Chattogram will become increasingly overstretched, undermining both efficiency and competitiveness," he added.

Suzon said the capacities of Pangaon and Mongla remain far below Chattogram's. Long-term planning is required to develop infrastructure, procure modern equipment and improve facilities at other gateways, especially Kamalapur ICD, Pangaon and Mongla.

Dhaka-based importer Wahiuzzam Chowdhury said many traders had shown interest in using Kamalapur ICD to reduce the pressure on Chattogram. But where it once took four to five days to move goods by train from the port to Kamalapur, it now takes 25 to 30 days due to a shortage of locomotives.

"How can Kamalapur ICD then be considered a viable alternative to Chattogram?" he asked.

Pacific Jeans Managing Director Ahmed said congestion at Chattogram has now become almost structural.

Azhar Uddin Mahmud, a logistics consultant, said the situation could damage Bangladesh's reputation with buyers. "If the largest port continues to operate beyond safe capacity for months, exporters may miss delivery deadlines. That could cost the country hard-earned market trust," he said.

Rear Admiral SM Moniruzzaman, chairman of the Chattogram Port Authority (CPA), also believes that exclusive reliance on Chattogram poses serious risks.

At a seminar on Saturday, he said, "If any unforeseen disruption occurs here [port], the national economy could collapse, as we have failed to develop an alternative seaport."

At the same event, Shipping Adviser Brigadier General (Retired) M Sakhawat Hussain said the government is working to ease the strain.

"The Bay Terminal being built beside Patenga sea beach will reduce congestion once operational," he said. "We are also taking initiatives to enhance the capacities of Mongla, Pangaon and Payra ports."

Source: thedailystar.net– Sep 24, 2025

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## NATIONAL NEWS

### **High-level delegation visits UK to deepen trade textile trade, leverage CEPA**

New Delhi: A high-level delegation, comprising top officials and exporters, is visiting London to showcase the country's strength across the textile value chain and to deepen India-UK trade engagement, an official statement said on Tuesday.

Notably, India is eyeing markets of 40 countries for pushing its textile exports following the imposition of 50 per cent tariffs by the US, which is the biggest market for the country's apparel shipments.

Together, these 40 countries represent nearly USD 600 billion in textile and apparel imports, offering vast opportunities for India to enhance its market share.

India is the fourth-largest textile exporter to the UK.

Exports to the UK stood at USD 2.16 billion in 2024-25, accounting for 6.6 per cent of the UK's imports.

India inked a Comprehensive Economic and Trade Agreement (CETA) with the UK on July 24. It is the country's most ambitious trade agreement till date, covering 26 sectors from tariffs to technology.

India's overall textile exports are targeted to double by 2030, driven by sustainability initiatives and market access under agreements such as the India-UK CETA.

"The Indian delegation led by Neelam Shami Rao, Secretary, Ministry of Textiles, Government of India, is visiting London to showcase India's strength across the textile value chain and to deepen India-UK trade engagement. The delegation includes representatives of all major Export Promotion Councils (EPCs) and leading exporters," an official statement said.

On the first day of the visit, a series of programmes were organised, including a Textile Roadshow and sectoral meetings with buyers and sourcing houses in the Handicraft, Handloom and Carpet sectors.

"The Textile Roadshow, jointly organised by the High Commission of India, London, and the Ministry of Textiles with EPCs, highlighted the vast opportunities under CETA," the Textile Ministry stated.

Source: thehindubusinessline.com– Sep 23, 2025

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## **France fully supports conclusion of EU-India trade agreement**

France fully supports the conclusion of an ambitious trade agreement between the European Union and India, Anne-Marie Descôtes, Secretary General, Ministry for Europe and Foreign Affairs of France, has said.

Descôtes, in a meeting with Foreign Secretary Vikram Misri in Delhi on Monday, reviewed the different aspects of the Indo-French strategic partnership, including civil nuclear energy and defence and security cooperation.

“Secretary General Descôtes thanked the Indian side for Prime Minister Narendra Modi’s kind invitation to President Emmanuel Macron to the AI Impact Summit that India is hosting in February 2026. Innovation and new technologies are growing fields of cooperation between France and India, and 2026 will mark the India-France Year of Innovation,” per a statement issued by the Embassy of France in India.

