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INTERNATIONAL NEWS

Government Shutdown Raises Questions About Status of US Trade Deals

The normally gridlocked traffic in the nation's capital was notably lighter on Wednesday morning.

Stalled Senate negotiations on federal funding prompted a government shutdown that took effect at midnight, with lawmakers from both parties unable to reach a consensus about Affordable Care Act subsidies, a Democratic imperative. Now, the lights are off across Washington, with no end to the détente in sight.

The shutdown comes at a critical moment for the nation. The Trump administration's revised "reciprocal" tariff rates, announced in late July, have been in effect for just under two months. Congressional challenges to the president's authority are now on hold.

What's more, two critical trade preference programs—the Africa Growth and Opportunity Act (AGOA) and Haiti HOPE-HELP—lapsed on Tuesday without renewals. Nearly a quarter-century old, AGOA provided 32 sub-Saharan African countries with duty-free access to the American market for 1,800 different product categories. Now, apparel-producing countries like Lesotho and Kenya will be subject to double-digit duties.

Haiti, still steeped in conflict due to ongoing gang violence in its capital, Port-au-Prince, has also lost access to a critical lifeline for its domestic industry. The HOPE and HELP programs granted Haitian apparel and textile producers duty-free access on imports to the U.S. for more than 15 years.

While both programs enjoyed bipartisan support, the deadline for a renewal or extension passed without action from Congress. Now, with the federal government out of commission, a retroactive renewal will face unnecessary delays, according to the American Apparel and Footwear Association (AAFA).

"We are frustrated by the failure to act on these long-standing, bipartisan trade preference programs that clearly benefit local garment industries abroad as well as Made-in-America cotton and textile exporters, American

brands, and the 3.6 million American workers directly supported by the fashion industry,” the group’s vice president of trade and customs, Beth Hughes, said Wednesday.

“Despite persistent and constructive engagement from a wide range of stakeholders, Congress has fallen short in renewing these mutually beneficial programs, ultimately surrendering further strength to China’s manufacturing influence by placing unnecessary obstacles in the way of viable sourcing alternatives,” she added.

A White House source said earlier this week, before AGOA’s expiration, that President Donald Trump supports a one-year extension of the program. But it’s up to Congress, not the Commander in Chief, to make that happen.

Matt Priest, president and CEO of the Footwear Distributors and Retailers of America (FDRA) told Sourcing Journal it was “heartening” to hear that the president supports a retroactive renewal of AGOA, and that his approval could send a critical signal to Congressional Republicans to take up the matter when the shutdown ends.

“We’re in this environment where you’re not surprised when these things happen,” he added. “Does this administration hold to the trade philosophy that preference programs are important ‘soft power’ tools or ways for us to build alliances economically? I’m not necessarily sure.”

AGOA, specifically, has become a success because of its longevity, allowing investors in the region to build out infrastructure and capacity over time. “As a 10-year program, it thrives on certainty and lasting duration that provides confidence in the sourcing landscape. But right now, we don’t have any confidence in any of the sourcing landscape, no matter where we’re sourcing from.”

With many trade negotiations still up in the air, Trump has reportedly put in place safeguards to inoculate his personal trade objectives against the impacts of the shutdown. Certain agencies and employees engaged in tariff negotiations have been deemed essential, or their activities relegated to approved funding mechanisms, to keep them working while the shutdown persists, Politico wrote.

A document released by the Office of the U.S. Trade Representative (USTR) said that none of the agency's 237 employees would be furloughed during the shutdown.

"During a government shutdown, USTR will continue to perform functions necessary to the discharge of the President's constitutional duty and power to conduct foreign relations," the memo said. The agency continues to advise the president on his International Emergency Economic Powers Act (IEEPA) tariffs and to negotiate on his behalf with trade partners. "As described by the President in various executive orders dating back to April 2, failure to continue these negotiations would jeopardize the economic and national security of the United States," it added.

Priest said he's eager to see a deal between Beijing and Washington take shape before the three-month trade truce comes to an end in early November. "We're in this moment where we have this pause and it's creating an opportunity for both countries to negotiate on these more specific issues or irritants," he said, noting that the sale of TikTok has been a prevailing part of the conversation between the negotiators.

"As long as [the talks] continue, I feel as if both sides are prepared to create another extension. My hope it would be a deal that lowers these tariffs, but if not that, we have another at least 90-day extension for certainty take us into the new year," he added.

In the near-term, Priest does not believe the shutdown will bring the "critical functions" of government—like customs, for example—that impact the activities of the footwear industry, and the fashion sector more broadly, to a halt.

"I do think there's a broader concern about the impact in the economy—how long [the shutdown] goes on, and whether it will impact consumers in some form or fashion, or make them uncertain, particularly when consumer confidence is declining," he said. "That's top of mind for us."

Source: sourcingjournal.com— Oct 01, 2025

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Apparel consumption rises in Europe, supply pressures hit Asia: Wazir Advisors report

In a world where apparel has long been both an economic indicator and a cultural barometer, the September 2025 Wazir Advisors Global Apparel Trade & Retail Update Report paints a picture of uneven momentum across markets. While consumer demand in some economies shows encouraging resilience, supply-side headwinds continue to weigh on major exporters, underscoring the complexities of the post-pandemic global trade environment.

Imports, Europe and the UK lead the upswing

July 2025 saw diverging paths in apparel imports across major buyer nations.

- **European Union (EU):** At \$9.6 billion, EU imports rose 19 per cent YoY, making the bloc the standout growth engine for global apparel demand. The rebound reflects a combination of sustained consumer spending, fashion retail promotions, and pent-up demand in key EU economies like Germany, France, and Spain.
- **United Kingdom (UK):** Recording an even sharper rise, UK imports grew 24 per cent YoY, reaching \$2.1 billion, highlighting the strength of its fast-fashion and mid-market segments.
- **United States (US):** In contrast, the US, the world's single-largest apparel importer reported a 3 per cent YoY decline in imports, down to \$7.7 billion. This drop showcases cautious retailer stocking amid inventory corrections and mixed consumer sentiment.
- **Japan:** Imports rose 5 per cent YoY, touching \$2 billion, driven by a gradual recovery in department store sales and steady demand in premium casualwear.

