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IBTEX No. 124 of 2025 October 08, 2025

Currency Watch			
USD	EUR	GBP	JPY
88.76	103.19	118.91	0.58

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INTERNATIONAL NEWS

WTO revises upwards its global goods trade growth forecast for 2025 to 2.4%

World trade in goods is expected to grow at a higher rate of 2.4 per cent in 2025, than the earlier-projected 0.9 per cent, due to frontloading of imports in the US to avoid reciprocal tariffs and a rise in spending on AI-related products, per the WTO's latest estimates.

The tariff impact, however, is expected to shift to 2026, with projections for the year lowered to 0.5 per cent from the earlier 1.8 per cent, the latest update of the Global Trade & Outlook released on Tuesday noted.

"Global merchandise trade outpaced expectations in the first half of 2025, driven by increased spending on AI-related products, a surge in North American imports ahead of tariff hikes, and strong trade among the rest of the world," the report noted.

WTO economists, therefore, increased the goods trade growth forecast to 2.4 per cent (up from 0.9 per cent in August). The estimates for 2026 have been lowered to 0.5 per cent (from 1.8 per cent).
Exports growth

Global services exports growth, too, is expected to slow from 6.8 per cent in 2024 to 4.6 per cent in 2025 and 4.4 per cent in 2026.

In India, too, US tariffs of 50 per cent imposed in August, have not yet started showing fully in trade numbers as exporters have been meeting front-loaded demand. But some sectors such as seafood and textiles are already feeling the pinch, according to industry sources.

AI-related goods, such as semiconductors, servers and telecommunications equipment accounted for over half of the overall trade expansion in the first half of the year, rising 20 per cent year-on-year in value terms, the report noted.

Favourable macroeconomic conditions such as disinflation, supportive fiscal policies, and strong growth in emerging markets also contributed to the growth.

However, the higher US tariffs, which took effect in August 2025, and increased trade policy uncertainty are set to eventually unwind some of the effects of earlier frontloading. “Already, rising input prices and a slowdown in trade shipments suggest inflation could increase in late 2025 as inventories shrink in tariff-affected, highly-exposed sectors,” it noted.

South-South trade

Trade continued to grow among the rest of the world, particularly South-South trade, pointed out WTO DG Ngozi Okonjo-Iweala.

“As members mostly continue to trade with each other normally, supply chains are going where the demand is. The report focuses on our standard regional groupings, but our back of the envelope calculations suggest South-South trade grew 8 per cent year-on-year, in value terms, in the first half of 2025, compared to 6 per cent for world trade overall,” she said.

The WTO’s rough estimates suggest South-South trade involving partners other than China is growing even faster, up around 9 per cent.

Source: thehindubusinessline.com– Oct 07, 2025

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Value addition king China: Fabric, yarn 95% of total textiles exports

China can rightfully be termed the king of value addition in the global textile industry, with trade data consistently reflecting its strength in high-value manufacturing. The country's textile (excluding garments) exports reached $49.63 billion during January–July 2025, with fabrics and yarns accounting for about 95 per cent of the total—demonstrating its dominance in mid- and downstream production. Fibre exports, meanwhile, stood at below 5 per cent, underscoring China's strategic focus on converting raw materials into higher-value textile products.

China's exports of fabric were $39.561 billion (79.70 per cent) and yarn at $8.137 billion (16.30 per cent) in the first seven months of 2025, according to sourcing intelligence tool TexPro. The country had exported textiles of $49.634 billion in January-July 2024. Its exports of fabric were $39.561 billion (79.70 per cent), yarn $8.137 billion (16.30 per cent) and fibre $1.935 billion (3.90 per cent).

The outbound shipment from the country totalled $87.077 billion last year. Out of it, the shipment of fabric was $69.647 billion (79.98 per cent), yarn $14.080 billion (16.17 per cent) and fibre $3.349 billion (3.85 per cent), as per TexPro. Similarly, textile exports were $83.010 billion in year 2023. Out of it, China's shipment of fabric was $65.919 billion (79.41 per cent), yarn $13.681 billion (16.48 per cent) and fibre $3.409 billion (4.11 per cent).

Outbound shipment of fabric was $71.917 billion (79.27 per cent), yarn $14.986 billion (16.52 per cent) and fibre $3.815 billion (4.21 per cent), which totalled $90.720 billion, in year 2022.

By keeping fibre exports minimal and focusing on finished textile goods, China continues to maximise value retention within its borders, reinforcing its global leadership in textile manufacturing and trade efficiency.

Source: fibre2fashion.com– Oct 08, 2025

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S Asian slowdown looms; India to be fastest-growing major economy: WB

Growth in South Asia is projected to be robust at 6.6 per cent this year—but a significant slowdown looms on the horizon, with growth slowing to 5.8 per cent in 2026, according to the Word Bank's (WB) latest South Asia Development Update, which said India is expected to remain the world's fastest-growing major economy.

India's growth will be underpinned by strong consumption growth, improved agricultural output and rural wage growth.

Reforms to promote trade openness and technology adoption could help the South Asian region create jobs and catalyse growth, the World Bank noted, downgrading the fiscal 2026-27 (FY27) forecast for India, partly due to higher tariffs on exports.

The update is published twice every year.

The latest 2026 growth projection is a downward revision of 0.6 percentage point (pp) from the April forecast. Downside risks include spillovers from the global economic slowdown and uncertainty around trade policy, socio-political unrest in the region and labour market disruptions posed by emerging technology.

"South Asia has enormous economic potential and is still the fastest growing region in the world. But countries need to proactively address risks to growth," said Johannes Zutt, World Bank vice president for South Asia in a release.

"Countries can boost productivity, spur private investment, and create jobs for the region's rapidly expanding workforce by maximizing the benefits of AI and lowering trade barriers, especially for intermediate goods," he added.