Global issues

They exchanged views on major international issues, including efforts for a just and lasting peace in Ukraine, the ongoing crisis in Gaza, and the fight against terrorism, it added.

“The Secretary General reiterated France’s support for deepening and expanding EU-India relations, following the 2025 Joint Communication of the European Commission and the High Representative on a New Strategic EU-India Agenda. France fully supports the conclusion of an ambitious trade agreement between the European Union and India,” the statement noted.

India and the EU are trying to expedite negotiations on a bilateral free trade agreement to meet the year-end deadline. The FTA is especially important for the two in the backdrop of tariffs imposed by US President Donald Trump on trade partners, which is as high as 50 per cent for India.

Descôtes also met Ajit Doval, National Security Advisor, and P K Mishra, Principal Secretary to the Prime Minister.

“Secretary General Descôtes wrapped up her trip with a visit to the Alliance Française de Delhi as well as Campus France offices. With France looking forward to welcoming greater numbers of Indian students, President Macron and Prime Minister Modi have set the ambitious goal of hosting 30,000 Indian students in France by 2030,” the statement added.

Source: thehindubusinessline.com– Sep 23, 2025

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## **US appreciates India's continued engagement on trade, energy, pharma: Marco Rubio**

India is a relationship of critical importance to the US and the country's continued engagement on a number of issues including trade, defence and energy is to be appreciated, US Secretary of State Marco Rubio has said.

A statement issued by the US State Department, following Rubio's meeting with Minister of External Affairs S Jaishankar on Monday, however, did not cite any assurance on issues of concern to India such as US penal tariffs on Indian goods, sanctions on Chabahar Port investments and steep hike in H-1B visa fee.

"Secretary Rubio, reiterating that India is a relationship of critical importance to the US, expressed his appreciation for the Indian government's continued engagement on a number of issues including trade, defense, energy, pharmaceuticals, critical minerals, and other items related to the bilateral relationship," the US statement noted.

The timing of Rubio's meeting with Jaishankar, on the sidelines of the United Nations General Assembly high-level week, was significant for India as it is keen on ironing out a number of issues with the US that have cropped up recently hurting its interests. Last month, the US imposed 50 per cent tariffs on Indian goods, which includes a 25 per cent penalty for buying oil from Russia.

Jaishankar, in a social media post on X on Monday, stated that his conversation with Rubio covered a range of bilateral and international issues of current concern. "Agreed on the importance of sustained engagement to progress on priority areas. We will remain in touch," he said.

The US also decided to withdraw the exemption given to Iran applying to investments in Chabahar port from September 29, which could lead to India's investments in the port taking a big hit.

Moreover, US President Donald Trump's recent decision to impose a \$100,000 fee on H1-B visas for skilled foreign workers is set to affect Indian IT companies doing business in the country.given the ongoing turbulence in bilateral relations, especially on the economic front.

Commerce & Industry Minister Piyush Goyal is also in the US to meet his American counterparts to take forward the trade talks that have been facing glitches due to imposition of high tariffs on India and other issues such as US demand for market access in sensitive agriculture and dairy products.

“Secretary Rubio and External Affairs Minister Jaishankar agreed the United States and India will continue working together to promote a free and open Indo-Pacific region, including through the Quad,” the statement added.

Source: thehindubusinessline.com - Sep 23, 2025

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## **Global economy to weaken in 2026; headwinds for India from US tariffs: WEF**

Global economy is entering a period of weak growth and systemic disruption, the World Economic Forum said in its latest Chief Economists' Outlook on Tuesday.

Noting that India has emerged as the fastest-growing major economy and is projected to grow by 6.5 per cent in 2025 by IMF, the report said the country's manufacturing ambitions face headwinds from newly announced US tariffs of 50 per cent on exports, a development that weighs heavily on the regional outlook for entire South Asia.

According to the survey, 72 per cent of chief economists expect global economy to weaken in 2026 amid intensifying trade disruption, rising policy uncertainty and accelerating technological change.

The findings pointed to the emergence of a new economic environment shaped by persistent disruption and growing fragmentation.

Emerging markets are anticipated to be the main engines of growth, with the Middle East and North Africa (MENA), South Asia and East Asia and Pacific seen as bright spots.

One in three chief economists expected strong or very strong growth in these regions.

