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Currency Watch			
USD	EUR	GBP	JPY
88.72	103.61	118.51	0.59

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INTERNATIONAL NEWS

RCEP expansion to boost economy linkages with external partners: ASEAN

Economic ministers of the Association of Southeast Asian Nations (ASEAN) said in Kuala Lumpur yesterday that expanding the Regional Comprehensive Economic Partnership (RCEP) membership would further strengthen and diversify its economic linkages with external partners.

They are meeting there for the 57th ASEAN Economic Ministers (AEM) Meeting.

In a joint statement, they said they noted interests from Hong Kong, Sri Lanka, Chile and Bangladesh to accede to RCEP, and the meeting encouraged officials to expedite discussions to commence the accession process as soon as possible.

"The meeting welcomed the full operationalisation of the RCEP Support Unit and its efforts in providing support to the RCEP Joint Committee and its subsidiary bodies," the statement said.

RCEP covers 10 member states of ASEAN and its five free trade agreement partners—China, Japan, South Korea, Australia and New Zealand.

The AEM and related meetings will end on September 26.

Source: fibre2fashion.com– Sep 25, 2025

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New study exposes the grand illusion of garment recycling

For years, the global fashion industry has leaned on the promise of recycling as its escape hatch from a mounting environmental crisis. The vision is seductive: last season's jeans reborn as this season's T-shirt, a closed loop where waste is eliminated, and sustainability stitched into every seam. But a sobering new study from Denmark has thrown cold water on that dream, exposing the grand illusion of garment recycling.

The research, titled 'Assessing the Circularity Potential of Textile Flows for Future Markets in Denmark: A Study of Textile Anatomy', led by Heather Logan and her team, takes a forensic look at textile waste.

What it uncovers is both startling and sobering: despite soaring ambitions, the volume of garments truly suitable for recycling is alarmingly small, and the system itself is fraught with inefficiencies, contaminants, and false hopes.

A tangled web of fibers

The study's most eye-opening finding lies in the very anatomy of modern fashion. Researchers examined discarded garments from just one season in the Danish market and found over 600 different textile blends. From polyester mixed with elastane, to cotton woven with viscose, to wool spliced with synthetic trims, the sheer complexity makes recycling a logistical nightmare.

This 'head-spinning variety', as the researchers describe it, prevents recyclers from isolating fibers efficiently. While polyester makes up nearly 60 per cent of global fiber production, the Danish study found that only 6-7 per cent of discarded clothing is actually recoverable for chemical polyester recycling. The rest is too entangled in blends to be separated economically.

"Polyester may dominate global production, but the way it shows up in actual garments is messy and unpredictable," the report notes. "The disconnect between production statistics and waste stream realities is vast."

Recycling disrupted, the hidden villains

Even when fibers can theoretically be recovered, garments themselves often fight back. Zippers, buttons, foam padding, sequins, and trims what the study calls ‘recycling disruptors’ are everywhere. Each must be stripped away before recycling can even begin, a painstaking process that drives up costs and slashes efficiency.

Take men’s suits and overcoats. Laden with linings, interfacings, shoulder pads, and metallic fastenings, they are among the least recyclable garments. In contrast, simple t-shirts and sweaters, with fewer non-textile parts, are comparatively easier to process.

Yet the scale of the problem is daunting. The study warns that these disruptors don’t just slowdown recycling, they often render entire garments unusable. In many cases, recyclers face a choice: invest heavily in labor-intensive pre-processing or send the clothing straight to incineration.

Where waste really ends up

The Danish team’s Material Flow Analysis (MFA) paints a stark picture of garment end-of-life. Even under an idealistic scenario, where 80 per cent of discarded textiles are separately collected (far above the EU’s current 20 per cent average) the recycling yield remains limited.

- 45 per cent of textiles still end up incinerated, largely due to contamination or excessive complexity.
- 24 per cent are suitable for reuse in second-hand markets.
- Just 31 per cent are viable for material recycling.

[Click here for more details](#)

Source: fashionatingworld.com– Sep 24, 2025

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Rising prices top concern for UK households: BRC survey

Cost of living remains the worrying point for UK households, according to a new survey by Opinium for the British Retail Consortium (BRC). Out of 2,000 respondents, 57 per cent cited 'prices rising faster than wages' as their biggest concern, rising to 61 per cent among working people. This outweighed worries about potential tax hikes (49 per cent) and unemployment (26 per cent).

The latest figures by the Office for National Statistics (ONS) showed that inflation is now 3.8 per cent, almost double the Bank of England's target of 2 per cent.

Retail price inflation has been rising steadily over the last year, accelerated by the impact of the previous Budget, which significantly increased employment costs, as well as introducing a new packaging tax on retail businesses, BRC said in a press release.

The last budget increased retailers' costs by £7 billion through higher employer National Insurance Contributions (NICs), an uplift in the National Living Wage (NLW), and the introduction of a packaging tax. It is therefore no surprise to BRC that the latest Monetary Policy Committee (MPC) minutes attributed rising food prices to 'labour costs and costs linked to new packaging regulation,' alongside higher commodity prices.