Together, these numbers underline a shifting center of gravity, European markets are driving near-term global apparel import growth, while the US, despite its size, is displaying more cautious trade behavior.

Export, Asian giants under pressure

On the supply side, exporters are facing a more challenging environment.

- **China:** Still the dominant supplier, China's apparel exports in August 2025 fell 11 per cent YoY to \$13.6 billion. Rising labor costs, slowing Western demand, and increasing scrutiny on supply chain sustainability have weighed on performance.
- **Bangladesh:** Once a reliable growth story, Bangladesh reported exports of \$3.1 billion, down 6 per cent YoY. Order slowdowns from US and EU buyers, combined with energy and wage inflation, are affecting competitiveness.
- **India:** India's apparel exports slipped 8 per cent YoY to \$1.2 billion, as the sector grapples with a weak global demand cycle and domestic raw material price volatility.
- **Vietnam:** Breaking the trend, Vietnam posted 3 per cent YoY growth, reaching \$3.9 billion. Its strong trade agreements and positioning in synthetic apparel categories are providing a relative edge.

The diverse stats highlights a broader shift, buyers are increasingly diversifying sourcing away from China and Bangladesh, with Vietnam emerging as a resilient alternative, while India continues to face structural competitiveness issues.

Retail Outlook: Consumption gains but e-commerce stalls

At the consumer end, retail activity offers a more optimistic counterpoint to the export slowdown. US: Apparel sales in August 2025 grew 5 per cent YoY, showing steady resilience despite economic uncertainties. Home furnishings, however, fell 4 per cent YoY, signaling a possible spending rotation toward clothing and personal style categories.

Interestingly, e-commerce sales of clothing and accessories declined 3 per cent YoY in Q2 2025, suggesting online channels may be maturing, with physical retail regaining traction.

India: The domestic story was more buoyant, with apparel retail sales in July 2025 up 9 per cent YoY. Driven by festive season pre-sales, rising middle-class consumption, and expanding organized retail formats, India continues to remain a bright spot in global apparel consumption trends.

Economic signals Underlying these retail dynamics are nuanced macroeconomic signals, particularly in the US. The Consumer Confidence Index (CCI) edged up to 97.4 in August 2025, from 97.2 in July, indicating cautious optimism among households. The labor market, however, showed cracks, only 22,000 jobs were added in August, and the unemployment rate ticked up to 4.3 per cent from 4.2 per cent. For apparel retailers, this mixed picture means balancing optimism in spending with caution around inventory buildup.

A fragmented global apparel map

The Wazir Advisors September 2025 update suggests that the global apparel industry is no longer moving in lockstep. Europe and India are powering consumption, while US and Japanese buyers remain selective.

Export leaders like China, Bangladesh, and India are losing momentum, while Vietnam quietly gains share.

In retail, apparel demand is stable to positive, but channel dynamics are shifting brick-and-mortar resilience against slowing online sales is reshaping strategies. And global trade flows are increasingly shaped by macroeconomic uncertainty, inflationary pressures, and shifting consumer priorities.

Thus as fashion cycles compress and supply chains diversify, the apparel trade is entering an era of regional fragmentation and selective growth. For global brands, retailers, and sourcing hubs, agility not scale may define competitiveness in the coming quarters.

Source: fashionatingworld.com– Oct 01, 2025

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EU takes major step toward circular economy with new textile waste rules

The European Union has published a revised Waste Framework Directive, kicking off a new era for sustainable textiles. The directive sets a firm timeline for Member States to implement Extended Producer Responsibility (EPR), a policy that requires businesses to take financial and operational responsibility for their products at the end of their life.

The new rules create a 20-month deadline for EU Member States to transpose EPR into their national laws. This means each country must establish a clear framework for how apparel and textile companies will finance and manage the collection and treatment of garments once they're no longer usable. Following this, Producer Responsibility Organizations (PROs) must be fully operational within 30 months. These organizations, funded by producers, will be key to managing the collective obligations under the EPR, including setting up collection systems, ensuring materials are recycled properly, and reporting compliance to authorities.

The European Apparel and Textile Confederation (EURATEX) has welcomed the directive but stressed the urgent need for a unified approach across the EU. The organization has long advocated for a single market for secondary raw materials and the harmonization of EPR schemes to prevent a fragmented, "patchwork" of national regulations. According to EURATEX, a harmonized framework is crucial for supporting competitiveness and innovation within Europe's textile industry.

EURATEX has outlined its key priorities to ensure the directive's successful implementation, which include ensuring strong market surveillance and coherence with other related legislation, such as the Circular Economy Action Plan (CEA) and Ecodesign for Sustainable Products Regulation (ESPR). Looking ahead, EURATEX is set to discuss these developments further with its members at the upcoming Textile PRO Forum plenary meeting in November, reinforcing its commitment to a fair, effective, and harmonized framework that benefits both the environment and the European textile sector.

Source: fashionatingworld.com– Oct 02, 2025

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Global Air Cargo Growth Slows in August, Southeast Asia Picks Up Momentum

Air cargo demand increased globally for the sixth straight month in August, although its strength weakened relative to July's 5.5 percent growth.

According to data from the International Air Transport Association (IATA), total cargo tonne-kilometers (CTKs) rose by 4.1 percent compared to year-ago levels, and 5.1 percent for international operations.

Seasonally adjusted CTKs registered growth of 3.9 percent year-over-year in August, down from 5 percent YoY in July.

"Volumes continue to grow even as global trade patterns change. Air cargo has benefitted from a shift from sea for some high-value goods as shippers try to minimize the risk of tariff changes," said Willie Walsh, director general of IATA in a statement. "And growth patterns indicate some being diverted away from North America, fueling stronger growth for the Europe-Asia, within Asia, Africa-Asia and Middle East-Asia trade lanes. This adaptability is vital as shippers navigate the evolving landscape of U.S. tariff policy."

As has been the case in recent months due to heavy tariffs placed on countries including China and India, Asia-to-North America demand continued to slide. CTKs on the trade lane declined 2.2 percent from the year prior, which is the largest dip across the routes tracked by the IATA.