The outlook for China was more mixed, with 56 per cent of chief economists anticipating moderate growth, though deflationary pressures are expected to persist.

Growth is expected to remain more stagnant in advanced economies.

In Europe, 40 per cent expect weak growth, while most chief economists (52 per cent) anticipate weak or very weak growth in the US.

The chief economists warned that advanced and developing economies are on increasingly divergent growth pathways 56 per cent expect greater divergence over the next three years.

"The contours of a new economic environment are already taking shape, defined by disruption across trade, technology, resources and institutions," said Saadia Zahidi, Managing Director, World Economic Forum.

"Leaders must adapt with urgency and collaboration to turn today's turbulence into tomorrow's resilience," she said.

The report said the global economy is undergoing one of its most turbulent periods in decades, with a convergence of shocks and structural shifts rewriting the rules of growth, trade and governance.

"Evidence of change is everywhere. The US has stepped back from its post-war role as a free-market champion, China is flexing its economic muscle, Germany has abandoned fiscal restraint, India has emerged as the fastest-growing major economy and Japan is navigating sustained inflation for the first time in a generation," it said.

It said growth expectations for South Asia have softened slightly as 31 per cent of chief economists expect strong or very strong growth in the year ahead, down from 33 per cent in April. The share expecting moderate growth has risen from 55 per cent to 66 per cent.

In India, inflation has eased sharply, creating space for more stable policy settings. Reserve Bank of India held rates steady in early August, following a drop in consumer price inflation (CPI) to 1.55 per cent in July, the lowest level since 2017 and before CPI readings rebounded to 2.07 per cent in late August.

The government remains committed to a 4.4 per cent budget deficit target and has introduced sweeping changes to the goods and services tax regime, the WEF report said.

Across South Asia, 64 per cent of surveyed chief economists expected moderate inflation over the next year, 74 per cent anticipated no change in monetary policy and 80 per cent expected fiscal policy to remain steady.

Source: business-standard.com- Sep 23, 2025

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## **India is top choice for MNCs to expand trade, investment: StanChart report**

India has become the leading choice for multinational companies seeking to expand trade and manufacturing operations, according to Standard Chartered's 'Future of Trade: Resilience' report published on Tuesday.

Based on a survey of 1,200 senior corporate executives across 17 markets, the study found that more than 40 per cent of firms plan to increase their activities in India, largely because of its status as the world's most populous market and one of the fastest-growing large economies.

"India is the leading market of interest from our survey, where almost half of the respondents are looking to ramp up or maintain trade activities," the report noted.

"In particular, more than 60 per cent of corporates from the United States (US), the United Kingdom (UK), Mainland China, Hong Kong and Singapore are looking to trade with India," it added.

It further highlighted India's recent trade agreements, including a free trade pact with the UK and efforts to deepen access with Singapore and China.

While the US remains India's largest trading partner, the report said that tariffs imposed earlier this year could impact export flows. Washington has imposed a 50 per cent tariff on India, which includes a 25 per cent penalty tariff for importing Russian oil.

In line with the report's outlook, India's private sector growth in September eased to 58.5 from its recent peak of 59.3 in August, indicating a modest slowdown, according to HSBC's flash Purchasing Managers' Index survey released on Tuesday.

### **Reforms attracting investment**

The report added that reforms to attract foreign investment have supported India's rise up the value chain. "Business process outsourcing has transformed into global capability centres (GCCs) that play a vital role in the operations of many multinational corporations," the report said.

India has about 1,760 GCCs, according to data from Nasscom, which is expected to cross 2,000 by the end of next year. Many of those centres are seen as extensions of the headquarters, work on some cutting-edge technology in several sectors, including retail, automotive, healthcare, and banking, with greater control on product R&D, analytics, and design.

Asia will continue to drive trade growth

Alongside India, the report noted that Asia will continue to drive trade growth in the next three to five years, with rising prominence from the Middle East and the US remaining as a heavyweight.

"Yet one thing is also clear: both the US and Mainland China will remain key players in the global supply chain,' the report added.

Source: thehindubusinessline.com - Sep 23, 2025

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## **India continues to buy more from China as cheap exports pour in**

India's imports from China soared to a record \$12.5 billion last month, largely driven by Apple suppliers shifting iPhone production from China to India, as per Bloomberg. Yet, despite production moving to India, these companies remain heavily reliant on Chinese parts and tooling, keeping exports from Beijing elevated.