The BRC has warned that food inflation could climb and stay above 5 per cent well into 2026 if the Autumn Budget brings further tax increases for the retail sector. While the government has promised to cut business rates for retail, hospitality, and leisure premises, around 4,000 large stores may actually face higher rates if they fall under the new surtax on properties valued above £500,000, added the release.

"The government risks losing the battle against inflation and working families are understandably worried. With many people barely recovering from the last cost of living crisis, the Chancellor will want to protect households and enable retailers to continue doing everything they can to hold back prices," said Helen Dickinson, chief executive at the British Retail Consortium.

“The Treasury is currently finalising its plans to support the high street, including a much-needed reduction in business rates for retail, hospitality and leisure premises. However, the biggest risk to food prices would be to include large shops—including supermarkets—in the new surtax on large properties,” added Dickinson.

“This would effectively be robbing Peter to pay Paul, increasing costs on these businesses even further and forcing them to raise the prices paid by customers. Removing all shops from the surtax can be done without any cost to the taxpayer and would demonstrate the Chancellor’s commitment to bring down inflation.”

Source: fibre2fashion.com– Sep 26, 2025

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Rags to Revenue report highlights why the US needs a textile recycling system now

The US has a major textile waste problem. Every year, millions of tons of discarded clothing and household fabrics end up buried in landfills or burned in incinerators. Yet less than 1 per cent of those discarded textiles find their way back into the system as new fibers.

A new report, 'Rags to Revenue: Unlocking Post-Consumer Textile Recycling in the US', jointly published by Accelerating Circularity and Accenture, is highlighting what many experts consider one of the most pressing and overlooked sustainability challenges in America. Beyond sounding an environmental alarm, the report makes a bold case for textiles as a significant, untapped economic opportunity.

The scale of the challenge

The US Environmental Protection Agency (EPA) estimates that textiles are one of the fastest-growing waste categories, increasing by nearly 80 per cent between 2000 and 2018. In that year alone, roughly 11.3 million tons of textiles were sent to landfills.

Synthetic fabrics like polyester may take centuries to break down, while natural fibers such as cotton release methane a potent greenhouse gas when decomposing. This is not just about reducing waste—it's about reimagining textiles as valuable resources rather than disposable products, say industry expert familiar with the study. The report's data paints a grim picture of where used textiles currently go.

The system is a patchwork of inconsistent collection programs, limited sorting capacity, and scattered recycling technology. For recyclers, the lack of large, clean, and uniform material streams creates major bottlenecks. Complicating matters further, blended fibers like poly-cotton, along with zippers, buttons, and dyes, make recycling both technically and economically challenging.

The economic case for circularity

Despite growing consumer demand for sustainable fashion, producing recycled fibers remains more expensive than sourcing virgin materials. This cost gap has slowed adoption, leaving brands reluctant to invest in

circular supply chains. As per Rags to Revenue report, the economic calculus could shift if the US develops a nationwide textile recycling infrastructure. The report argues that textiles could become a new revenue stream, driving innovation, job creation, and competitiveness in a global market increasingly focused on sustainability. “Think of it as a domestic manufacturing opportunity hiding in plain sight,” said a sustainability consultant. “We have the waste. We just need the systems to transform it into value.”

Emerging models of circularity

While the barriers are steep, the report highlights companies and initiatives already charting a new course. One case study centers on SuperCircle, a start-up building take-back programs and logistics networks to connect fashion brands with textile recycling facilities. By helping brands sort garments by fiber type, SuperCircle is tackling one of the toughest obstacles in scaling fiber-to-fiber recycling: the need for clean, separated material streams.

Policy innovation is also gaining traction. Extended Producer Responsibility (EPR) laws, already being debated in states like California and New York, would require fashion brands to take financial responsibility for the end-of-life of their products. If enacted, these laws could fund take-back programs, incentivize investment in recycling technologies, and shift accountability from consumers to producers. EPR could be the turning point, say policy analyst. Without that push, voluntary action alone won’t get us to scale.

[Click here for more details](#)

Source: fashionatingworld.com– Sep 25, 2025

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ICE cotton dips as strong dollar, weak grains weigh on market

ICE cotton futures closed lower as a stronger US dollar made US cotton more expensive for overseas buyers. Weakness in the grain market also spilled over into cotton. Traders are awaiting a clearer outlook from the US export sales report due later today.

ICE's most active December 2025 contract settled at 66.17 cents per pound (0.453 kg), down 0.47 cent—its fourth-lowest close of 2025. Other contracts ended 25–49 points lower.

The dollar gained against the yen, Swiss franc, and euro after Federal Reserve Chair Jerome Powell adopted a cautious stance on further easing. A stronger dollar index makes dollar-denominated cotton futures more expensive for holders of other currencies.

International oil prices climbed nearly 3 per cent on Wednesday, hitting a seven-week high. US crude inventories unexpectedly fell last week, while exports from Iraq, Venezuela, and Russia faced disruptions, raising supply concerns. Higher oil prices have lifted polyester costs, making cotton comparatively more attractive.