South Asian countries rank among the least open to international trade and finance. The region's high tariffs protect sectors where employment opportunities are shrinking.

High tariffs also severely impede the manufacturing sector, which faces tariffs on intermediate goods—components and raw materials needed for production—that are more than double those in other emerging market and developing economies.

On the other hand, sectors with lower tariffs, such as services, have accounted for three-quarters of employment growth during the past decade. Carefully sequenced tariff reductions, especially in the context of broader free trade agreements, could help boost private investment, increase competitiveness, and generate significant employment opportunities.

The document also recommends harnessing the potential of artificial intelligence (AI) to boost productivity and incomes. AI could also bring substantial productivity gains, especially in sectors that have strong potential for AI to complement humans, it noted.

In Bangladesh, growth is expected to continue to accelerate to 4.8 per cent in FY26 and 6.3 per cent in FY27, as political uncertainty eases and investment picks up.

In Sri Lanka, the forecast has been upgraded to 3.5 per cent in 2026, while the forecast for Bhutan for FY26 has been downgraded to 7.3 per cent due to hydropower construction delays, but is expected to reverse as construction speed picks up in FY27.

In Maldives, growth is projected to slow to 3.9 per cent in 2026, driven by growing foreign exchange pressures. In Nepal, recent unrest and heightened political and economic uncertainty is expected to cause growth to decline to 2.1 per cent in FY26.

Source: fibre2fashion.com– Oct 07, 2025

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US online holiday sales to exceed $250 bn led by apparel sales: Adobe

US online holiday sales from November 1 to December 31, 2025, are expected to surpass $250 billion, marking 5.3 per cent year-over-year (YoY) growth, according to Adobe Analytics.

The report—based on over 1 trillion retail visits and 100 million SKUs—highlighted rising mobile transactions, Buy Now Pay Later (BNPL) adoption, and AI-driven shopping behaviour.

Apparel remains a key driver of holiday spending, with projected online sales of $47.6 billion, up 4.4 per cent YoY. Competitive discounting—averaging 25 per cent off—is expected to fuel demand, particularly during Cyber Week, when Cyber Monday will offer the best deals on clothing and accessories. Shoppers are also expected to 'trade up' to higher-value items, prioritising quality and style over quantity.

Cyber Week is projected to contribute $43.7 billion (17.2 per cent of total spend, up 6.3 per cent YoY). Cyber Monday will remain the largest online shopping day at $14.2 billion, while Black Friday will grow faster—8.3 per cent YoY to $11.7 billion. Thanksgiving sales are estimated at $6.4 billion, up 4.9 per cent YoY.

BNPL services are expected to add $2 billion in incremental online sales, reaching $20.2 billion overall (up 11 per cent YoY), with 79 per cent of transactions occurring via mobile devices.

Generative AI will play a transformative role this season, with AI-driven traffic projected to grow 520 per cent YoY. Over one-third of US consumers already use AI tools for product research, recommendations, and deal-finding. Meanwhile, social commerce continues to accelerate, with sales from social platforms expected to climb 51 per cent YoY, underscoring the growing influence of digital engagement on purchase decisions.

Source: fibre2fashion.com– Oct 06, 2025

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What's Propelling and Stalling the Industry's Traceability Preparedness

When it comes to traceability, there is a gap between the industry's intentions and their actions.

According to a survey conducted by Sourcing Journal in partnership with Oritain, 63 percent of industry executives indicate traceability is a strategic advantage, yet just 44 percent are actively tracing goods. The remaining 56 percent either have a plan in place but are not actively tracing goods yet or they have no plan in place. During a panel at Sourcing Journal's Fall Summit, moderated by SJ and Fairchild Studio director Lauren Parker, speakers dove into the motivations behind traceability investments and what is still holding companies' efforts back.

Looking at the key drivers shaping traceability, protecting brand reputation came out on top with 40 percent of respondents. This was followed by consumer demand for transparency and expected regulatory pressures, reflecting the growing need for compliance preparedness.

"The cost of trading non-compliant or unethical goods significantly outweighs the cost of investing in a pretty robust due diligence program," said Ben Tomkins, regional vice president, Americas at Oritain, which uses forensic science to verify raw material origins. "The longer the businesses take to implement a degree of traceability, the more acute their risk becomes as well."

One piece of legislation spurring the industry to action on traceability is the United States' Uyghur Forced Labor Prevention Act (UFLPA), which bars imports tied to China's Xinjiang Uyghur Autonomous Region. Between 2023 and 2024, U.S. Customs and Border Protection's shipment detentions rose 25 percent, and the detention increase was sharper in apparel, footwear and textiles, rising 33.4 percent the same year. "UFLPA was a huge catalyst for sort of moving the need of traceability from a nice to have to sort of a business necessity," said Tomkins.

This crackdown on slavery and forced labor extends beyond the U.S. with the United Kingdom's Transparency in Supply Chain Act and the European Union's Forced Labour Regulation. Companies are also facing escalating due diligence requirements from regulations like the Corporate

Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD).

Further, EU legislation will soon mandate digital product passports. To create DPPs, companies must have knowledge about their supply chains and be able to disclose detailed product information.

However, only 46 percent of those surveyed have visibility to Tier 4, or the raw material stage. Somewhat expectedly due to the scrutiny around cotton, including the UFLPA, the fiber is the most commonly traced raw material.

Recognizing the need for traceability and actually investing in it are two separate things. Respondents named cost, supply chain complexity and lack of expertise or capacity as the top three barriers for traceability. Although regulation is heightening visibility needs, roughly a quarter (23 percent) of executives said regulatory uncertainty is holding them back.

For Grey Matter Concepts, which specializes in manufacturing basic apparel, traceability is a differentiator and "essential." Robert Antoshak, the company's vice president, global strategic sourcing and development, noted that while the business case for traceability is "sound," across the industry, sustainability is a different story.