In July 2025 alone, China shipped around \$1 billion worth of computer chips to India. On top of that, billions more in phones and components were sent to support electronics assembly across India.

Data released by Beijing shows that Chinese exports to India this year are on track to surpass last year's record, with the value of shipments so far almost matching the total for 2021.

"China has performed better than expected in the first half," JPMorgan Chase & Co.'s chief India economist Sajjid Chinoy told Bloomberg Television. "Some of this is the fact that China has very cleverly found other export markets, including Europe, which has been a key hedge to slowing exports to the US."

### **India-China trade in numbers**

India's reliance on Chinese goods has contributed to the country's largest-ever trade deficit with a single nation. According to the Indian Embassy in Beijing, imports from China in 2024-25 totaled \$113.46 billion, while Indian exports to China were just \$14.25 billion, leaving a deficit of \$99.21 billion. Over the past decade, this imbalance has steadily widened:

- 2014-15: Trade deficit \$48.45 billion
- 2017-18: \$63.05 billion
- 2021-22: \$73.01 billion
- 2024-25: \$99.21 billion

India's cumulative imports from China have grown from \$60.41 billion in 2014-15 to \$113.46 billion in 2024-25. Exports to China, meanwhile, have remained low and volatile, hovering between \$9 billion and \$21 billion over the same period.

Over the last five years, India's exports have largely been raw-material based, iron ore, light naphtha, p-xylene, shrimps, and castor oil. Chinese exports have increasingly dominated Indian markets with electronics, machinery, personal computers, monolithic integrated circuits, telecommunication equipment, lithium-ion batteries, and fertilisers.

### Global trade shifts amplify China's reach

The export surge comes amid Trump-era tariffs that curtailed China's access to the US market. As per the Bloomberg report, despite high tariffs, Chinese manufacturers have expanded their presence in alternative markets, including India, Southeast Asia, and Africa.

Exports to these regions are setting new records: India's purchases hit an all-time high in August 2025, shipments to Africa are on track for an annual record, and sales to Southeast Asia have surpassed their pandemic-era peak.

China's global strategy appears to be paying off.

"China has very cleverly found other export markets, including Europe, which has been a key hedge to slowing exports to the US," Chinoy noted. Bloomberg Economics analysts Chang Shu and David Qu point out that Beijing's ability to pivot helps buffer against the combined pressures of US tariffs, internal economic challenges, and an aging population.

### Trade figures highlight India's growing dependence

According to The Observatory of Economic Complexity (OEC), India imported approximately \$10.9 billion worth of goods from China in July 2025 alone, up 6.04% from the same month last year.

In response, Indian authorities have ramped up anti-dumping scrutiny. Over recent weeks, 50 applications for investigations into goods from China and Vietnam have been filed, reflecting concerns over cheap imports flooding domestic markets, as per Bloomberg citing sources.

India's record imports from China underscore a broader global trade realignment. The country benefits from the relocation of high-tech assembly, such as Apple iPhones, but remains heavily dependent on Chinese parts and tooling.

The trade deficit, approaching \$100 billion, and continued influx of cheap Chinese goods highlight a delicate balancing act: India gains from global supply chains but faces risks from over-reliance on China.

Source: [economictimes.com](https://economictimes.com)- Sep 23, 2025

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## **Apparel makers not hiking prices on premium products despite higher GST, absorbing full or partial impact**

With the GST rate hiked from 12 per cent to 18 per cent on apparel products priced above ₹2,500, brands are either not hiking prices or absorbing part of this hike in a bid to fuel consumer demand during the festival season. At the same time, they have reduced prices by 6.25-7 per cent on apparel products priced up to ₹2,500, which now attracts lower GST at 5 per cent from 12 per cent.

Akhil Jain, MD and CEO of Amar Jain Clothing, that owns brand Madame, told businessline that the company has passed on benefits of 7 per cent on clothing items that attract reduced 5 per cent GST rate.

“We believe this will definitely provide impetus to demand traction during this festival season. For clothing items priced above ₹2,500, which make up 20 per cent of our portfolio, we have not increased prices despite increase in GST and are absorbing the impact. We want to offer more value for money to consumers through this measure during this festival season,” he added.

