IBTEX No. 125 of 2025 October 09, 2025

Currency Watch			
USD	EUR	GBP	JPY
88.78	103.32	119.03	0.58

INTERNATIONAL NEWS

No	Topics
1	WTO downgrades global trade growth forecast to 0.5% for 2026 from 1.8%
2	ICE cotton futures hit six-month low amid strong dollar, fast harvest
3	US Shipping Faces Minimal Exposure to China's Retaliatory Port Restrictions
4	Germany's manufacturing orders drop 0.8% in August 2025
5	Canada to be treated fairly in talks over US tariffs: Donald Trump
6	Sri Lanka's growth strong but recovery remains uneven: World Bank
7	Vietnam's textile & garment exports grow 8.6% in Jan-Sept
8	Bangladesh: BGMEA Announces AI-Powered Digital Factory Passport

NATIONAL NEWS	
No	**Topics**
1	Union Minister of Commerce & Industry Shri Piyush Goyal Visits Qatar to Reinforce India–Qatar Strategic Economic Partnership
2	Separate GST registration required for importers storing goods in warehouses located in other States
3	Set out vision for India-UK Joint Economic and Trade Committee (JETCO) to deliver India UK CETA gains and deepen bilateral trade ties
4	India stands out as global growth driver while China decelerates, says IMF chief
5	Taking stock of US shutdown impact on trade talks, says Piyush Goyal
6	SEZ units seek QCO relief, local sale flexibility
7	India to witness record-breaking T&A sales during Diwali this year
8	Indian garment exporters reel under US tariffs
9	World Cotton Day. Last chance for India’s cotton farmers
10	India's apex cotton body says prices at 4-year-low, industry's survival vital to sustain cultivation

INTERNATIONAL NEWS

WTO downgrades global trade growth forecast to 0.5% for 2026 from 1.8%

Global merchandise trade outpaced expectations in the first half (H1) this year, driven by increased spending on artificial intelligence (AI)-related products, a surge in North American imports ahead of tariff hikes and strong trade among the rest of the world, according to the World Trade Organization (WTO).

Therefore, WTO economists have raised the 2025 merchandise trade growth forecast to 2.4 per cent from 0.9 per cent in August.

However, the 2026 projection has been lowered to 0.5 per cent from 1.8 per cent.

In the October 7 update of 'Global Trade Outlook and Statistics', WTO economists note that trade growth will likely slow next year as the impact of the cooling global economy and new tariffs set in.

The volume of world merchandise trade, as measured by the average of exports and imports, grew by 4.9 per cent year on year (YoY) in H1 2025. The value of world merchandise trade in current US dollar terms was up by 6 per cent YoY during the period following a 2-per cent increase in 2024.

Trade growth drivers in the first half included the frontloading of imports in North America and favourable macroeconomic conditions like disinflation, supportive fiscal policies and strong growth in emerging markets.

Industry statistics show rising inventories, with inventories-to-sales ratios in North America increasing in H1 2025 across sectors.

AI-related goods-including semiconductors, servers, and telecommunications equipment-drove nearly half of the overall trade expansion in the first half of the year, rising 20 per cent YoY in value terms. Asia's export performance was strong in AI-related products, a WTO release said.

Higher tariff rates and elevated 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.

With higher tariffs taking effect in August, some of the impacts projected in the WTO's April 2025 forecast are now likely to materialise later in the year and into 2026.

WTO economists highlight that the key downside risk to the forecast is the spread of trade-restrictive measures and policy uncertainty to more economies and sectors. On the upside, sustained growth in trade for AI-related goods and services could provide a medium-term boost to global trade.

Asia and Africa are expected to record the fastest export volume growth in 2025, with modest performances also anticipated from South and Central America the Caribbean and the Middle East, while Europe will likely see slower growth.

North America and the Commonwealth of Independent States (CIS) face declining exports. Least-developed countries (LDCs) are expected to show robust export gains but face weakening trends ahead.

On the import side, Africa and LDCs are set to experience the fastest growth, contrasting with a contraction in North America.

In 2026, only North America, Europe and CIS will post an improvement in export performance; all regions will record weaker import performance in 2026.

Source: fibre2fashion.com– Oct 08, 2025

HOME

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ICE cotton futures hit six-month low amid strong dollar, fast harvest

ICE cotton futures witnessed a steep decline yesterday, with US cotton prices hitting their lowest level in six months. A stronger US dollar discouraged buying in the previous session, while the rapid pace of US cotton harvesting added further pressure to the market.