This marks the fourth straight month of declines between the regions, although both July (a 1 percent dip) and August numbers were an improvement over May and June (10.7 percent and 4.7 percent, respectively). The improvement across the latter two summer months was propped up by front-loading in July ahead of U.S. trade negotiation deadlines in early August, as well as the scrapping of the de minimis provision at August's end.

With August concluded, air freight has entered its September-to-November peak season again, but cargo headed to the U.S. is expected to see descent from all markets as international postal operators paused deliveries over the de minimis ban.

Air freight out of China and India have contributed to this in the first half of September.

Tonnages headed from China and Hong Kong to the U.S. dipped roughly 5 percent and 8 percent below their equivalent level in the first two weeks of the month, according to air cargo market intelligence provider WorldACD. As for India-to-U.S. flights, tonnages decreased 10 percent and 13 percent.

In the third week of September, China-to-U.S. volumes declined 1 percent year over year, but other adjacent markets have picked up the slack. Volumes from Taiwan (51 percent), Vietnam (44 percent), Thailand (43 percent), Malaysia (28 percent) and Singapore (12 percent) all saw strong annual increases during the month, said the WorldACD data.

“September to November is always the peak season for air freight. This year, demand growth is more focused on Southeast Asia, particularly Thailand, Vietnam, Malaysia and Singapore,” said Kathy Liu, vice president of global sales and marketing, Dimerco Express Group in a statement. “With high-tech, AI and semiconductor production increasing in these countries, more finished goods are being shipped out. As a result, we expect capacity pressure at major transit hubs including Singapore, Taiwan, Hong Kong and Korea.”

Backlogs out of Hong Kong, which houses the largest cargo airport on earth, are expected to persist through mid-October after Typhoon Ragasa caused widespread flight cancellations across the region and South China.

According to Dimerco’s Asia Pacific Monthly Freight Report, capacity out of Hong Kong remains tight on routes to Singapore and Vietnam, while space and rates to other destinations remain stable. And for cargo out of South China, rates to the U.S. may increase as Amazon Prime Big Deal Days in October drives a rebound in demand while airlines reduce capacity during Golden Week.

While capacity crunches in the Asia Pacific region have become more of a concern for air freight, the government shutdown that began Wednesday in the U.S. has the Airforwards Association “deeply concerned” about the impacts on the country’s air cargo system.

“With air traffic control operations under pressure and federal aviation staff affected, there is a real risk of delays, disruptions and added costs across the supply chain,” said Brandon Fried, executive director at the Airforwarders Association, in a statement. “Freight forwarders depend on safe, predictable, and fully resourced aviation infrastructure to keep goods moving for businesses and consumers alike.”

Fried urged policymakers to resolve the impasse quickly.

Source: fibre2fashion.com– Oct 01, 2025

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China's manufacturing PMI rises to 51.2 in Sept with stronger demand

China's manufacturing sector conditions improved at the close of the third quarter, with the Purchasing Managers' Index (PMI) rising to 51.2 in September from 50.5 in August, according to S&P Global and RatingDog. This marked the second consecutive month above the 50 threshold, signalling continued expansion and the joint-quickest improvement since November 2024.

The upturn was driven by stronger demand, with both new orders and new export orders climbing. Promotional efforts, new product launches, and healthier market conditions supported the fastest expansion in new business since February, S&P Global said in a press release.

Export orders increased for the first time since March, helping production grow at the quickest pace in three months. Manufacturers responded by boosting purchasing activity, rebuilding inventories, and working through higher backlogs, which eased pressure on capacity. Employment trends stabilised, with job shedding slowing as some firms added staff to meet demand.

Despite improved supply conditions and shorter lead times, competitive pressures forced manufacturers to cut selling prices slightly to sustain sales, while exporters implemented only marginal price hikes.

Business confidence strengthened to its highest since March, supported by expectations of stronger sales, government policy support, and product innovation.

"Notably, the sub-indices for both demand and production remained in expansion territory. On the demand side, new orders performed well, while new export orders returned to growth for the first time since March 2025—a relatively positive signal that eases concerns over recent export weakness," said Yao Yu, founder at RatingDog.

Yu added: "The pace of input material inventory accumulation slowed, while finished goods inventories continued to rise. Input prices climbed further but output prices fell moderately, highlighting ongoing pressure on profits. Overall, September's PMI improvement was broader based, with most major sub-indices showing expansion."

Meanwhile, China's manufacturing PMI rose to 49.8 in September, up 0.4 points from August, according to official data from the National Bureau of Statistics (NBS). While still below 50, indicating contraction, production accelerated with the output sub-index hitting a six-month high at 51.9.

Source: fibre2fashion.com– Oct 02, 2025

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ASEAN manufacturing hits 14-month high in September

The ASEAN manufacturing sector posted its strongest improvement in over a year in September, as the S&P Global ASEAN Manufacturing Purchasing Managers' Index (PMI) rose to 51.6 from 51 in August. The reading marked the highest expansion since July 2024 and confirmed a modest but broad-based upturn in regional factory activity.

Output and new orders expanded solidly, with demand recording its joint-fastest growth in nearly two-and-a-half years. Purchasing activity also increased at the strongest pace in 13 months. Firms reported renewed hiring for the first time in seven months, though overall job creation remained marginal. Backlogs of work accumulated at the quickest rate in a year, pointing to rising pressure on capacity, S&P Global said in a press release.

Inventories showed mixed trends, with pre-production holdings broadly unchanged, while post-production stocks fell as companies tapped into inventories to meet demand. Input costs rose further, though inflationary pressures stayed historically moderate. Business confidence improved to a six-month high, as manufacturers cited stronger demand conditions and optimism for output growth over the coming year.

"The ASEAN goods-producing sector concluded the third quarter of the year on a strong note, underscored by solid expansions in new orders and output. Additionally, purchasing activity increased, and employment rose for the first time in seven months," said Maryam Baluch, economist at S&P Global Market Intelligence. "Furthermore, the fresh accumulation of backlogs, coupled with the ongoing reduction of post-production inventories, suggests that manufacturers should have opportunities to further expand their workforce."