Trading volume stood at 25,380 contracts, down from 37,880 the previous day. ICE data showed that as of September 23, deliverable No. 2 cotton futures contract inventory remained unchanged at 15,474 bags.

The market continues to challenge US growers, with cash sales proving difficult for both buyers and sellers. However, buying interest has not disappeared, and inquiries have occasionally picked up. The USDA Weekly Export Report is expected to shed light on export demand.

Market analysts noted that CBOT grain futures are trending lower, with limited buying interest from both fundamental and speculative players. Chicago Board of Trade (CBOT) soybean futures also retreated amid concerns over weak US export demand.

Currently, ICE cotton for December 2025 is trading at 66.17 cents per pound (unchanged), cash cotton at 64.17 cents (down 0.47 cent), the October 2025 contract at 64.04 cents (down 0.49 cent), the March 2026 contract at 68.13 cents (up 0.02 cent), the May 2026 contract at 69.49

cents (up 0.01 cent) and the July 2026 contract at 70.49 cents (down 0.04 cent). A few contracts remained at their previous closing levels, with no trading recorded today.

Source: fibre2fashion.com– Sep 25, 2025

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Maersk Has ‘No Intention’ to Add Port Fee-Related Surcharges

Maersk aimed to calm customers’ nerves ahead of the anticipated fees on Chinese vessels docking at U.S. ports next month, assuring that it will not apply surcharges to ship cargo into the country.

The company is following in the footsteps of CMA CGM, which previously said it would not impose its own extra charge when the port fees go into effect Oct. 14. Mediterranean Shipping Company (MSC) also said it already “proactively restructured its global vessel network” and that they will either absorb or avoid the cost of the new fees.

“No surcharge will be applied,” said Maersk in a customer advisory Tuesday. “We have no intention to introduce any surcharge in connection with this rule.”

Echoing other carriers, including Chinese state-owned ocean carrier Cosco Shipping, the container shipping company said it does not expects to have changes to its services.

“Your services remain unchanged,” Maersk said. “We do not anticipate adjustments to our U.S. port rotations or your existing service plans. We continue to monitor the regulatory landscape closely and will keep you informed of any changes.”

Back in May, Maersk said it did not see any direct costs from the anticipated port docking fees that would impact either the carrier or its customers.

Starting Oct. 14, any non-Chinese operators like Maersk will be charged \$18 per net ton, or \$120 per container, for every U.S. port rotation they take with a vessel built in China. On April 17, 2026, that will increase to \$23 per net ton, or \$153 per container. The fee will escalate by \$5 two more times through April 2028, when the extra charge per rotation maxes out at \$33 per net ton, or \$250 a container.

When accounting for the fact that a container vessel hosting approximately 12,000 20-foot equivalent units (TEUs) carries roughly 60,000 tons, Maersk would be paying a \$1,080,000 fee per rotation.

The U.S. Trade Representative's (USTR) office levied the Section 301 fees with intent to penalize China for what both the Trump and Biden administrations have agreed is an "unreasonable" dominance over the logistics, maritime and shipbuilding industries.

Maersk has not publicly stated how many of its Chinese-built ships, if any, would still be in use on any routes headed toward U.S. ports. Earlier this year, container shipping research firm Alphaliner said that only 38 out of a total of 214 U.S. port calls from Maersk in February came via a Chinese vessel.

In total, Maersk operates 742 container vessels, with roughly 200 having been built in China, Alphaliner said. According to a report from HSBC, Maersk and Gemini Cooperation partner Hapag-Lloyd already deploy South Korean-built vessels on the Asia-to-U.S. route to minimize exposure ahead of the looming fees.

Maersk's decisions are essentially intertwined with those of Hapag-Lloyd, as the companies share roughly 340 vessels within their Gemini network. According to Alphaliner, roughly 70 of Hapag-Lloyd's fleet of 313 vessels were built in China. With a lower concentration of Chinese vessels at both Maersk and Hapag-Lloyd, the companies can more easily switch compliant ships in to call at U.S. ports once fees go into effect. However, if the fees do cut into profits or harm service on other trade lanes due to the shifts, surcharges could still be on the table in the long run.

Currently, China produces more vessels than any other country, accounting for 70 percent of container ships on order, according to another industry research firm, Linerlytica. As of March, an even higher 79 percent of Maersk's orderbook will be built in China, while Hapag-Lloyd and MSC are ordering 89 percent and 92 percent of their ships from China, respectively. Back in May, Maersk said it did not see any direct costs from the anticipated port docking fees that would impact either the carrier or its customers.

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Source: fibre2fashion.com— Sep 25, 2025

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New Zealand's apparel imports growth slows down to 2.81% in Jan-Aug

New Zealand's apparel imports rose 2.81 per cent to NZ\$1,387.53 million (~\$807.65 million) in the first eight months of 2025, according to Stats NZ, the country's official statistics agency. Imports in August 2025 alone fell 8.71 per cent year-on-year. This decline slowed the cumulative growth rate of inbound trade, reflecting a seasonal shift in import patterns. Apparel shipments—covering both knitted or crocheted items (Chapter 61) and non-knitted/non-crocheted apparel (Chapter 62)—stood at NZ\$1,349.51 million (CIF) during the same period in 2024.