"For many brands and many companies, [sustainability is] a nice to have. And in this environment, it's expensive," he said. "Unless the company management buys into it from the very beginning, and it's essential to the business structure and the business strategy, a lot of companies are not going to be paying for that."

In addition to the intention-action divide, the survey results show a verification gap. A mere 44 percent of respondents are always or often confirming the traceability data that their suppliers are self-reporting, while the majority (56 percent) only do this sometimes, rarely or never.

Per Bjorn Bengtsson, chief product and supply chain officer at menswear brand Untuckit, to weed out forced labor, companies should be following up supply chain mapping and tracing with audits.

In the near future, the gap between intent and investment could narrow, as 56 percent of survey respondents said they plan to increase traceability spending either slightly or significantly over the next two years.

This investment could help prepare companies for escalating verification requirements and risks. Bengtsson expects CBP's auditing to become more "aggressive." In addition to UFLPA, another consideration is the elevated tariff rate on goods produced in Vietnam out of China-made inputs. He noted that CBP operates under a "guilty until proven innocent" model, requiring traceability to respond to any holds and get cargo released.

"It takes you at least three months to get [shipments] out of customs, and by that time, it's too late," said Bengtsson. "So if you want to risk that, fine, but that is a serious financial risk to the business."

Source: sourcingjournal.com– Oct 07, 2025

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Italian manufacturers to dominate at ITMA ASIA +CITME Singapore 2025

Italian textile machinery manufacturers are set to make a major impact at ITMA Asia + CITME Singapore 2025, taking place from October 28 to 31.

Despite geopolitical uncertainties, over 100 companies from Italy will showcase their latest innovations across 4,000 sq m.

Around 53 of these Italian exhibitors will be grouped within the National Sector Groups, organized by ACIMIT (Association of Italian Textile Machinery Manufacturers) and the Italian Trade Agency (ITA).

ITMA ASIA + CITME remains the essential showcase for machinery manufacturers targeting the Asian market, which currently accounts for 50 per cent of global exports, valued at €8.8 billion in 2024.

China and India are the leading importers, making the region crucial for Italian firms. In 2024, Italian textile machinery exports to Asia reached €664 million. In H1, FY25, sales to the area continued to grow, reaching €317 million, with China, India, Pakistan, and Bangladesh being the primary destinations for Made in Italy technology.

Marco Salvade, President, ACIMIT notes, the event provides an excellent opportunity to display their updated technological supply.

The choice of Singapore allows Italian exhibitors to engage with many Southeast Asian markets, which are becoming increasingly important manufacturing hubs, he said.

Italian manufacturers will present a wide array of advanced solutions covering the entire textile value chain. Visitors can expect to see digitalization tools for better efficiency, automation systems for smarter production, and a strong focus on sustainable technologies.

This includes machinery designed to optimize energy and water use while maintaining high quality, combining Italy's textile tradition with cutting-edge innovation.

Giorgio Calveri, Director, ITA Singapore, confirms, with 86 per cent of its €2.1 billion production exported, Italy's textile machinery industry views ITMA Asia + CITME as a strategic opportunity to reinforce its position as a trusted partner for advanced, sustainable, and competitive technologies in the key Asian region.

Source: fashionatingworld.com– Oct 07, 2025

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Sustainability, Curbing Ultra-fast Fashion to Be Discussed at Venice Sustainable Fashion Forum

None of the elephants in the room will be ignored at the fourth edition of the Venice Sustainable Fashion Forum, the yearly summit aimed at unpacking the ongoing eco-journey for the fashion and textile sector.

Although the industry is already facing the volatility of a dampened economy, geopolitical turmoil and declining consumer confidence, organizers said they will address many of the major forces impacting sustainability, including evidence of labor abuse in the Italian value chain and the unregulated penetration of ultra-fast fashion products in Italy and the Old Continent at large.

The summit, which will take place at Venice's Giorgio Cini Foundation on Oct. 23 and 24, is titled "Harmonizing Values" and is organized by Sistema Moda Italia, Confindustria Veneto Est and consultancy The European House — Ambrosetti.

"The landscape has changed compared to four years ago when the first summit was held," said Luca Sburlati, president of industry association Confindustria Moda and chief executive officer of supply chain group Pattern. "The Italian fashion and textile sector is under deliberate attack."

Sburlati pointed to the influx of non-European products, largely not subject to the block's regulatory framework and oftentimes bypassing customs.

For context, he highlighted how in the first half of 2025, exports of Italian fashion decreased 4 percent versus the same period in 2024, but imports inched up 6 percent on a like-for-like basis. The most significant jump in imports into Italy was from China, up 18 percent in the period, implying that many fast fashion players are gaining Italians over.

The Venice Sustainable Fashion Forum aims to define a set of shared values to be embraced collectively — policymakers included. "It's not just a summit, but an opportunity to define the agenda to work on for the following months," Sburlati offered.

He touted France's legislation aimed at reining in "ultra-fast fashion" platforms, which passed a Senate vote last June. "We cannot be a permeable continent when other regions take different approaches," Sburlati said, referencing the U.S. stringent tariff policy.

"We need to define a nationwide fashion strategic plan that looks towards 2035," said Sburlati, mentioning several pieces of legislation, from the extended producer responsibility, or EPR, and the control on import to a shared auditing system to check local companies' compliance with labor regulations.

The latter, in particular, is seen addressing and trying to fix the other hot-button topic that has rocked the country's supply chain recently, shaking both its reputation and business practices when some international luxury brands were investigated for ties to subcontractors involved in sweatshop schemes.

Andrea Favaretto Rubelli, vice president of the fashion group at Confindustria Veneto Est, said, "We have long thought we were the top of the class, and maybe we still are, but there are serious issues within it [on social sustainability]."