"Although recent data indicates a slight increase in price pressures against a backdrop of easing monetary policy across much of the region and a strengthening demand climate, the rates remain historically muted. This suggests that these pressures are manageable and unlikely to adversely affect demand," added Baluch.

Source: fibre2fashion.com– Oct 02, 2025

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Who Should Fund Fashion's Climate Transition?

Perhaps one of the most incisive questions raised at a fashion event during Climate Week NYC was: why?

Why isn't the industry moving faster—or working harder—to stave off what is almost certain supply chain collapse in the face of the climate catastrophe? Why, for all its talk about collaboration, has meaningful action struggled to coalesce? Why is the wealth that's concentrated in the office suites of the global North failing to reach the production floors of the global South, where it can have the greatest impact?

The reason is simple, if cynical. Big brands that rise and fall on the strength of their quarterly returns rarely have a long-term strategic mindset, particularly if they're being rattled—as they are now—by geopolitical and economic tremors. Neither do investments that drive efficiency or reduce emissions in factories they don't actually own, but rather share with rival businesses, immediately translate into increased shareholder value.

At the same time, up to 99 percent of a clothing purveyor's carbon footprint can lie in its supply chain. To put it another way, there are only so many lightbulbs a company can swap out in its distribution centers before it has to grapple with the bulk of its emissions outside its own operations, particularly in the material processing phase that accounts for 55 percent of Scope 3's greenhouse-gas pie.

“The trick is to find a way to bridge the long term with the immediate and short term,” Ulrika Leverenz, head of green investment at H&M Group, said at a panel with The Fashion Pact on Thursday. “At H&M Group, we link the financial value to the value impact. And that could be cost per ton or how much this particular project will benefit the total targets. You could also frame it as risk minimization. We are only as resilient as our supply chain. What we need to look into is, how much are we willing to pay today to avoid that risk for tomorrow?”

The Swedish retailer is a member of Fashion Pact's Future Supplier Initiative. Launched a little over a year ago in collaboration with the consultancy Guidehouse and the Apparel Impact Institute, the project seeks to leverage the power of collective financing to dole out low-interest loans, supplied by Singapore's DBS Bank and “de-risked” by the likes of

H&M Group, Gap Inc., Bestseller, Mango and, more recently, Marks & Spencer, Ralph Lauren and Tchibo, to help manufacturers in countries such as Bangladesh and India decarbonize their operations through the installation of, say, solar panels, heat pumps or, somewhat controversially, biomass boilers.

It was H&M Group, acting through then-CEO Helena Helmersson, who also happened to be co-chair of The Fashion Pact at the time, that initiated the FSI, Leverenz said, because it recognized that the project would stretch further if the company didn't try to do it on its own. Even with the four original brands, she said, working together meant that each dollar would "reach four times as far" in terms of carbon reductions. This is the type of "easy math" that would "convince any CFO," Leverenz added.

Gap Inc.'s CFO needed more convincing, admitted Dan Fibiger, the company's vice president of global sustainability. The truth, he said, is that there is a finite amount of capital that can be freed up from the books for something like this. Brands in FSI put up what are known as risk guarantees in the form of cash deposits or guarantee fees, making them legally liable if a supplier defaults on payments or, worse, goes out of business.

"And so then the pressure on us is to make sure that we have the right evaluation framework because if [the resources are] finite, how are you getting the most impact for the amount that you put on the table to deploy?" he said. "And that is still a work in progress. Certainly, it's been a very dynamic year for all of us in terms of trade regime and whatnot. So it's [about] making sure that if you have an amount, that amount needs to deliver disproportionate value relative to anywhere else you can put it."

While the precise figures brands will put up, as well as the specific lending terms, aren't yet public, a typical loan for a factory could fall within the \$1 million to \$2 million range, though there isn't a cap on the amount. Eva von Alvensleben, executive director and secretary general of The Fashion Pact, described FSI as a "new way to think about decarbonization in our supply chain" because it's about a "shared financial mechanism."

"It's not about every one of us going with their own program to their suppliers to say, 'Hey, [this is a] super idea, why don't you do this?'" she said. "No, it's a shared one where actually we will come together and say, 'Hey, listen, this is what we want to do together, and we help you with technical support and financial support,' which has clear benefits for the

suppliers because they get access to low-cost loans, but also they see the brand standing behind that program. It's clear supplier engagement." Operationalizing sustainability

To be sure, it's the lack of engagement between brands and suppliers, coupled with differing expectations and limited financing, that has resulted in progress sputtering between the assessment and deployment stages of even the best-laid plans. Money also continues to speak the loudest in the boardroom. And for every brand that steps up, dozens more opt for inaction.

"Unfortunately, we're still driven by cost initially," Lewis Shuler, head of innovation at Alpine Group, a vertically integrated fiber-to-fashion supplier for household names such as American Eagle Outfitters, Gap Inc., The North Face and Under Armour, said at a Fashion for Good panel about its Future Forward Factories initiative. "Everything goes through that first filter of how does it impact cost? And then it goes into impact. And one thing where we're finding success is you can't just tie it to impact. You have to find as many different points that you can kind of upsell."

Like FSI, FFF wants to find a workaround for what is frequently described as "pilot paralysis." It thinks that while renewable energy, wastewater treatment and coal boiler phaseouts are all well and good, gaps still remain in integrating "disruptive" innovations in material processing, where textiles are dyed, treated and finished, that can reduce the amount of energy used altogether. And all while also ensuring a "just transition" for workers through additional training and development.

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Source: sourcingjournal.com– Sep 30, 2025

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Italy's consumer confidence rises in Sept, business sentiment mixed

Italy's consumer confidence index rose to 96.8 in September 2025 from 96.2 in August, with improvements in the economic, current, and future components. The economic climate gained from 97 to 98.8, the current from 99.2 to 99.9, and the future from 92.2 to 92.6, while the personal climate remained stable at 96, Istituto Nazionale di Statistica (Istat) data showed.

The overall business confidence climate, Istat Economic Sentiment Indicator (IESI) inched up slightly to 93.7 from 93.6. Within sectors, the manufacturing confidence index held at 87.3, firms reported better order book levels (balance -20.5 to -19.7) but weaker expectations for future production (0.4 to -0.4), while inventories were unchanged at 2.7.