Jain said the company is bullish on the festival season. “On the first day of Navratri we saw higher demand compared to what we saw on the first day of Navratri last year, although the period has kickstarted earlier than last year,” he added.

The last two years have been challenging for the apparel segment after the pent-up demand seen post Covid and players are now banking on strong demand recovery this festival season.

Harkirat Singh, MD, Aero Club, known for brands Woodland and Woods, said: “We have not hiked prices on products priced above ₹2,500 that is attracting a higher GST rate.

We have a large portfolio priced in this price range. We are still contemplating on this matter and figuring out future steps. We don’t want to disrupt the strong demand momentum seen during this period as nearly 60 per cent of the sales for us come during this period. At the same time, we have passed on benefits of reduced GST to 5 per cent wherever applicable.”

## Mixed impact

Arun AB, VP–EBOs at Libas, added: “GST 2.0 brings clarity and positivity for mass fashion, with garments under ₹2,500 now at 5 per cent – a big win for everyday wear. However, the shift of premium categories like lehengas and bridal wear to 18 per cent from 12 per cent brings challenges, especially during the festive and wedding season.

This mixed impact is being felt across the retail apparel sector. We are passing on 100 per cent the GST benefit wherever rates have dropped, while also absorbing part of the hike in categories like lehengas to ensure customers continue to see value.”

A store manager of another key international brand told businessline that prices have not been hiked on products that are now attracting higher GST.

Source: thehindubusinessline.com- Sep 23, 2025

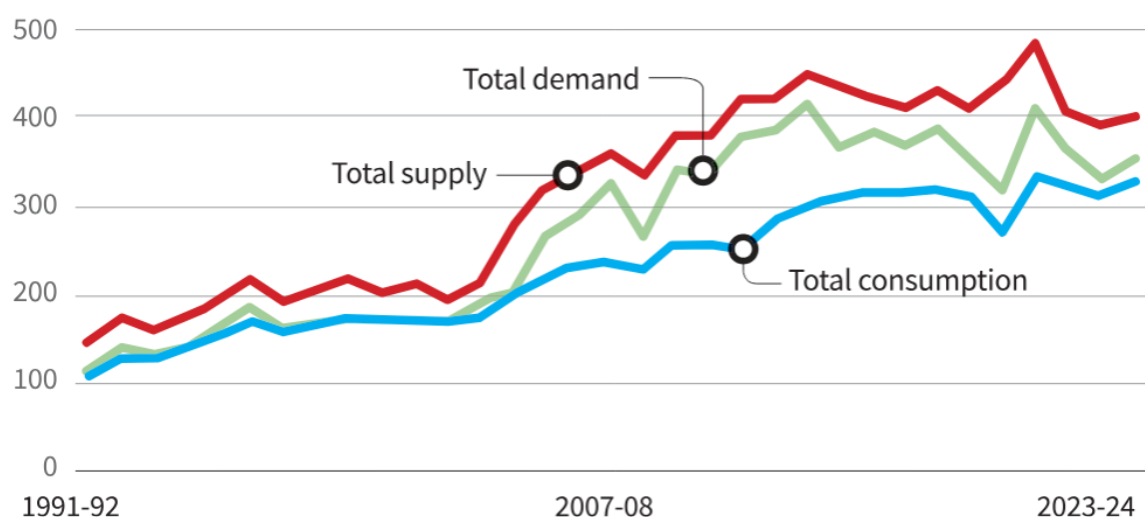
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## Cotton import duty cuts: The farms versus firms debate

The Indian government's removal of the 11% import duty on cotton has drawn protests from farmer unions. The textile industry, however, has welcomed the move, as it faces the burden of punitive 50% tariffs imposed by the Trump administration. The textile sector, being one of the biggest employers, is witnessing retrenchment of women garment workers as global apparel brands shift the burden of higher tariffs onto supply chains in the Global South. Aside from geopolitics, the issue must be understood in the context of structural changes in India's cotton trade and the blind spots in cotton research and development. It also highlights the need to revitalise farm-to-firm linkages in the domestic supply chain.

### Trends in Indian cotton trade



India's rise as a global cotton player is linked to production changes, especially after 2004-05.