ICE December cotton futures settled at 64.46 cents per pound, down 0.68 cents or 1.04 per cent. The contract touched an intraday of 64.40 cents, the lowest level since early April 2025. March 2026 contracts lost 0.71 cent to reach 66.38 cents, May 2026 were down 0.69 cent to 67.74 cents, and July 2026 were down 0.64 cent to 68.90 cents. Other contracts settled 15-68 points lower.

The October 2025 contract closed at 62.02 with zero open interest, showing no active positions and indicating potential for a lower path for December. Trading volume rose sharply to 45,016 contracts, up from 27,524 the previous day, signalling stronger speculative and selling activity. ICE deliverable stocks stood at 17,891 bales, unchanged from the prior day.

The US dollar index climbed 0.28 per cent, nearing a two-month high, reducing global competitiveness of US cotton exports. International crude oil prices remained stable as investors weighed OPEC+'s modest November production increase against signs of a global supply glut.

Market sentiment remained weak due to favourable harvest weather, trade tensions, and demand uncertainty in the textile sector.

The US government shutdown entered its seventh day, delaying the release of key USDA reports, including export sales and global supply-demand estimates. The USDA Weekly Export Sales Report, normally published on Thursday, was postponed, while the monthly WASDE report may also be delayed if the shutdown continues.

Analysts said the lack of official data is forcing investors to rely on secondary and unofficial information to gauge cotton demand and predict Federal Reserve interest rate decisions.

Farmers are going all-in on harvesting right now, which is weighing on prices. The higher dollar is also pressuring the market.

Brazil's National Supply Company (Conab) reported that as of October 4, 2025, the country's 2024-25 cotton harvest was 99.8 per cent complete, up from 99.2 per cent the previous week, matching last year's 100 per cent and the five-year average of 100 per cent.

In related markets, CBOT soybean futures rebounded after two days of losses on technical and seasonal buying.

Overall, cotton futures remained under pressure amid harvest activity, strong dollar, and delayed government data.

Currently, ICE cotton for December 2025 was traded at 64.43 cents per pound (down 0.03 cent), cash cotton at 61.96 cents (down 0.68 cent), the October 2025 contract at 62.02 cents (down 0.68 cent), the March 2026 contract at 66.35 cents (down 0.03 cent), the May 2026 contract at 67.70 cents (down 0.04 cent) and the July 2026 contract at 68.73 cents (down 0.17 cent). A few contracts remained at their previous closing levels, with no trading recorded today.

Source: fibre2fashion.com– Oct 08, 2025

HOME

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US Shipping Faces Minimal Exposure to China's Retaliatory Port Restrictions

China is positioning itself to take countermeasures against countries that impose restrictions on its vessels, but U.S. operators are expected to see very little impact from any such moves.

The U.S.-owned or -operated fleet deployed in China is "disproportionately smaller compared to the Chinese operators' exposure to the U.S.," said container shipping research firm Linerlytica in a Monday update.

Signed by Premier Li Qiang on Sept. 28, the retaliatory state decree enables China to charge fees on vessels calling at Chinese ports, or prohibit or restrict ships vessels' port access in the country. Operators of shipping trading platforms would also be subject to fees if they did not submit required information to Chinese transportation authorities.

Additionally, the decree established that a carrier could be banned from doing business with China under "serious" circumstances.

No punitive actions have been taken by China since the signing.

The move comes in response to the looming fees that the U.S. Trade Representative (USTR) is prepping to place on Chinese-built and -operated vessels that dock at U.S. ports.

Based on Linerlytica's analysis, the total fees payable by Chinese operators in the U.S. could reach $1.15 billion in the first year of implementation. American companies are only expected to pay $180 million if the same fees based on net tonnage are imposed by China.

Of the $1.15 billion, Linerlytica projects state-owned Cosco Shipping to pay $1.02 billion. The firm also said another Chinese ocean carrier, Hede Shipping, is likely to pay $40 million in fees.

The lack of U.S. cargo ships in comparison to Chinese-built and -operated ships is the biggest reason for the expected insignificant impact.

According to Linerlytica, only 24 U.S.-flagged ships visit Chinese ports in total. Eleven come from Matson, the largest U.S.-based ocean carrier, while seven are operated by CMA CGM's American subsidiary American President Lines (APL). Hapag-Lloyd owns five U.S.-flagged vessels that stop in China, while Gemini alliance partner Maersk has one.