Employment expectations softened (7.5 to 7). Market services sentiment edged up from 95.1 to 95.6, supported by optimism on future order books (balance 1.4 to 6). However, views on current business trends and order books worsened, with balances dropping from 2 to 0.3 and from 1.1 to -0.2, respectively, Istat said in a release.

Retail trade confidence continued to decline, slipping to 101.6 from 102.7. Respondents downgraded their outlook on current business trends (balance 15.7 to 7.9) but reported better assessments of inventories (8.8 to 9.6) and future sales expectations (22 to 27.1).

Source: fibre2fashion.com– Oct 02, 2025

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ADB cuts Cambodia's growth outlook to 4.9% in 2025, 5% in 2026

The Asian Development Bank (ADB) has revised its growth forecast for Cambodia from 6.1 per cent to 4.9 per cent for 2025 and from 6.2 per cent to 5 per cent for 2026, reflecting economic challenges related to geopolitical tensions with Thailand and uncertainty surrounding the United States (US) export market.

Nevertheless, solid growth is expected through 2026, driven by continued strength in the industrial sector and steady inflows of foreign direct investment, ADB said in a press release.

“The economy has shown resilience in the first half of 2025,” said Jyotsana Varma ADB country director for Cambodia. “Lower-than-expected food price increases and declining fuel costs helped ease inflation, while industrial activity remained robust. Looking ahead, there is scope for continued recovery in the construction and tourism sectors, alongside steady growth in agriculture, which together point to a more balanced and sustainable expansion.”

Year-over-year (YoY) inflation for Cambodia declined sharply from 6 per cent in January to 1.6 per cent in June, according to ADB’s flagship economic report titled, ‘Asian Development Outlook (ADO) September 2025’. Inflation is expected to average around 2 per cent in 2025 and 2026.

Industry continues to be the main growth engine. Garment exports surged 22.2 per cent YoY in the first half of 2025, partly due to US buyers stocking up in anticipation of higher tariffs on Cambodian imports. Despite cautious sentiment among importers stemming from trade policy uncertainty, the garment and non-garment manufacturing sectors are expected to remain strong, supported by a relatively favourable 19 per cent US tariff rate.

Source: fibre2fashion.com– Oct 02, 2025

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South Africa's textile imports edge up 0.5% in Jan–Aug 2025

South Africa's imports of textiles and textile articles (under Chapters 50–63) totalled 42,904.6 million rand (~\$2.493 billion) during January–August 2025, according to preliminary data released by the South African Revenue Service in its August 2025 report.

This represents a modest 0.5 per cent increase compared to the same period last year, driven largely by sustained demand for apparel and household textiles, despite weak consumer spending trends. The trade figures include transactions with Botswana, Eswatini, Lesotho, and Namibia (BELN).

Official merchandise trade statistics show that during the same period in 2024, the country imported textiles and textile articles worth 42,694.6 million rand.

South Africa continues to be a net importer in this product segment, reflecting its reliance on low-cost Asian textile suppliers and limited domestic manufacturing capacity.

Exports of textiles and related products rose by 5.4 per cent, reaching 15,769.2 million rand (~\$916.30 million) in the first eight months of 2025, compared to 14,961.2 million rand in the corresponding period of 2024.

The rise was mainly supported by demand from neighbouring African markets, particularly in cotton fabrics and apparel categories.

In August 2025, South Africa's imports of textiles and textile articles under Chapters 50–63 stood at 5,576.1 million rand (~\$324.01 million), reflecting an 8.6 per cent decrease from imports of 6,099.0 million rand in July 2025. The monthly fall can be attributed to seasonal fluctuations in apparel demand, currency volatility, and tighter import financing conditions.

Exports under the same chapters fell by 10.2 per cent to 1,713.9 million rand (~\$99.54 million) in August 2025, down from 1,908.8 million rand in July 2025. This decline was partly due to weaker regional orders and logistical bottlenecks at key border points.

In 2024, the country's imports of textiles and textile articles reached 65,476 million rand (~\$3,551.95 million), up 10 per cent from 59,528.9 million rand in 2023.

Exports of textiles and related products edged up by 1.8 per cent, amounting to 23,578.8 million rand (~\$1,279.11 million) in 2024, compared to 23,155.9 million rand in 2023.

The strong import growth in 2024 highlighted South Africa's rising dependence on global sourcing, while limited export gains underscored competitive pressures from Asian suppliers.

Source: sourcingjournal.com– Oct 02, 2025

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Vietnam raises 2025 e-com growth target to 25.5% from 20-22%

Vietnam's Ministry of Industry and Trade (MoIT) recently raised its 2025 e-commerce growth target for the business-to-consumer (B2C) model to 25.5 per cent from of 20-22 per cent earlier in light of the sector's stronger-than-expected performance.

It expects the growth of the sector in the third quarter (Q3) this year to hit 27.67 per cent, 5.67 percentage points (pps) higher than the previous estimate.

Figures from the first eight months this year show growth of 25-27 per cent in the sector, outpacing forecasts by 3-7 pps, according to a domestic news agency.

During the first half of the year, actual growth was adjusted from 19 per cent to 20 per cent. July growth climbed to 25 per cent against the earlier forecast of 21 per cent, while August and September each reached 28 per cent compared with 22 per cent in the previous scenario. This pushed the average for the third quarter to 27.67 per cent.

For the final quarter, October is projected at 32 per cent versus the initial 23 per cent, November at 34 per cent compared to 24 per cent, and December at 35 per cent against 28 per cent. Consequently, average growth in Q4 is projected at 33.67 per cent, nearly 8 pps higher than estimated earlier.

Source: fibre2fashion.com– Oct 02, 2025

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Vietnamese PM order outlines steps to stimulate domestic consumption

Vietnamese Prime Minister Pham Minh Chinh recently signed an official dispatch on strengthening measures to stimulate domestic consumption to achieve the economic growth target of over 8 per cent this year.

He asked the Ministry of Industry and Trade (MoIT) to take concrete actions, including launching a special communication campaign to promote the 'Vietnamese people prioritise using Vietnamese goods' movement, highlighting the quality of indigenous products; and encouraging consumption of Vietnamese goods on e-commerce platforms.