And Flavio Sciuccati, partner at The European House — Ambrosetti and director of the global fashion unit, said: "The supply chain's crisis is directly connected to factories being overlooked. Fashion is a sector that has heavily relied on third-party manufacturing, producing an overall unbalance of big brands versus small players. The illegality echo remains a small phenomenon, which still has to be addressed with a protocol and actions on a national scale."

As in previous editions, the event's agenda—covering topics as varied as the latest regulations, the consumer's trust in sustainability claims and the circular economy—is shaped around the findings of the survey "Just Fashion Transition 2025" conducted by The European House—Ambrosetti.

The study, also in its fourth edition, analyzed about 3,300 Italian and European fashion companies from a sustainability perspective across 950 data points, and gathered opinions from about 22,000 consumers.

Key findings of the survey will be unveiled on the summit's first day— followed by keynote speeches and roundtables — but the consultancy's partner and head of sustainability practices Carlo Cici highlighted how the only way forward for the sector is through innovation, which ensures that the sustainable transition generates short-term profits, thus becoming a constant incentive.

"Prosperity and sustainability need to go hand in hand, they are reciprocal and interconnected," echoed Andrea Crespi, vice president of Confindustria Moda with oversight on ESG, sustainability, technology and innovation.

The full roster of speakers at the Venice Sustainable Fashion Forum is to be unveiled closer to the event.

Source: sourcingjournal.com– Oct 07, 2025

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ICE cotton shows mixed trend amid cautious trading

ICE cotton futures showed a mixed trend amid subdued trading activity. With no reports from the USDA due to the ongoing US government shutdown—now in its sixth consecutive day—traders remained cautious about initiating new deals.

ICE December cotton futures fell to 65.16 cents per pound, down 0.16 cents, hovering just 5 points above the contract's low close recorded on October 2. Futures for delivery from October 2025 to December 2027 ended the session mixed, ranging between 16 points lower and 13 points higher.

Total trading volume was 27,524 contracts, marking the lightest session in six days. On Friday, 40,408 contracts were cleared, while the average daily volume last week was 49,878 contracts. Current certificated stocks were 17,891 bales, unchanged from the previous report. New certifications of 2,417 bales were added during the past week, categorised as 2025-26 crop year bales.

Currently, ICE cotton for December 2025 was traded at 65.07 cents per pound (down 0.07 cent), cash cotton at 62.64 cents (down 0.16 cent), the October 2025 contract at 62.70 cents (down 0.16 cent), the March 2026 contract at 67.00 cents (down 0.09 cent), the May 2026 contract at 68.33 cents (down 0.10 cent) and the July 2026 contract at 69.43 cents (down 0.11 cent). A few contracts remained at their previous closing levels, with no trading recorded today.

Source: fibre2fashion.com– Oct 07, 2025

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Better Cotton Initiative moves to boost BCI product branding

Geneva – A new label will begin arriving in stores over the coming months under a just-launched strategy to call out sustainable textiles.

The Better Cotton Initiative (BCI) has launched a product label which allows retailer and brand members to provide consumers with greater clarity about the origin and percentage of BCI Cotton in their products.

The new label, announced Oct. 7 in conjunction with World Cotton Day, will enable retailers and brands back up claims that their products contain physical BCI Cotton, certified by a third-party body, that has been traced from its country of origin.

Use of the label is optional for certified BCI retail and brand members. However, it can only be used on products which contain a minimum percentage of 30% Physical BCI Cotton. The remaining 70% cannot contain any other source of cotton, only other materials. Physical BCI Cotton refers to cotton that has been traced back to its country of origin using the NGO's traceability solution.

To align with the label's launch, Better Cotton has now rebranded to the Better Cotton Initiative (BCI). The change makes a clearer distinction between the organization and its commodity, both formerly known as 'Better Cotton'. The cotton sourced through the Better Cotton Initiative is now called BCI Cotton.

"In a time of increasing scrutiny around sustainability claims, global trade pressures, and shifting Environmental, Social, and Governance (ESG) priorities, transparency and accountability are more critical than ever," said Nick Weatherill, CEO at the Better Cotton Initiative.

The new label and brand come as the Better Cotton Initiative publishes its 2024/2025 Annual Report, highlighting the impact of its program over more than 15 years in driving environmental, social, and economic improvements in cotton farming.

Source: hometextilestoday.com– Oct 07, 2025

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Vietnam's CPI up 3.38% YoY in Sep 2025: NSO

Vietnam's consumer price index (CPI) rose by 0.42 per cent month on month (MoM) and 3.38 per cent year on year (YoY) in September this year, according to the National Statistics Office (NSO).

It increased by 2.61 per cent in the month compared to December 2024.

The average CPI in the third quarter (Q3) this year rose by 3.27 per cent YoY—the same rate of increase recorded for the first nine months of 2025.

The CPI increased in eight out of the first nine months this year, influenced by both domestic and global factors, including seasonal demand during holidays and Lunar New Year, as well as international price fluctuations in commodities such as rice, fuel and cooking gas, according to NSO.

January recorded the highest monthly increase at 0.98 per cent, driven by rising demand during the Lunar New Year holiday and adjustments in medical service fees in some localities. February saw a 0.34-per cent increase, largely due to rising pork and rental housing prices as workers returned to urban areas after the Lunar New Year holiday.

March was the only month with a CPI decline, dropping by 0.03 per cent due to lower prices for rice and gasoline. From April to September, CPI rose steadily, by between 0.05 per cent and 0.48 per cent, largely reflecting increased costs for housing, dining out, electricity, education and home maintenance materials.

On an average, the monthly CPI increase during the first nine months of 2025 stood at 0.29 per cent. The NSO attributed the CPI increase to several key drivers: healthcare, housing and utilities, food and catering services and education. Core inflation, which excludes volatile items like food, fuel and government-regulated services, rose by 0.2 per cent MoM and by 3.18 per cent YoY in September. For the first nine months of 2025, core inflation averaged 3.19 per cent, slightly lower than the headline CPI growth rate of 3.27 per cent.