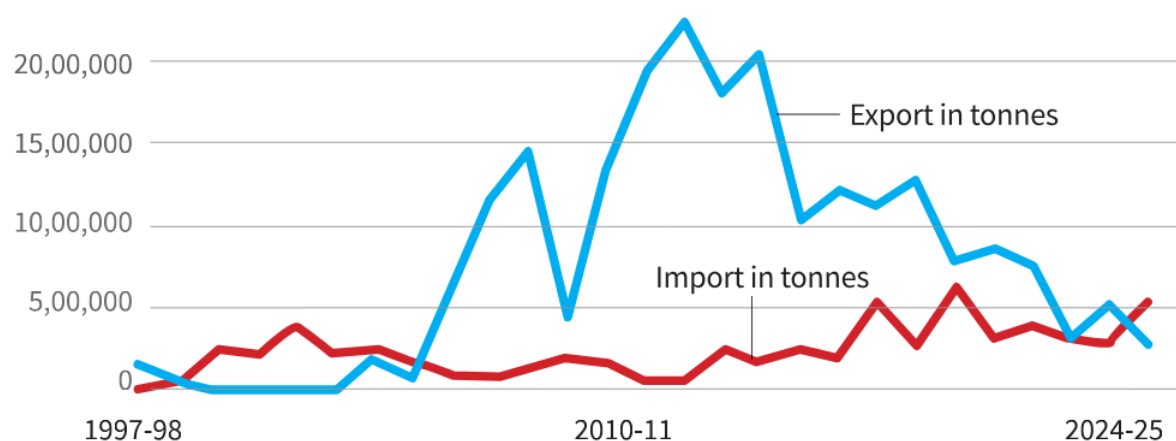
Post-independence, India emphasised raising cotton output, having lost major producing regions during Partition. The Intensive Cotton Production Programme initiated this growth, followed by the introduction of hybrid varieties in the 1970s.

The Technology Mission on Cotton (1999-2000 to 2013-14) gave a strong boost to productivity and quality. Bt cotton or Bollgard II variety received approval in 2002 for western and southern zones and in 2006 for the north.

Traditionally, India exported Bengal desi and short-staple cotton. Exports of medium and long-staple varieties later grew modestly. After 2004-05, exports surged exponentially. Until then, demand came mainly from Indian mills, but since then, international demand has driven additional growth of exports and expansion of market.

Additionally, increase in domestic supply reduced the textile industry's import dependency and boosted local ginning. For instance, in Gujarat's Saurashtra, many groundnut-oil mills converted to cotton ginning and cotton-seed oil production. Strong farm-to-firm linkages in India's cotton supply chain took shape after 2004-05s.

### Issue of price parity



Despite previous progress, raw cotton imports are rising. In 2024-25, imports touched 5,25,158 tonnes — a 77% jump from the previous year, even with the import duty in place. The main reason is declining price parity: domestic cotton is costlier, while global prices are falling.

The Indian cotton supply chain begins with farmers and extends through ginneries, spinners, textile mills, and the garment industry, eventually linking to major multinational brands. Over time, this chain has become increasingly integrated with global markets, making it vulnerable to international price fluctuations. Domestic spot market prices are influenced by global commodity indices and cotton-seed rates, with the Minimum Support Price (MSP) serving as a benchmark. As parity declines, ginning mills and brokers seek to acquire cotton at lower prices from farmers.

The Cotton Corporation of India (CCI) procures only when market prices fall below MSP, and its procurement signals inefficiencies in supply-

demand balance. By June 2025, CCI had procured 34% of the production, among the highest in seven years.

High domestic costs are linked to falling production, declining acreage, stagnating productivity, and a weak cotton-to-lint ratio. Cultivation costs have also risen. Provisional estimates for 2024-25 show an 8.7% decline in cotton acreage, with north Indian farmers shifting to paddy and Gujarat farmers to soyabean and groundnut. In terms of productivity, Indian cotton took big leaps in the per hectare lint output ratio, especially in the post 2004-05 period. Average lint yield rose from 207 kg/hectare (1997-2002) to 481 kg/hectare (2012-17). The current yield of 437 kg/hectare, although above pre-2000 levels, lags considerably behind the world average of 833 kg/hectare, Brazil's 1,903, and China's 2,257.