MoIT will organise programmes for trade promotion and demand stimulation within the national trade promotion plan; strengthen supply-demand linkages, bringing Vietnamese goods to rural, mountainous, remote, island and disadvantaged areas through multi-channel models; and partner with Vietnamese agricultural exchanges to distribute local specialties and One Commune One Product (OCOP)-certified products.

It will accelerate closer coordination with business associations and localities to help enterprises diversify supply sources, build flexible distribution networks and improve demand forecasting to ensure stable and continuous supply, the directive said.

It also stresses on more comprehensive and effective use of digital technologies in developing sales channels, domestic news outlets reported.

The directive called for closer coordination among ministries, agencies and localities to monitor prices, especially of essential goods and services, and to promptly implement appropriate and effective measures.

The State Bank of Vietnam was tasked with directing credit institutions to facilitate access to loans for people and businesses to boost domestic consumption, and providing credit packages to support production, business and consumption, with simplified procedures and conditions to ensure effective disbursement.

The directive also called for tighter price controls, greater transparency in declaring product origins and geographical indications, tougher penalties for violations and further cuts in administrative procedures to improve the business environment.

Source: fibre2fashion.com– Oct 03, 2025

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Turkiye's apparel exports fall 7.25% in Jan–Aug 2025

Turkiye's apparel exports declined by 7.25 per cent year-on-year (YoY) during January–August 2025, totalling \$10.881 billion compared to \$11.732 billion in the same period of 2024, according to data from the Turkish Statistical Institute and the Ministry of Trade. Exports also recorded a drop in August 2025.

Exports of knitted and crocheted clothing and accessories (HS Chapter 61) fell by 5.6 per cent to \$6,264.221 million, down from \$6,633.298 million in January–August 2024.

Non-knitted apparel and accessories (HS Chapter 62) declined by 9.5 per cent, dropping to \$4,617.001 million from \$5,099.166 million during the same period last year, as per the trade report on the top twenty chapters. The sharper decline in woven apparel highlights a stronger impact on higher-value categories, while knitwear showed relatively greater resilience.

In August 2025, Türkiye's garment exports fell by 8.67 per cent to \$1,473.451 million. Exports of knitted and crocheted clothing and accessories decreased by 8.8 per cent to \$860.290 million, compared to \$943.791 million in August 2024.

Non-knitted apparel and accessories declined by 8.4 per cent, falling from \$669.444 million in August 2024 to \$613.161 million in August 2025.

Among the top twenty chapters in Türkiye's imports, non-knitted apparel and accessories (HS Chapter 62) rose by 19.7 per cent to \$1,480.590 million in the first eight months of 2025, compared to \$1,237.385 million in the same period last year.

In August 2025, these imports increased by 3.4 per cent to \$205.106 million from \$198.406 million.

In 2024, Türkiye's apparel exports fell by 4.47 per cent to \$17.494 billion, compared to \$18.314 billion in 2023. Shipments of knitted and crocheted clothing and accessories (HS Chapter 61) dropped by 1.6 per cent to \$10,109.110 million, down from \$10,277.566 million in 2023. Non-knitted apparel and accessories (HS Chapter 62) declined by 8.1 per cent, falling to \$7,385.592 million from \$8,037.378 million in 2023.

The sharper fall in woven goods underscores structural competitiveness challenges, such as rising labour costs and increasing competition from South Asia.

In 2023, Türkiye's apparel exports declined by 5.86 per cent to \$18.321 billion, compared to \$19.463 billion in 2022, following \$18.294 billion in 2021.

Source: fibre2fashion.com– Oct 03, 2025

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Bangladesh drew less than 5% of S Asia's logistics FDI: report

Bangladesh has attracted \$1.8 billion in greenfield foreign direct investment (FDI) in logistics between 2019 and 2024, accounting for 4.9 percent of South Asia's total, according to a report by GlobalData and the International Finance Corporation (IFC).

The country registered 10 projects in logistics and warehousing operations during the period, apart from receiving \$185.6 million in FDI in sales and administration business functions relating to the logistics sector, said the study.

Posted on the Bangladesh Investment Development Authority's website, the study was published in June this year.

Of the investment, the report cited the plan of UAE-based Abu Dhabi Ports to invest \$1 billion in the construction of a multipurpose terminal under the Bay Terminal project at Chattogram port.

It also cited the announcement of Denmark-based shipping company AP Moller-Maersk to invest \$400 million to open a new container terminal in Laldia, Chattogram.

However, from a South Asian perspective, Bangladesh's share in FDI projects was far below that of India. South Asia attracted 258 logistics FDI projects, with India leading at 85 percent.

The study said the global economy is changing rapidly, driven by politics, policy, and technology, and recommended that the government plan strategically.

The government should enable and encourage the development of logistics and infrastructure that can serve a dual-use function — international trade and Bangladesh's growing domestic market, it said.

"Promote green logistics solutions to diminish environmental impact. This can connect with sustainable investment, which is pertinent for FDI," it added.

The report suggested that the government encourage an environment that promotes smart logistics with smart technologies to reduce inefficiencies, such as reducing wastage, lowering the volume of documentation, and improving time management.

"This could be a solution to the just-in-time vs just-in-case dichotomy in supply chains," it said, suggesting a focus on attracting logistics companies in areas that have a high volume of projects and large capital investments.

"These are core logistics companies, e-commerce, and food companies. Textiles should be another important target sector and one in which Bangladesh has a regionally competitive domestic market," said the report. The report on logistics said that to be regionally competitive, Bangladesh should consider an attractive incentive package for companies interested in opening logistics operations.

"Incentives have become a much more important factor in FDI in recent years," it said, recommending identifying key source markets and companies to target for investment. Commenting on logistics, M Masrur Reaz, chairman and CEO of the Policy Exchange of Bangladesh, said, "Logistics is now absolutely critical for Bangladesh from two perspectives."

"As an export-led economy, our competitiveness hinges on faster delivery to global markets and lower freight costs, both of which depend on efficient logistics," he said. Bangladesh lags significantly behind peers such as Vietnam, Thailand, and India in infrastructure, ports, storage, and transport services — constraints that limit global competitiveness, he said.