Source: fibre2fashion.com– Oct 08, 2025

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Strong, timely reforms must for inclusive growth in Bangladesh: WB

Following disruptions in the first half (H1) of fiscal 2024-25 (FY25), Bangladesh's economy rebounded in H2 2025, backed by strong exports, record remittances and a rise in foreign exchange reserves, according to the World Bank's (WB) latest update on the country.

The country is expected to maintain an upward growth trajectory in the medium term, but urgent reforms are critical to sustaining growth and job creation, especially for youth and women. The document projects gross domestic product (GDP) growth to rise to 4.8 per cent in FY26 from 4 per cent in FY25 and to reach 6.3 per cent in FY27.

External pressures eased in FY25 as a market-based exchange rate was adopted, foreign exchange reserves stabilised, the current account deficit narrowed and exports grew robustly. Inflation moderated on the back of tight monetary policy, lower essential food import duties and strong harvests. However, the fiscal deficit widened amid weak tax revenue and higher subsidies and interest payments, the World Bank noted.

Poverty increased between 2023 and 2024, and labour force participation fell from 60.9 per cent to 58.9 per cent, with women disproportionately affected. Of the three million additional working-age people outside the labour force, 2.4 million were women. "The economy has shown resilience, but this cannot be taken for granted," said Jean Pesme, World Bank division director for Bangladesh and Bhutan.

'To ensure a strong growth path and more and better jobs, Bangladesh needs bold reforms and faster implementation to address enhance domestic revenue mobilization, banking sector vulnerabilities, reduce energy subsidies, plan urbanization, and improve the investment climate," he added.

The report calls for an urgent rethinking of spatial development strategies with a focus on reducing regional disparities as way of supporting inclusive job creation nationwide.

Source: fibre2fashion.com– Oct 08, 2025

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NATIONAL NEWS

Ministry of Textiles celebrates 'World Cotton Day' 2025

The Union Minister of Textiles, Shri Giriraj Singh and Union Minister of State for Textiles and External Affairs Shri Pabitra Margherita attended the celebration of World Cotton Day 2025 at New Delhi. The event was jointly organized by the Ministry of Textiles and Confederation of Indian Textile Industry (CITI) focusing on the theme "Cotton 2040: Technology, Climate & Competitiveness."

While addressing the gathering, the Union Minister reiterated the Government's commitment not only to achieving the USD 350 billion textile sector target by 2030, including USD 100 billion in exports, but also to moving towards carbon neutrality. He stressed that cotton is not merely a crop — it is the very soul of Indian agriculture, a reflection of the farmer's sweat, resilience, and hope. He conveyed his wishes to cotton farmers on World Cotton Day as each thread of cotton carries the story of our farmers — of their hard work under the scorching sun, their prayers for rain, and their unwavering faith in the soil,"

The Union Minister noted that climate change and environmental sustainability pose major challenges to the sector. He emphasized that the climate is changing, and we must use water and electricity judiciously and work together to protect nature. Efficient water use, soil conservation, and adoption of renewable energy are vital to protect India's predominantly rain-fed cotton regions and to ensure that the hard work of farmers leads to prosperity for generations to come.

Shri Giriraj Singh stressed that this transformation can only happen when every stakeholder—from farmers to textile exporters—works as one family. Although India accounts for 40% of the world's cotton area, productivity remains around 450 kg per hectare, much lower than 2,000 kgs per hectare in many other countries.

The Mission for Cotton Productivity, under active consideration, aims to address this gap. He also said that the increase in Minimum Support Prices (MSP) over the last decade has demonstrated the Government's commitment to the cause of farmer welfare.

Highlighting the future potential of natural fibres like milkweed, ramie, and flax, he said that India's farmers have the strength and wisdom to lead the world in sustainable fibre production. "The world is moving towards eco-friendly products, and our farmers can show the path ahead," he added.

In a heartfelt appeal, the Minister called upon all stakeholders —ginners, spinners, brands, and exporters — to connect emotionally with the farmers who make the cotton journey possible. Let us make Kasturi Cotton Bharat the pride of every Indian — a cotton that the world recognizes for its purity, quality, and sustainability, just as it does Egyptian Giza or American Supima.

During the opening session, Shri Pabitra Margherita said India must strive to attain a leadership position in quality, sustainability, and ethical production. The Kasturi Cotton initiative has the potential to contribute immensely to the '5F' (farm-fibre-factory-fashion-foreign) vision of the Government, he pointed out. He added that India and Russia could forge deeper ties in the textiles and apparel arena.

Ms Neelam Shami Rao, Secretary Textiles in her address mentioned that World Cotton Day celebrates cotton's enduring link with livelihoods, sustainability, and innovation. She highlighted that the cotton sector supports six million farmers and provides employment to over 45 million people across the value chain.

She emphasized that the future of Indian cotton lies in technology-led transformation — from advanced cotton breeding and precision farming to digital traceability, data-driven extension services, and modernization of ginning infrastructure. These innovations, she noted, are vital to enhancing productivity, quality, and sustainability.

She urged all stakeholders to adopt a collaborative and technology-integrated approach to address the productivity challenges of the cotton sector. She also underlined the importance of sustainability certifications, quality assurance, and value addition to position Kasturi Cotton Bharat as a globally recognized symbol of purity, quality, and technological excellence. She also urged CITI CDRA to reach more farmers to undertake the High Density Planting System (HDPS).

Dr. M Beena Development Commissioner (Handlooms) & Textile Commissioner reiterated that a focus on technology and innovation is the need of the hour and the Ministry of Textiles is continuously supporting the industry through schemes such as ATUFS, PM MITRA, NTTM etc.