From January–August 2025, imports under Chapter 61 reached NZ\$745.97 million, up 4 per cent from NZ\$717.15 million a year earlier. Meanwhile, Chapter 62 imports edged up 1.5 per cent to NZ\$641.56 million, compared with NZ\$632.36 million in 2024. The stronger growth in Chapter 61 highlights rising demand for knitted and crocheted garments, which dominate New Zealand's fast-fashion and casualwear segments.

In August 2025, apparel imports totalled NZ\$170.23 million, 8.71 per cent lower than NZ\$186.48 million in August 2024. Of this, Chapter 61 imports dropped 11.8 per cent to NZ\$84.01 million, while Chapter 62 imports declined 5.5 per cent to NZ\$86.22 million. Beyond apparel, New Zealand also imported textile products such as fabric (Chapter 60), valued at NZ\$37.04 million during January–August 2025, up 18.5 per cent from NZ\$31.25 million in the same period of 2024. August imports under this category reached NZ\$6.77 million, compared with NZ\$5.47 million in August 2024.

For the full year 2024, apparel imports reached NZ\$2,020.09 million, comprising NZ\$1,054.13 million under Chapter 61 and NZ\$965.96 million under Chapter 62. Textile fabric imports (Chapter 60) were recorded at NZ\$50.26 million. Given that January–August 2025 imports already account for more than half of last year's total, apparel imports are on track to maintain or slightly exceed 2024 levels, signalling steady consumer demand.

Source: fibre2fashion.com– Sep 26, 2025

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EBRD lifts Turkiye's 2025 growth forecast to 3.1%

The European Bank for Reconstruction and Development (EBRD) expects Turkiye's economy to grow by 3.1 per cent in 2025, upgrading it from the Bank's previous 2.8 per cent growth forecast in May 2025.

The Bank expects the Turkish economy to then grow by 3.5 per cent in 2026, unchanged from the previous forecast. The forecasts were published in the Bank's Regional Economic Prospects report.

Growth in the EBRD regions (excluding six economies in sub-Saharan Africa and Iraq) is expected to moderate to 3.1 per cent in 2025 as a whole from stronger than expected outturns in the first half of the year, before picking up to 3.3 per cent in 2026. The economies in the EBRD regions remain under pressure from continued global geopolitical tensions, increased competition from China in export markets and limited fiscal space.

Volatile risk sentiment and tighter global financing conditions remain key risks for Turkiye. On the upside, easing tensions in Syria and the Caucasus and closer cooperation with the EU could allow Turkiye to capitalise on its established strengths in construction, logistics and defence, according to the report.

The EBRD invested a record €2.6 billion (~\$3.052 billion) in Turkiye in 2024, driven by the private sector's appetite for green investments and the Bank's continuing support for regions affected by the February 2023 earthquakes.

The Bank's cumulative investment in the country stands at over €22.4 billion (~\$26.30 billion), with its current portfolio in the country totalling around €8 billion (~\$9.39 billion).

Source: fibre2fashion.com– Sep 26, 2025

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Bangladesh shows external stability despite internal challenges: Govt

The Bangladesh government's economic outlook for August this year indicates stabilisation on the external front, but troubling weaknesses in domestic investment, revenue collection and development spending.

Export earnings consistently crossed the \$4 billion mark, hitting \$4.77 billion in July. However, private sector credit growth fell to 6.49 per cent in June—the lowest on record and far short of the central bank's target, according to the latest monthly economic update by the general economics division under the planning ministry.

Businesses are reluctant to borrow amid high interest rates, political and economic uncertainty, and cautious bank lending, it noted.

Inflation declined to 8.29 per cent in August, the lowest since July 2022, after months of volatility. Non-food inflation dropped below 9 per cent for the first time in 20 months, helping offset a marginal rise in food prices.

Delays in real-time monitoring and policy response prevented earlier stabilisation, according to the document.

The exchange rate remained stable at Tk 121-122 per USD, while foreign exchange reserves climbed from \$24.86 billion in September 2024 to \$31.17 billion in August 2025. This, according to the department, offered a solid cushion against trade shocks and debt obligations.

By contrast, public sector credit rose sharply by 13.09 per cent, driven by the government's heavy reliance on bank borrowing to finance its fiscal deficit.

This trend, the department cautioned, is effectively 'crowding out' the private sector and undermining future investment and job creation.

Revenue collection in August stood at Tk 27,162 crore, falling Tk 3,727 crore short of the target. While collections grew by 17.6 per cent year on year, the shortfall was mainly due to weaker import and income tax receipts.

Only value-added tax at the local level showed improvement. The document flagged persistent revenue gaps as a key challenge in meeting the ambitious annual target of Tk 4,99,000 crore, according to domestic media outlets.

Development spending remains another weak spot, the document added.