"Bangladesh has historically missed out on logistics FDI due to regulatory restrictions and underdeveloped sectoral capacity," he added.

"Now, however, a billion-dollar opportunity exists to attract global players across ports, river terminals, multimodal transport, and inland container services," said Reaz. "Strategic investment can not only boost exports but also bring world-class logistics operators to Bangladesh, adding credibility to our investment landscape," he said.

Source: thedailystar.net– Oct 03, 2025

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Source: pib.gov.in – Oct 01, 2025

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India-Asean officials to meet next week in Jakarta to resume goods trade pact review

Trade negotiators from India and the 10-nation ASEAN bloc will meet in Jakarta from Monday to push forward the review of their goods trade pact, an official said.

The official said that the work on the review of the Asean-India Trade in Goods Agreement has progressed well, but it is still some distance from conclusion for any announcement at the 22nd Asean-India Summit on October 27 in Kuala Lumpur.

After the 11th round of review (October 6-7), the leaders at the summit will be apprised of the progress and seek their directions.

"There are still discussions that are going on. There has been some progress seen in the last 3-4 months. The effort from the Asean side is to see that there are significant things to report by the time the summit takes place.

"We will not be able to close the review because the talks are not at that stage," the senior official said.

The 10th round of talks for the review was held from August 10-14 here.

The review process is being led by a joint committee, which has eight sub-committees under it, each dealing with a particular subject.

There are sub-committees on Customs Procedures and Trade Facilitation (SC-CPTF), Legal and Institutional Issues (SC-LII), National Treatment and Market Access (SC-NTMA), Sanitary and Phytosanitary (SC-SPS) and Rules of Origin (SC-ROO).

There is also a sub-committee on standards, technical regulations and conformity assessment Procedures (SC-STRACAP), and trade remedies (SC-TR).

The review of the agreement is a long-standing demand of the Indian industry, and India is looking forward to an upgraded pact, which will address the current asymmetries in bilateral trade and will make trade more balanced and sustainable.

ASEAN members include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

A free trade agreement in goods between India and the 10-nation bloc ASEAN (Association of Southeast Asian Nations) was signed in 2009.

The ASEAN trade deal came into force in January 2010. In August 2023, both sides announced a complete review of the existing agreement on goods by 2025.

ASEAN, as a group, is one of India's major trade partners with about an 11 per cent share in the country's global trade.

Bilateral trade reached USD 123 billion in 2024-25. Of the total, India's exports during the year stood at just USD.96 billion, while imports were USD 84.15 billion.

Source: thehindubusinessline.com– Oct 02, 2025

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Textile PLI Scheme 2.0 to hugely benefit MSMEs: CITI

The Confederation of Indian Textile Industry (CITI) has welcomed the new production linked incentive (PLI) Scheme for textiles announced on September 30 as the PLI Scheme 2.0 will encourage wider participation and more significantly also benefit smaller entities in the textile ecosystem.

CITI had been advocating for a more liberalised PLI Scheme for textiles for quite some time.

“We are deeply grateful to the Union Textiles Minister and all concerned officials in the textiles ministry for this new-look PLI Scheme for Textiles,” CITI chairman Ashwin Chandran said. “The revisions made in the PLI Scheme will inject huge momentum to the Indian textile and apparel sector in its journey towards becoming more globally competitive.”

The CITI chairman said the expanded coverage of the PLI Scheme 2.0 following the addition of 8 new HSN (Harmonised System of Nomenclature) codes for MMF (manmade fibre) apparel and 9 new HSN codes for MMF Fabrics will provide tremendous impetus to the MMF segment in India. The move would spur the production of high value MMF apparel and fabrics in India.

Currently, the textile ecosystem worldwide is dominated by man-made fibre. In India, though, cotton still dominates.

Chandran said the flexibility allowed under the new PLI Scheme for Textiles where units could now be set up within an existing company would greatly improve the ease of doing business. Previously, companies had to establish separate units to avail the benefits of the PLI Scheme.

The CITI chairman said the significant lowering of the investment thresholds to qualify for benefits under the new PLI Scheme effective August 1, 2025, and the changes in the turnover-linked incentive structure, would prove pivotal in fast-tracking the growth of the Indian textile and apparel sector. “The lowering of the investment thresholds and the revision in the turnover-linked incentive mechanism are worth their weight in gold,” Chandran pointed out.

The revised investment thresholds are ₹150 crore (Part 1A) and ₹50 crore (Part 2A). In the turnover-linked incentive mechanism under the new PLI Scheme for Textiles, only 10 per cent incremental turnover is required from year 2 onward, effective financial year 2025-26.

India aims to create a \$250 billion domestic textile and apparel industry by 2030. The target is also to achieve textile and apparel exports of \$100 billion by 2030. India's current domestic textile industry is estimated at around \$180 billion. The country's textile and apparel exports in the financial year 2024-25 stood close to \$38 billion.

Source: fibre2fashion.com– Oct 01, 2025

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Five states contribute over 40% of GST revenues in April-September FY26

India's Goods and Services Tax (GST) revenues in the first half of FY26 (April–September 2025) were concentrated among a few large states, with Maharashtra, Karnataka, Gujarat, Tamil Nadu and Haryana emerging as the top five contributors. Together, these states accounted for more than 40 per cent of total GST revenue collected during the period, underscoring the dominance of industrial and service-driven economies in the tax system.

Maharashtra led by a wide margin, with an average monthly revenue of ₹31,830 crore, reflecting its position as India's financial and industrial hub. Karnataka followed with ₹14,532 crore, supported by information technology services and a strong manufacturing base, while Gujarat ranked third at ₹11,833 crore, benefiting from its diversified industrial and trading ecosystem. Tamil Nadu and Haryana also figured prominently, reinforcing the role of industrial hubs in the country's GST structure.

The next tier of states — including Uttar Pradesh, West Bengal, Delhi, Telangana and Odisha — contributed average monthly revenues ranging between ₹5,000 crore and nearly ₹10,000 crore. Uttar Pradesh stood out with ₹9,965 crore, highlighting its growing consumption-driven revenue base.

Meanwhile, Andhra Pradesh, Kerala, Bihar and Punjab registered average monthly revenues in the range of ₹1,800 crore to ₹4,000 crore.