Bt hybrids now cover over 95% of cotton acreage. Initially meant to tackle the persistent pink bollworm attacks and reduce insecticide use, the technology is over two decades old — a long time for any crop-technology to become more susceptible to pest-resistance. Bt hybrids soon spread to drylands, leading to loss of potency and other episodes of ineffectiveness and crop failures.

### Research and investment

Globally, innovation and technology adoption has advanced further: major cotton exporters Brazil and Australia have adopted Bollgard-III, while China, the largest cotton producer, is using CRISPR-based gene editing. Indian debates have rightfully focused on corporate control of Bt technology; however, contemporary cotton production has fallen behind. In the present moment, advanced seed technology with adaptability to diverse agro-climatic conditions, higher lint output, and sustainable resource management require a targeted public-research response. India's R&D spending is among the lowest in the developing world.

Correcting falling price parity does not mean retreating to a time of weak domestic and international demand of Indian cotton. Instead, India must envision a future where public investments in cotton strengthen farm-to-firm linkages by focusing on both quantity and quality.

Source: thehindu.com— Sep 23, 2025

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## **Cotton yarn demand dips as GST cut makes buyers cautious**

South India's cotton yarn trade continued to experience sluggish demand. Although new cotton arrivals have begun sporadically in north India, old cotton prices have remained stable in central and southern regions. As a result, spinning mills were reluctant to reduce prices to attract buyers. Cotton yarn prices hovered around previous levels in the Mumbai and Tiruppur markets. Market experts said that the recent GST rate cut has also made buyers cautious, as its negative impact on cotton yarn trade will be felt soon.

Tiruppur's market saw slower demand for cotton yarn, with both domestic and international demand remaining very weak. However, prices have shown little movement in the past couple of days. A Tiruppur trader told Fibre2Fashion, "Cotton yarn is facing a seasonal demand slump.

Domestic consumers prefer cheaper manmade yarn garments during the winter season. The lower GST on the manmade textile value chain will further impact cotton yarn demand, making it costlier than polyester as the GST cut will bring down prices of polyester and its products."

In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹250-257 (~\$2.82-2.90) per kg (excluding GST), 34 count combed cotton yarn at ₹261-268 (~\$2.94-3.02) per kg, 40 count combed cotton yarn at ₹273-286 (~\$3.08-3.22) per kg, 30 count carded cotton yarn at ₹232-237 (~\$2.61-2.67) per kg, 34 count carded cotton yarn at ₹237-242 (~\$2.67-2.73) per kg and 40 count carded cotton yarn at ₹244-248 (~\$2.75-2.79) per kg.

In Mumbai, cotton yarn prices stabilised after gains seen last week. Export prospects for cotton yarn remained unclear. Traders noted that the GST cut will encourage buyers to shift towards polyester products as prices ease, widening the price gap with cotton products in the coming weeks. Spinning mills are focusing on protecting margins, which has kept cotton yarn prices steady.

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,340-1,380 (~\$15.10-\$15.55) and ₹1,310-1,360 per 5 kg (~\$14.76-\$15.32) (excluding GST), respectively. Other prices include 60 combed warp at ₹305-312 (~\$3.44-\$3.51) per kg, 80 carded weft at ₹1,340-1,400

(~\$15.10-\$15.77) per 4.5 kg, 44/46 carded warp at ₹253-260 (~\$2.85-\$2.93) per kg, 40/41 carded warp at ₹240-246 (~\$2.70-\$2.77) per kg and 40/41 combed warp at ₹264-266 (~\$2.97-3.00) per kg, according to trade sources.

In Gujarat, cotton prices remained stable amid weak demand from spinning mills. The cotton crop still needs a few more weeks to be ready for harvesting in the state, keeping prices unchanged.

Traders said cotton arrivals will continue over the coming months, even after the start of the new marketing season. Spinning mills have reduced cotton purchases as they are confident about future availability.

All-India cotton arrivals increased to 24,000–25,000 bales of 170 kg each as new arrivals began in north India and a few other states. Gujarat recorded negligible arrivals of 1,000–1,200 bales. The benchmark Shankar-6 cotton was quoted at ₹55,500–55,800 (~\$625.24–628.62) per candy of 356 kg.

Source: fibre2fashion.com– Sep 23, 2025

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