Source: fibre2fashion.com– Sep 25, 2025

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NATIONAL NEWS

US may not roll back India's tariffs till matter of Russian oil purchase is settled: sources

US tariffs on Indian goods are likely to remain till the “thorny issue” of New Delhi's oil purchase from Russia is settled, a source tracking the matter said. Stopping the flow of finances to Moscow is a top priority for Washington, he said.

India's chief negotiator for the US bilateral trade agreement (BTA) Rajesh Agarwal and his team – which accompanied Commerce & Industry Minister Piyush Goyal to the US for trade discussions – are back but a date for the sixth round of negotiations is yet to be announced, a second official pointed out.

‘Thorny issue’

“Russian oil purchase by India is the thorny issue for the US in the ongoing bilateral trade talks. Stopping finances for Russia's war on Ukraine is very important. Tariffs on India are likely to stay till the issue is settled,” the first source told businessline.

Goyal's talks with US Trade Representative Jamieson Greer and other US officials in New York this week went well and both sides are “cautiously optimistic” about the future, the source added.

However, there is no communication yet, either from India or the US, on the sixth negotiating round which will be crucial to ensure that the first tranche of the BTA meets the October-November (Fall 2025) timeline.

The last formal round of negotiations between India and the US took place on July 14-17. With India not ready to move on its redlines, especially in agriculture, the US went ahead and imposed 25 per cent reciprocal tariff on India on August 7 and another 25 per cent on August 27 as penalty for purchasing Russian oil.

“With the visit of US chief negotiator Brendan Lynch to India last week followed by Minister Goyal's visit to the US, the logjam in trade talks due to the tariffs has been broken. But the Russian oil purchase matter as well

as India's inflexibilities in agriculture and dairy need to be settled for talks to be fully back on track," the second official said.

Trump and his top officials, including the USTR, have been sharply criticising India and China for allegedly fuelling Russia's war by purchasing its oil.

Oil trade

India's purchase of Russian oil increased from less than 1 per cent of its total crude oil imports before the 2022 Ukraine war to over 35 per cent now due to discounts offered. New Delhi has defended itself by arguing that its purchases were not illegal, US officials earlier encouraged it to stabilise global prices and that US and the EU, too, were trading with Moscow...

New Delhi may try to appease the Trump regime by buying more oil from the US. "We are big importers of energy from across the world, including from the US. We expect to increase our trade with the US on energy products in the years to come," Goyal recently said at an event in New York.

Source: thehindubusinessline.com – Sep 25, 2025

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Exporters to get 90% upfront refund only after GST law change

The decision to allow 90% upfront refund for exporters under the goods and services tax (GST) framework may take time to be operationalised as the proposed revamp of the refund mechanism would require a change in the law.

The Centre is now mulling an ordinance to fast track the process and has asked the law committee under the GST Council to examine it, people familiar with the development said.

The GST Council had earlier this month announced upfront release of 90% refunds for exporters on the provisional basis when it revealed tax reforms with a two-slab structure.

The current law - specifically Section 54 of the Central GST Act, which deals with the refunds - does not have a provision that allows for risk-based provisional refunds. This becomes more complex in the case of industries with inverted duty structure.

This section will need to be amended to facilitate refunds, people cited above said.

"There is an issue... The law committee is working on it," an official said.

The law committee is already working on the definition of "risky taxpayers."

The upfront release of 90% refunds for exporters was one of the GST structural changes aimed at bringing relief to small businesses in general and exporters in particular.

By front-loading refunds, the government seeks to ease the financial burden on exporters and enhance the overall trade environment amid the 50% imposed tariff by the US.

Once implemented, this will bring immediate relief to sectors such as textiles, chemicals, fertilisers and pharmaceuticals sectors and will unlock their working capital.

Blocked refund claims are a persistent complaint among domestic businesses operating under the inverted duty regime in sectors such as pharmaceuticals, fertilisers, and textiles, where inputs attract higher taxes than finished products.

Source: economictimes.com– Sep 26, 2025

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Indian Textile Delegation Showcases India's Strength in Technical Textiles at Manchester Roadshow

A high-level Indian delegation led by Ms. Neelam Shami Rao, Secretary, Ministry of Textiles, Government of India, showcased India's expanding strength in the technical textiles sector at a dedicated Technical Textiles Roadshow in Manchester, United Kingdom.

The delegation comprised senior officials from the Ministry of Textiles and representatives from the Man-Made Fibre, Technical Textiles and other key textile segments, including TEXPROCIL, underlining India's robust capabilities and commitment to innovation-driven and sustainable growth.

Secretary's Address — Innovation, Sustainability & CETA

In her keynote, Ms. Neelam Shami Rao stressed that technical textiles are among India's fastest-growing segments, driven by R&D, advanced manufacturing and circular economy practices. She highlighted India's focus on sustainability, green manufacturing and waste reduction under the National Technical Textiles Mission (NTTM) scheme to strengthen long-term competitiveness.