Source: business-standard.com– Oct 02, 2025

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Stitching a bright future: Bihar's rise in garment manufacturing

As land, labour, and operational costs continue to rise in India's urban areas, apparel and textile companies are actively exploring cost-effective alternatives. This structural shift is steering investors' focus toward rural and semi-urban regions with the potential to support large-scale manufacturing.

Among the frontrunners in this evolving landscape is Bihar, an eastern state increasingly being seen as a credible, long-term hub for textile and apparel production.

Bihar's comparative advantage lies in its vast pool of affordable, trainable labour and a growing support system of enabling policies, infrastructure upgrades, and availability of land for industries.

With manufacturing decentralisation becoming a dominant trend, the state's strategic location near the key consumer markets of Delhi and Kolkata, as well as proximity to states like Uttar Pradesh, Jharkhand and the neighbouring country Nepal, further strengthens its appeal.

This proximity reduces transportation time and logistics costs, facilitating faster delivery.

Union Minister of State for Textiles and External Affairs, Pabitra Margherita, during a recent visit to Patna, emphasised Bihar's potential to become a major centre for readymade garment manufacturing.

He pointed to increasing interest from leading apparel manufacturers, several of whom are now setting up production units in the state. Begusarai, in particular, has already seen the commencement of operations at a few such facilities, indicating early-stage traction.

Institutional partnerships are also playing a key role in building industry-ready human capital. One notable example in this direction is the signing of a Memorandum of Understanding (MoU) between NIFT Patna—operating under the Ministry of Textiles—and Aditya Birla Fashion and Retail Limited (ABFRL), one of India's largest fashion conglomerates.

The partnership, formally announced in the presence of Union Minister of Textiles Giriraj Singh, is aimed at empowering rural women through targeted skill development and direct employment integration.

The collaboration will train members of self-help groups, popularly known as Jeevika Didis, in core garment manufacturing processes, quality control systems, and machine operations.

These training sessions will be conducted at NIFT Patna and its extension centres.

Once trained, these women will be eligible for employment at ABFRL's upcoming manufacturing unit in Begusarai.

As per the Union Minister of Textiles, the programme is expected to benefit over 3.5 lakh women in its initial phase, with plans to extend coverage to adjoining districts.

This integrated approach—linking skill development to formal employment within a structured industrial framework—is a model that could reshape Bihar's textile landscape. It not only addresses workforce readiness but also promotes women's economic inclusion, a key enabler of sustainable industrial growth.

The momentum is not limited to training and pilot projects.

In an important step toward strengthening Bihar's apparel manufacturing base, a new readymade garment unit has also reportedly been announced in the Bela Industrial Area, Phase 2 of Muzaffarpur.

Developed by M/s Gogreen Apparel Limited, the project reportedly entails a private investment of ₹23.36 crore, and upon completion, the facility will reportedly have an estimated annual production capacity of 5.5 million garments.

As per media reports, Bihar Deputy Chief Minister Samrat Choudhary confirmed that the unit falls within the textile and leather sector, which the state government has designated a high-priority industry under its recently approved Industrial Policy 2025.

The policy framework offers a comprehensive range of incentives—including capital subsidies, land allotments, tax exemptions, and dedicated support for skill development—intended to attract private investment and spur job creation.

He further emphasised that this unit represents a tangible step in Bihar's broader industrial strategy. The goal is to position the state as a robust player in India's textile manufacturing value chain while simultaneously enhancing its employment and economic growth metrics.

These efforts are being reinforced by investments in infrastructure and logistics designed to close existing gaps and prepare the state for scalable industrial activity.

While the outlook is positive, there remain some challenges nonetheless!

In several rural areas, unreliable electric supply poses a threat to production schedules while also raising the operational costs. Manufacturers are forced to rely on backup systems, which reduces cost competitiveness.

Limited warehousing facilities and last-mile connectivity also reportedly offer challenges, affecting supply chain reliability and turnaround times.

However, solutions are not that far. Infrastructure development is already underway, most notably through projects like the Eastern Freight Corridor, which is expected to significantly improve logistics.

This corridor will enhance connectivity with major ports and industrial centres, thereby enabling easier access to raw materials and reducing transportation delays for finished goods.

In parallel, the state government has reportedly taken proactive steps to allocate large tracts of land for industrial purposes, with a focus on textile parks and integrated garment clusters.

These developments are designed to accommodate modern factories and attract both domestic and foreign investors seeking cost-efficient and scalable production environments.

Several of these clusters are reportedly being designed with plug-and-play infrastructure, easing the entry barrier for manufacturers and reducing time-to-operations. Bihar's rising profile in the textile sector is also being aided by its competitive labour dynamics. The state's large working-age population—most of whom are young, semi-skilled, and wage-competitive—represents a strategic advantage in an industry that remains highly labour-intensive.

This creates a workforce pipeline that can meet industry-specific demands with minimal lag. The Bihar Industrial Investment Promotion Policy (BIIPP) has emerged as a critical growth enabler in this ecosystem. By offering targeted incentives tailored to the needs of manufacturing businesses, the policy aligns state support with market realities.

These include not only financial incentives but also institutional support, fast-tracked approvals, and sector-specific facilitation—key requirements for scaling operations quickly and sustainably.

Industry experts note that Bihar's trajectory is timely. With global brands increasingly diversifying their sourcing strategies and India aiming to capture a larger share of the global textile market, non-traditional manufacturing destinations like Bihar stand to gain. The state's potential lies in its ability to offer cost-effective and reliable production capacity by moving production away from congested and costlier hubs.

For exporters, manufacturers, and investors, Bihar today represents more than just a low-cost production base. It is a strategic growth opportunity—one that aligns with both domestic expansion and global supply chain realignment.

With proactive policy support, improving infrastructure, and deepening public-private collaboration, the state is setting the foundation for long-term industrial relevance in the textile and apparel sector.

While some infrastructure gaps and logistical challenges linger, Bihar is rapidly closing the gap between potential and performance and for an industry in transition, seeking scale, cost efficiency, and sustainability.

Source: fibre2fashion.com– Oct 01, 2025

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