Smt. Padmini Singla, Joint Secretary, Ministry of Textiles, in her keynote address, emphasized that enhancing sustainability is paramount, and the Ministry has been encouraging a collaborative approach to address the challenges faced by the textile industry. She highlighted the inter-ministerial coordination in launching a holistic plan Mission for Cotton productivity aimed at increasing cotton production and yield, thereby enabling farmers to enhance their income.

She stressed that the collective mission must be to enhance productivity, ensure quality and transparency, and build trust through traceable and sustainable cotton practices. In the global market, she added, labelling, contamination control, and traceability are emerging as non-negotiable trade parameters. Through strategic policies, scientific advancements, and strong industry partnerships, India can regain its leadership in high-quality cotton production, promote climate-smart and sustainable practices, and build a globally recognized brand for trusted, traceable, and premium Indian cotton.

This World Cotton Day 2025 celebration event also witnessed valuable insights from Shri Lalit Kumar Gupta, Chairman-cum-Managing Director of CCI, on the Corporation's contribution towards empowering cotton farmers of the country through various initiatives and digital transformation.

Shri Ashwin Chandran, Chairman, CITI, and Shri Ravi Sam, Vice Chairman, TEXPROCIL focusing on the importance of cotton and textile industry in driving economic growth, employment generation, and providing livelihood to farmers, women empowerment.

Click here for more details

Source: pib.gov.in – Oct 07, 2025

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7th meeting of India-Brazil Trade Monitoring Mechanism held in New Delhi

India and Brazil have been strong diplomatic partners for more than 75 years now. The two countries have built a close and multifaceted relationship marked by shared democratic values and a commitment to development.

During the State visit of the Hon'ble Prime Minister of India, Shri Narendra Modi to Brazil in July, 2025 and meeting with the President of Brazil, H.E. Mr. Luiz Inacio Lula da Silva, the leaders set a target to increase bilateral trade to USD 20 billion over the next five years. Brazil is the largest trading partner of India in the Latin American and Caribbean region. During the FY 2024-25, the bilateral merchandise trade stood at USD 12.19 bn.

The 7th meeting of India-Brazil Trade Monitoring Mechanism (TMM) was held today in Vanijya Bhawan, New Delhi. Shri Rajesh Agrawal, Commerce Secretary, Ministry of Commerce & Industry and Ms. Tatiana Lacerda Prazeres, Secretary of Foreign Trade at the Ministry of Development, Industry, Trade and Services for the Federative Republic of Brazil co-chaired the meeting. The institutional mechanism undersores the commitment between India and Brazil to foster economic growth

During the meeting, both sides extensively discussed matters related to bilateral trade and outlined a roadmap for taking it forward. The discussions included the review of bilateral trade and investment relations, expansion of India-MERCOSUR PTA, market access issues, visa issues, sectoral collaborations in pharmaceuticals and healthcare, chemicals & petro-chemicals, MSME, banking & finance, promotion of industries and internal trade, multilateral issues and other matters of mutual interest.

The outcome of the meeting will be reviewed by the Hon'ble Vice President of Brazil and the Hon'ble Minister of Commerce and Industry of India during the visit of the former to India next week.

Source: pib.gov.in – Oct 07, 2025

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Textile industry calls for aligning cotton production with textile export targets

The government should look at strengthening farm to factory practices in the cotton sector and adopt a multi-pronged strategy to build export-ready ecosystems and align cotton production with India's $100 billion textile export target by 2030, according to a knowledge paper 'Cotton 2040: Technology, Climate and Competitiveness' released by the Confederation of Indian Textile Industry.

The paper called for promoting high-quality cotton cultivation through certified seeds and sustainable practices, and ensuring consistent quality through traceability systems and global certifications. Collaborative efforts between farmers, industry, and policymakers are key to ensuring that Indian textiles meet international standards in quality, sustainability, and ethical sourcing, it said.

With cotton production facing challenges, the Indian cotton sector stands at a critical juncture where sustainability, innovation, and trade competitiveness must converge to secure long-term growth. There is a need for coordinated action across stakeholders, backed by robust policy, investment, and technology transfer.

The government should promote organic, fair-trade, and circular farming models to capture premium global markets, where sustainable cotton commands 20–30% higher prices. It should streamline procurement and stabilisation mechanisms so that farmers get better prices and reduce their dependency on middlemen.

It should support industry-led innovation in smart textiles and organic blends as India's technical textiles market projected to reach $40–$50 billion by 2025.

Source: thehindu.com– Oct 07, 2025

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World Bank raises India's growth estimates for FY26, but lowers forecast for FY27

The World Bank on Tuesday upped India's growth estimates for the current fiscal (FY26) by 20 basis points to 6.5 per cent from its June projection of 6.3 per cent. However, considering the US's tariff action, the multilateral agency has cut the forecast for the next fiscal (FY27) by 20 basis points to 6.3 per cent

In its the latest South Asia Development Update (SADU) titled 'Jobs, AI, and Trade', the multilateral agency said India is expected to remain the world's fastest growing major economy, underpinned by continued strength in consumption growth. Domestic conditions, particularly agricultural output and rural wage growth, have been better than expected. The government's reforms to the Goods and Services Tax (GST) — reducing the number of tax brackets and simplifying compliance — are expected to support activity.

"The forecast for FY26/27 has been downgraded, however, as a result of the imposition of a 50 per cent tariff on about three-quarters of India's goods exports to the US," the report said. Further, India was expected to face lower US tariffs than its competitors in April, but as of the end of August it faces considerably higher tariffs. Almost one-fifth of India's goods exports went to the US in 2024, equivalent to about 2 per cent of GDP, the report noted.
Growth of South Asia

According to the report, growth in South Asia is projected to be robust at 6.6 per cent this year — but a significant slowdown looms on the horizon. It projects growth in the region to slow to 5.8 percent in 2026, a downward revision of 0.6 percentage points from the April forecast.