She noted that the India–UK Comprehensive Economic and Trade Agreement (CETA) creates a win–win framework — offering secure, sustainable sourcing and technology partnerships for the UK, and enhanced market access, tariff reduction, mutual recognition of standards and investor confidence for India. Ms. Rao encouraged UK retailers and industrial users to partner with India's cost-competitive, innovation-led ecosystem to build resilient and sustainable supply chains.

Strategic Engagements

The delegation also visited leading innovation hubs including the Manchester Fashion Institute at Manchester Metropolitan University and the Graphene Engineering Innovation Centre, Manchester, to explore partnerships in advanced materials, sustainable technical textiles and circular fashion models.

India's Technical Textiles Export Snapshot (FY 2024–25)

Global exports: USD 2.92 billion

Major categories: Packtech (37.5%), Indutech (28%)

Exports to UK: USD 136 million (4.7% share)

Way Forward

The visit is expected to facilitate greater trade opportunities, joint ventures, investment and technology partnerships between India and the UK. Flagship schemes such as PM MITRA mega textile parks, the Production Linked Incentive (PLI) scheme and the NTTM are creating world-class infrastructure and an enabling business environment.

Combined with the market access benefits of CETA, India is advancing its vision to double textile exports by 2030, while supporting a mutually beneficial, sustainable and future-ready India–UK textile trade partnership.

Source: pib.gov.in- Sep 25, 2025

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Trump's 50% tariff hits Tamil Nadu tanneries, hundreds of factories shut

Periyavarigam village in Tamil Nadu's Vellore district, about 200 km inland from Chennai, is usually a hub of activity. The Ambur Pernampet Road is bustling with people, but the familiar clatter of tanning machinery is missing. At least 50 of the 300-odd leather factories in Ambur have shut down, leaving workers uncertain about their livelihoods, as per a TOI report.

The Ambur-Ranipet belt, an arid region barely cooled by the Palar river, which has suffered decades of drought and pollution from tannery effluents—was once a thriving leather hub, employing over a million people. That changed on August 27, when US President Donald Trump imposed a 50% punitive tariff on Indian goods.

India's leather and non-leather footwear exports reached \$4.4 billion in 2024-2025, with \$1 billion directed to the US. Now, India is losing ground to Vietnam, China, Indonesia, Bangladesh, and Mexico, where tariffs are lower. Tamil Nadu, along with Agra and Kanpur, accounts for 70% of Indian exports to the US, primarily shoes, wallets, belts, and bags. Half of Tamil Nadu's leather exports go to the US.

Future tense for workers

For P Gopi, 42, a cutting machine operator at Farida Leather Factory in Chinnavarigam near Ambur, life has become uncertain since he was placed on unpaid leave three weeks ago. "I am struggling to pay education fees for my son and two daughters," he says. His daughters, both nursing students, were sent home because he couldn't pay their Rs 1.5 lakh college fees each.

S Thandapani, 49, whose workdays have shrunk from four a week to one, is trapped in debt under the usury system known as kandhu vetti. His daughters, too, had to return home from nursing college due to unpaid fees. Scores of guest workers from Odisha, Assam, Bihar, and Bengal have either returned home or are waiting in dormitories for employers' instructions.

“Leather workers were anyway in trouble, as most Indian shoemakers have shifted to materials other than leather,” says Senthil Murugan, a supplier of raw materials and technical expertise to leather goods makers. “Now, the 50% tariff has struck a lethal blow to the industry.” Factories exporting to Europe, where tariffs are around 20%, are still functioning, but those supplying the US have closed or are winding down. Some tanneries are relocating operations to Vietnam and Bangladesh, where tariffs are lower.

“Goods are stuck in our warehouses,” says M Rafeeqe Ahmed, chairman of Farida Group, which supplies leather goods to the US. “Our company employs around 12,000 workers, of whom 10,000 are women. Most of them may lose their jobs.” Ahmed notes that his company also has tanneries in Vietnam and Ethiopia and shoe factories in Bangladesh, where tariffs are less punitive.

No solution in sight

US buyers are asking Indian manufacturers to hold back orders or provide heavy discounts. Some factories are exploring the UK market. “We are at a loss, planning raw materials, finance, and employee costs. No solution is in sight,” says KKSK Rafiq, managing director of KKSK International Group, with leather factories in Erode and Ambur. “We are working at 90% of installed capacity, and suddenly the volume has less than halved. Our losses run into several crores. We hope the government comes up with a scheme for employees for a few months until the problem is sorted out.” Ambur-based R Rajendran, a Nepali settled in Tamil Nadu since 1984, works for Everest Overseas, a labour supplier. “Orders are not coming and our future is uncertain,” he says. Workers like Arunachal Pradesh native Seeman Munda, 36, and his wife Muktha, 35, from Assam, say they do not know what they would do if they lost their jobs.

Northern states are also feeling the impact. “Customers have cancelled shipments. We are working on breakeven margins,” says Kulbhushan Solanki, vice-president of operations at Gurgaon-based Tangerine Skies, a leather goods maker. Agra hosts eight to ten large factories and 40-50 MSME factories producing footwear.