U.S. shipbuilding has lagged substantially compared to China, with the former building fewer than five ships, compared to the latter's 1,794 in 2022, according to data from BRS Shipbrokers. Even amid the introduction of bipartisan legislation to tackle the topic and President Donald Trump's announcement of a shipbuilding office in the White House earlier this year, the endeavors have hit various snags.

In a February report, the U.S. Government Accountability Office (GAO) called out the lack of physical space and workers to meet the Navy's demands for shipbuilding. Later that year, the office said the Department of Transportation hasn't established the goals required to properly assess the performance of the financial aid programs that are supposed to encourage shipbuilding. Cost control is often cited as a major roadblock to U.S. shipbuilding ambitions.

South Korea, with backing from conglomerates including HD Hyundai Heavy and Hanwha Group, is expected to be a key player in helping bolster American shipbuilding. The country has made a $150 billion pledge to revitalize the industry, with Hanwha announcing in August that it would invest $5 billion into the Philadelphia shipyard it acquired last year.

As the U.S. attempts to play catch-up, Customs and Border Protection (CBP) unveiled that was anticipating those impacted by the USTR fees to pay up at least three business days prior to a vessel's arrival at an American port.

The top 10 container liners globally are expected to encounter a combined $3.2 billion in USTR gees in 2026.

Cosco Shipping and subsidiary Orient Overseas Container Line (OOCL) have nevertheless committed to maintaining trans-Pacific services into the U.S. Both carriers have a combined 79 vessels that would be impacted by the port fees, according to Linerlytica.

And Hede Shipping is keeping its one service on the route, operating a single ship despite the fees.

The U.S.-levied fees are set to go into effect on Oct. 14, and are punitive charges the office levied against China after a nine-month probe into the country's logistics, maritime and shipbuilding practices.

That investigation determined that China had an "unreasonable" dominance of those industries under Section 301 trade laws on allegations that it uses state subsidies to lessen competition and creates dependencies on the country.

Source: sourcingjournal.com– Oct 08, 2025

HOME

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Germany's manufacturing orders drop 0.8% in August 2025

Germany's manufacturing sector experienced a 0.8 per cent month-over-month (MoM) decline in real (price-adjusted) new orders in August 2025, after seasonal and calendar adjustments, according to provisional data from the Federal Statistical Office (Destatis). When excluding large-scale orders, new orders dropped by 3.3 per cent compared with July.

For the June–August 2025 period, orders were 2.3 per cent lower than the previous three months, or 2 per cent lower when large-scale orders were excluded. Revised data showed that new orders in July dropped 2.7 per cent from June, slightly less than the earlier estimate of 2.9 per cent, Destatis said in a press release.

By goods category, capital goods orders dropped 1.5 per cent, and consumer goods plunged 10.3 per cent, while intermediate goods rose 3 per cent. Foreign demand weakened by 4.1 per cent, with euro area orders down 2.9 per cent and non-euro area orders falling 5 per cent. Domestic orders, however, rose by 4.7 per cent.

Manufacturing turnover (seasonally and calendar adjusted) also slipped 0.8 per cent compared to July 2025, while calendar-adjusted turnover was 1.1 per cent lower than a year earlier. The July 2025 data were revised downward due to corrected reporting in the machinery and equipment segment.

Source: fibre2fashion.com– Oct 09, 2025

HOME

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Canada to be treated fairly in talks over US tariffs: Donald Trump

Canada will be treated fairly in talks over US tariffs on imported goods, President Donald Trump yesterday said, without indicating any strong commitment to a continental trade deal that also includes Mexico.

"We're going to treat people fairly. We're going to especially treat Canada fairly," Trump said in Oval Office ahead of a meeting with Canadian Prime Minister Mark Carney.

The two sides had made progress during conversation with Trump, Canadian minister in charge of bilateral trade Dominic LeBlanc later said, clarifying that any potential deals were not close.

LeBlanc said officials could meet again.

Carney faces rising pressure to address US tariffs on steel, automobiles and other goods, according to a global newswire.

Trump said Washington would continue to target some Canadian exports.

Though Carney initially responded to US tariffs by seeking a separate trade and security deal with the United States, but as discussions did not progress much, he focused on a review of the US-Canada-Mexico free trade deal (USMCA) scheduled for 2026.

Three-fourths of Canada's exports are to the United States. While most Canadian exports enter the United States duty-free under the USMCA, tariffs have hit the steel, aluminum and automobile sectors and several small businesses.