"Downside risks include spillovers from the global economic slowdown and uncertainty around trade policy, socio-political unrest in the region, and labour market disruptions posed by emerging technology such as artificial intelligence (AI)," the report added.

The report also recommends harnessing the potential of AI to boost productivity and incomes. The rapid development of AI is transforming the global economy and reshaping labour markets. South Asia's workforce has limited exposure to AI adoption due to the predominance of low-skill, agricultural and manual jobs. But moderately educated, young workers, especially in sectors such as business services and information technology, are vulnerable.

"Since the release of ChatGPT, job listings have fallen by around 20 per cent in jobs most exposed to, and most replaceable by AI relative to other occupations. But AI could also bring substantial productivity gains, especially in sectors that have strong potential for AI to complement humans," the report said.

Further, job listings data in the region indicate rapidly growing demand for AI skills, with such jobs commanding a wage premium of nearly 30 per cent relative to other professional roles.

The report's recommendations include steps to help accelerate job creation by streamlining size-dependent regulations that discourage firms' growth, better transport and digital connectivity, more transparent housing search options, upskilling and job matching, as well as providing safety nets for affected workers.

"Increasing trade openness and growing adoption of AI could be transformative for South Asia," said Franziska Ohnsorge, World Bank Chief Economist for South Asia.

Also, policy measures to facilitate the reallocation of workers across firms, activities, and locations can help channel resources to productive sectors and are critical for boosting investment and job creation in the region, she concluded.

Source: thehindubusinessline.com– Oct 07, 2025

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EFTA targeting $100 billion investment and 1 million jobs in India over next 15 years

The new India-EFTA trade and economic partnership agreement (TEPA), which came into effect, will significantly bolster the Medium Small and Micro Enterprises(MSMEs) in Tamil Nadu, according to Ambassadors from the European Free Trade Association(EFTA), comprising Switzerland, Norway, Iceland, and Liechtenstein.

The Ambassadors were speaking at the Tamil Nadu-Europe MSME Conclave 2025 here on Tuesday, organised by the Southern India Chamber of Commerce and Industry.

Speaking at the event, Maya Tissafi, Ambassador of Switzerland to India and Bhutan, Embassy of Switzerland, New Delhi, said that under the India-EFTA trade agreement, 85 per cent of Swiss exports see reduced tariffs. She added that the EFTA countries are committed to promoting investments in India, targeting $100 billion over the next 15 years, creating 1 million jobs.

Tissafi said that 17 Swiss companies have a presence in Tamil Nadu alone, and three already run R&D centers. "In addition to giants like Logitech and Nestle, MSMEs like Eger Pumps, a medium-sized Swiss industrial enterprise with a deep focus on production engineering and 400 employees worldwide, demonstrate how Swiss MSMEs can strengthen India's industrial ecosystem," she added.

The bullish sentiment was echoed by Benedikt Hoeskuldsson, Ambassador of Iceland to India, Embassy of Iceland, New Delhi, who suggested that with the agreement, 95 per cent of their exports to India now benefit from significantly reduced or eliminated tariffs.

Hoeskuldsson added that the TEPA agreement will bolster the trade between India and Iceland in three key sectors, including Premium seafood and food products, technology and geothermal energy.

"In the coming months, we are organising sessions with industry leaders in both India and Iceland to understand how to best take advantage of the agreement for both countries," he added.

The event was also attended by TM Anbarasan, Minister for MSME, Government of Tamil Nadu, who felicitated industry leaders from EFTA and other European countries.

The Free Trade Agreement(FTA) between India and the four-nation European Free Trade Association was signed in March of last year.

Source: thehindubusinessline.com– Oct 07, 2025

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Changing trade dynamics positive for Indian apparel exporters, but high tariffs disrupting segment

India's apparel export sector is poised to benefit from shifting global trade dynamics, according to a recent industry report by Antique research. With multinational retailers diversifying their sourcing destinations away from China, India has emerged as a key beneficiary due to its large-scale manufacturing base, competitive labour costs and expanding product capabilities.

The report points out that countries like Bangladesh and Vietnam have traditionally dominated global apparel exports, but India is fast catching up as buyers seek to reduce dependence on single-country sourcing. Recent trade tensions, geopolitical realignments and increased focus on sustainability are reshaping global supply chains are creating opportunities for Indian manufacturers.

"The evolving global trade landscape, particularly the China + 1 strategy adopted by global brands, has created new opportunities for Indian garment manufacturers," the report said. This structural shift, coupled with India's improving logistics, government production-linked incentives (PLI) and enhanced compliance standards, is expected to strengthen export competitiveness over the next few years.

The report adds that the US and EU are India's two largest apparel markets, and they are showing renewed interest in Indian products, especially in segments like cotton garments, knitwear and value-added fashion apparel. But while the outlook remains promising, the report cautions that higher import tariffs by the US and a lack of trade agreements with key markets are hampering India's export growth potential.

Competitor nations such as Bangladesh and Vietnam enjoy preferential access to markets like the European Union through duty-free or concessional tariff arrangements, a benefit Indian exporters currently lack. India's apparel exports have the potential to grow exponentially, but tariff disadvantages are eroding price competitiveness, says the report. For example, Indian apparel shipments to the EU face an average tariff of around 9-12 per cent, compared to zero duty for Bangladesh under the EU's Everything But Arms (EBA) initiative.

"We believe the higher tariffs have made exports unviable (esp. RMG and home textiles), impacting volumes of textile exporters. There's optimism about the 25 per cent tariff being removed by FY-end," noted the report. The report adds that, while India's export capacity and quality have improved significantly, apparel producers continue to grapple with compliance costs, fluctuating cotton prices and a fragmented manufacturing structure.