Across India, there are some 2,000 tanneries and 2,000 leather goods manufacturing companies, concentrated in Kanpur, Noida, Agra, and southern states like Tamil Nadu. “The northern states are famous for safety shoes and upholstery leather,” says M Karthikeyan, technical

manager for Asia at US-based Tannin Corporation. “Fashion leather factories are asking workers not to come three days a week. There have been no new orders in the past couple of months.”

The Council for Leather Exports and the Federation of Indian Export Organisations (FIEO) have engaged with Finance Minister Nirmala Sitharaman but with limited success. FIEO has requested an interest equalisation scheme, strengthened market access initiatives, and temporary support for exports to the US to prevent job losses amid punitive tariffs and statutory contributions.

Source: economictimes.com- Sep 25, 2025

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India set for record cotton procurement as prices stay weak

India is gearing up for record cotton procurement from farmers for the second consecutive year. The government's nodal agency, the Cotton Corporation of India (CCI), has procured 100 lakh bales of 170 kg during the current marketing season, which ends on September 30. Lower cotton prices in both domestic and global markets are expected to drive farmers to CCI procurement centres to secure better returns through the higher minimum support price (MSP) guaranteed by the government.

Although cotton acreage in the country has declined for the 2025–26 season, other factors are likely to push government procurement even higher. According to the Ministry of Agriculture, cotton acreage stood at 109.90 lakh hectares as of last Friday, down from 112.76 lakh hectares a year ago. Sowing has been completed, so this is the final acreage figure. The area was 123.71 lakh hectares in 2023–24 and averaged 129.50 lakh hectares over the past five years.

CCI is preparing to launch its annual procurement operations for seed cotton (kapas) under the MSP scheme for the 2025–26 season. The Ministry of Textiles confirmed that procurement will roll out in a phased manner beginning in October.

The first phase will start on October 1 in the northern states of Punjab, Haryana, Rajasthan, and parts of western Uttar Pradesh, where the harvest typically begins earliest. Procurement centres in these states are already being readied. In Punjab, some farmers have even started bringing cotton to mandis, and private trade is underway ahead of the official procurement schedule.

Central states—Maharashtra, Madhya Pradesh, and Gujarat—will follow next, with operations expected to begin on October 15, coinciding with peak arrivals. These three states account for the largest share of India's cotton acreage, and CCI has announced that an extensive network of procurement centres will be set up to ensure MSP coverage. The final phase will cover the southern states—Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu—where procurement is likely to begin around October 21.

Officials from the Ministry of Textiles emphasised that procurement will be undertaken without any quantitative ceiling—CCI will buy as much kapas as farmers bring, provided market prices remain below MSP. If prices stay higher, the agency will restrict itself to commercial purchases.

Record procurement is expected once again in the upcoming season. New arrivals in northern states have already pushed prices down by around 5–6 per cent over the past two weeks, with arrivals starting mid-September.

Market sources noted that the government has allowed duty-free cotton imports until the end of December 2025. CCI and traders, however, are struggling to offload last season's cotton due to large carryover stocks. Market estimates suggest that 62–65 lakh bales will remain as closing stock this season, most of which are with CCI. Clearing this inventory is necessary to free up warehouse space for the new crop.

Traders believe there is little chance of price stability given sluggish consumption, especially after the imposition of 50 per cent US tariffs. Lower cotton prices in the open market are expected to force farmers to sell to CCI. The government has fixed the MSP for seed cotton (kapas) at ₹7,710 (Approx. \$86.94) per quintal for 2025–26, up 8.27 per cent from last year's MSP. Meanwhile, seed cotton is currently trading at ₹6,000–7,000 (Approx. \$67.66–78.94) per quintal in north Indian markets as CCI's purchase operations are yet to begin.

Source: fibre2fashion.com– Sep 25, 2025

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Maharashtra, Gujarat and more: Top cotton producing states in India

India continues to be the world's second-largest producer and consumer of cotton, contributing nearly 24% of global cotton output, according to the Ministry of Commerce & Industry. Despite having the largest cotton acreage globally, India ranks 36th in productivity.

The country cultivates all four major cotton species, *G. Arboreum*, *G. Herbaceum* (Asian cotton), *G. Barbadense* (Egyptian cotton), and *G. Hirsutum* (American Upland cotton) – across the Northern, Central, and Southern zones.

Based on provisional estimates for the 2024-25 cotton season from the Committee on Cotton Production and Consumption, India's total cotton production stands at 294.25 lakh bales. Here's a detailed look at the top five cotton-producing states:

1. Maharashtra – India's Cotton Powerhouse

Maharashtra leads with 89.09 lakh bales, up from 80.45 lakh bales last season (2023-24). With 40.86 lakh hectares under cultivation and a yield of 370.66 kg/ha, the state remains a key driver of India's cotton industry.

2. Gujarat – High Productivity Hub

Gujarat follows with 71.34 lakh bales, slightly lower than 90.57 lakh bales last season. Its 23.92 lakh hectares deliver an impressive yield of 507.02 kg/ha, making the state one of the most productive cotton regions in India.

3. Rajasthan – Strong Yield Performer

Rajasthan recorded 18.45 lakh bales in 2024-25, down from 26.22 lakh bales the previous year. However, its yield of 500.24 kg/ha across 6.27 lakh hectares reflects strong efficiency and adoption of modern cotton farming practices.

4. Telangana – Steady Southern Contributor

Telangana contributes 49.86 lakh bales, nearly unchanged from last season. Spread over 18.11 lakh hectares, the state maintains a healthy yield of 468.04 kg/ha, supporting the Southern cotton belt's consistent output.

5. Madhya Pradesh – Reliable Central Zone Player

Madhya Pradesh rounds off the top five with 15.35 lakh bales grown over 5.37 lakh hectares, achieving a yield of 425.98 kg/ha. This ensures the Central Zone continues to play a vital role in India's overall cotton production.

[Click here for more details](#)

Source: cnbctv18.com– Sep 25, 2025

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North Indian cotton yarn trade weak, payment flow constrained

Market sentiment remained weak in the north Indian cotton yarn market. Both cotton yarn and recycled yarn trade in Panipat continue to face payment constraints. Traders said slow demand and mounting stocks are drying up payment flows. However, cotton yarn and recycled yarn prices were hovering around previous levels. Market sources added that spinning mills are trying to keep rates steady as they expect better yarn exports in the coming months.

Ludhiana market witnessed sluggish demand from the consumer industry. Falling new cotton prices have discouraged buying. Payment constraints are also denting the buying capacity of the consumer industry. A trader from Ludhiana market told Fibre2Fashion, “Buyers are purchasing cotton yarn only for immediate needs. As cotton garment demand eases during the winter season, this is also leading to slow buying from fabric manufacturers. Additionally, fabric imports are depressing demand for cotton yarn.” However, cotton yarn prices remained stable in the market.

In Ludhiana, 30 count cotton combed yarn was sold at ₹250-260 (~\$2.82-2.93) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹240-250 (~\$2.71-2.82) per kg and ₹245-255 (~\$2.76-2.88) per kg, respectively; and carded yarn of 30 count was noted at ₹230-235 (~\$2.59-2.65) per kg today, according to trade sources.

The Delhi market also witnessed weak demand from the consumer industry. Cotton yarn demand softened as Diwali festival buying by fabric manufacturing units has been completed. They are now focused on production and shipment ahead of festival demand. Traders said that if consumer demand remains strong during the festive season, it will improve payment flow as retailers come forward to restock goods. However, local demand alone cannot fill the gap left by the large US market. Indian exporters are currently facing 50 per cent tariffs on textile and apparel products.

In Delhi, 30 count combed knitting yarn was traded at ₹253-254 (~\$2.85-2.86) per kg (GST extra), 40 count combed at ₹280-281 (~\$3.16-3.17) per kg, 30 count carded at ₹227-229 (~\$2.56-2.58) per kg, and 40 count carded at ₹252-254 (~\$2.84-2.86) per kg today.

India's home textile hub Panipat also reported slow payment flows, which caused weak demand for recycled yarn. A trader said that recycled cotton yarn is under greater pressure as it is mainly used in export-oriented home textile products such as towels and bed sheets. Normally, the festive season brings strong demand for home textiles, but this trend has not been seen in recent years. Non-cotton recycled yarn trade had been steady but has now also started feeling pressure.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹73-76 (~\$0.82-0.86) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹55-58 (~\$0.62-0.65) per kg, 20s recycled PC yarn (Grey) at ₹97-100 (~\$1.09-1.13) per kg and 30s recycled PC yarn (Grey) at ₹127-132 (~\$1.43-1.49) per kg. Meanwhile, 10s recycled cotton yarn were traded at ₹107-108 (~\$1.21-1.22) per kg and 18s recycled cotton yarn ₹135-136 (~\$1.52-1.53) per kg. Cotton comber prices were noted at ₹108-110 (~\$1.22-1.24) per kg and recycled polyester fibre (PET bottle fibre) at ₹78-83 (~\$0.88-0.94) per kg today.

In north India, new cotton prices hovered at previous levels, with limited selling and buying activity. Therefore, cotton yarn prices remained range-bound in the region. Traders said ginning mills prefer to dry up cotton to fetch better prices, while buyers are reluctant to purchase cotton with higher moisture content. The Cotton Corporation of India (CCI) may not begin procurement before mid-October, although formally, it is scheduled to start buying from October 1 this year.

New cotton prices were reported at ₹5,420-5,430 (~\$61.12-61.23) per maund of 37.2 kg in Punjab, ₹5,370-5,380 (~\$60.56-60.67) in Haryana, and ₹5,420-5,450 (~\$61.12-61.46) in upper Rajasthan. Lower Rajasthan has yet to receive new cotton. Last year's cotton was traded at ₹52,500-54,500 (~\$592.02-614.58) per candy of 356 kg. Seed cotton was sold between ₹6,000-7,000 (~\$67.66-78.94) per quintal of 100 kg.

Source: fibre2fashion.com– Sep 25, 2025

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