The free trade agreement (FTA) with the UK and likely by EU is viewed as a critical step towards levelling the playing field. The report noted that if tariff barriers are addressed and supply-chain reforms continue, India could capture a significantly larger share of the $500-billion global apparel export market over the next decade.

Source: thehindubusinessline.com– Oct 07, 2025

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Linen fibre imports to be cut, exports to begin: Textiles Minister Giriraj Singh

Textiles Minister Giriraj Singh on Tuesday said that India will reduce imports of linen fibre while also beginning to export it. At the World Cotton Day event, he added that India's demand for blended fibre is rising, but cotton will never die.

Highlighting the future potential of natural fibres such as milkweed, ramie, and flax, he said India's farmers have the strength and wisdom to lead the world in sustainable fibre production.

Singh called upon the cotton industry and stakeholders to work more closely with farmers to improve seed quality and increase cotton productivity.

"The world is moving towards eco-friendly products, and our farmers can show the path ahead," he said.

Source: economictimes.com– Oct 08, 2025

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Cotton yarn prices remain steady as mills try to protect margin

Cotton yarn prices remained unchanged in the Mumbai and Tiruppur markets of South India, with demand ranging from slow to average. Spinning mills preferred to maintain their selling rates despite a decline in cotton prices, aiming to protect their margins. Traders noted that mills anticipated stronger export demand as cheaper cotton improves their competitiveness.

In Mumbai, cotton yarn demand was moderate, and prices hovered around previous levels. A trader from the Mumbai market told Fibre2Fashion, "Spinning mills are holding prices to protect their margins. They expect that lower cotton prices will enhance their competitiveness in international markets. With Diwali demand now over, power and auto looms have reduced fabric production."

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,400-1,440 (approximately $15.22-$15.67) and ₹1,370-1,400 per 5 kg (approximately $14.88-$15.45) (excluding GST), respectively. Other prices include: 60 combed warp at ₹320-335 (approximately $3.47-$3.55) per kg, 80 carded weft at ₹1,390-1,420 (approximately $15.22-$15.90) per 4.5 kg, 44/46 carded warp at ₹257-263 (approximately $2.85-$2.93) per kg, 40/41 carded warp at ₹248-253 (approximately $2.71-$2.77) per kg and 40/41 combed warp at ₹268-272 (approximately $2.98-3.00) per kg, according to trade sources.

The Tiruppur market also witnessed normal buying activity, with mills anticipating improved demand after Diwali. Market sources said demand from the consumer industry remained slow to average, allowing mills to maintain current price levels. Mills expect liquidity to improve post-festival and remain optimistic about a rise in export demand.

In Tiruppur, knitting cotton yarn prices were noted as: 30 count combed cotton yarn at ₹250-257 (approximately $2.82-2.90) per kg (excluding GST), 34 count combed cotton yarn at ₹261-268 (approximately $2-94-3.02) per kg, 40 count combed cotton yarn at ₹273-286 (approximately $3.08-3.22) per kg, 30 count carded cotton yarn at ₹232-237 (approximately $2.62-2.67) per kg, 34 count carded cotton yarn at ₹237-242 (approximately $2.67-2.73) per kg and 40 count carded cotton yarn at ₹244-248 (approximately $2.75-2.80) per kg.

In Gujarat, the arrival of new cotton is increasing, weakening market sentiment. Cotton prices have eased by ₹800–1,000 per candy of 356 kg as mills remain hesitant to purchase new cotton with high moisture content. Traders said spinning mills prefer old cotton due to quality concerns with the new crop. The Cotton Corporation of India (CCI) has also reduced auction prices to clear its existing stocks.

Meanwhile, all India cotton arrival was projected at 38,000-42,000 bales of 170 kg. Gujarat saw sporadic new arrival of 8,000-10,000 bales of cotton. The benchmark Shankar-6 cotton (last season) was quoted at ₹54,000–54,500 (approximately $608.34–$613.98) per candy of 356 kg with 10 per cent moisture. Seed cotton (Kapas) was traded at ₹1,200-1,400 (approximately $13.52–$15.77) per maund of 20 kg.

Source: fibre2fashion.com– Oct 07, 2025

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Centre guarantees cotton procurement with direct payments, rolls out new app

Union Minister of Coal and Mines G. Kishan Reddy on Tuesday assured cotton farmers in Telangana that the Centre will procure every kilogram of cotton, and urged them not to worry on this front.

Addressing a press conference in New Delhi, Mr. Reddy acknowledged that cotton prices are currently low in international markets but emphasised that the Central government is taking proactive steps to ensure farmers do not suffer losses. To streamline procurement and avoid congestion at markets, a new app has been launched to allocate time slots to farmers, indicating when they should bring their produce. This move aims to ease pressure on ginning mills, which are struggling to handle the simultaneous arrival of large quantities of cotton.

Sharing details of his discussions with Union Textiles Minister Giriraj Singh, Mr. Reddy said new guidelines have been introduced to curb middlemen involvement and reduce corruption. Under the revised system, payments from the Cotton Corporation of India (CCI) will be directly credited to farmers' bank accounts. Last year, CCI procured up to 80% of the cotton produced in Telangana.

The Minister also stated that the State government must take responsibility for educating farmers about the importance of bringing cotton with moisture content not exceeding 12% to procurement centres, and for facilitating its transport.

Mr. Reddy also appealed to farmers not to rush into selling their cotton at lower prices outside the market. He assured that any issues raised by farmers at the 122 designated centres will be promptly addressed by committee members and officials.

Mr. Reddy questioned why such high-density cotton seeds are not being adopted in Telangana, as they are reported to be enhancing incomes of farmers. He noted that despite repeated requests from the Centre, the State government has not responded, and urged it to take action on this matter.

Source: thehindu.com– Oct 07, 2025

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