Source: fibre2fashion.com– Oct 08, 2025

HOME

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Sri Lanka's growth strong but recovery remains uneven: World Bank

Sri Lanka's recent economic rebound has been strong but remains incomplete, with growth still below pre-crisis levels and poverty significantly elevated, the World Bank said in its latest Sri Lanka Development Update – Better Spending for All. The report projects the economy to expand by 4.6 per cent in 2025, supported by an industrial rebound and steady services growth, before moderating to 3.5 per cent in 2026. Despite low inflation and robust external inflows, reserves have slowed, and economic output is still below 2018 levels. Although poverty is declining, it remains double that of 2019, with around 10 per cent of the population living just above the poverty line.

The report calls for urgent reforms to strengthen the recovery — including easing trade and investment barriers, improving the business environment, modernising tax administration, and reforming land and labour regulations to foster private sector-led growth. Public spending efficiency remains a major challenge, as over 80 per cent of government expenditure goes to public sector salaries, welfare, and interest payments, leaving limited fiscal room for infrastructure, health, and education.The World Bank urged Sri Lanka to reform its wage bill with fairer pay structures and modern payroll systems and to prioritise investment in key infrastructure gaps, project completion, and maintenance funding.

The report accompanies the South Asia Development Update – Jobs, AI, and Trade, which projects regional growth at 6.6 per cent in 2025 but speaks of a slowdown ahead. It emphasises that greater trade openness and AI adoption could help South Asian economies, including Sri Lanka, boost job creation and sustainable growth.

"While Sri Lanka's recent economic progress is encouraging, the recovery is uneven and incomplete. To build a stronger, fairer economy that benefits all households, in a fiscally constrained environment, Sri Lanka needs the private sector to invest and create jobs and ensure that every rupee of public money is well-spent," said David Sislen, World Bank division director for Maldives, Nepal, and Sri Lanka.

Source: fibre2fashion.com– Oct 08, 2025

HOME

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Vietnam's textile & garment exports grow 8.6% in Jan-Sept

Vietnam's textile and garment exports (excluding yarn and fibre) grew 8.6 per cent year-on-year (YoY) to $29.743 billion during January–September 2025, according to the Customs IT and Statistics Department of the General Department of Customs under the country's Ministry of Finance.

In the first nine months of 2025, Vietnam's yarn exports fell 1.1 per cent YoY to $3,187.940 million. However, in volume terms, yarn exports rose 3.9 per cent, with the country shipping 1,428,024 tons during the period.

On a month-on-month basis, textile and garment exports declined 15.6 per cent to $3.260 billion in September 2025 compared to August 2025. Yarn exports in September decreased 6.4 per cent in value to$355.866 million. In volume terms, this was a decrease of 4.4 per cent to 163,148 tons.

The United States remained Vietnam's largest market for textile and garment exports, accounting for 45.35 per cent of the total, or $13.489 billion in the first nine months of 2025. Japan and South Korea were also key markets, with exports valued at $3,364.320 million and $2,268.644 million, respectively.

For yarn exports, China was the biggest buyer, representing 48.13 per cent of total shipments, worth $1,543.134 million. Exports of yarn to India were valued at $54.342 million during January– September 2025.

On the import side, Vietnam's cotton imports rose 3.2 per cent YoY to $2,259.948 million during January–September 2025. The volume of imported cotton increased 19.9 per cent YoY to 1,329,413 tons.

The country also imported 958,651 tons of yarn, valued at $2,111.419 million—up 5.3 per cent in value and 6.1 per cent in volume. Fabric imports totalled $11.225 billion, up 2.3 per cent YoY.

In 2024, Vietnam exported textiles and garments worth $37.036 billion, an increase of 11.2 per cent from the previous year. It also exported 1.873 million tons of yarn worth $4.407 billion—up 1.2 per cent in value and 5 per cent in volume.

Cotton imports in 2024 stood at 1.503 million tons, worth $2.884 billion, reflecting YoY growth of 1.8 per cent in value and 12.3 per cent in volume. Yarn imports reached 1.243 million tons worth $2.713 billion, up 23.8 per cent in value and 18.1 per cent in volume. Fabric imports were $14.905 billion, up 14.5 per cent YoY.

The Vietnam Textile and Apparel Association (VITAS) has raised its 2025 export target for textiles, garments, and yarn to $47–48 billion.

Source: fibre2fashion.com– Oct 09, 2025

HOME

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Bangladesh: BGMEA Announces AI-Powered Digital Factory Passport

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) wants factories to participate in a more transparent supply chain by digging deeper on data.

The trade association announced this week that it has partnered with technology company Digital Bridge Partners to create an AI-powered ESG compliance reporting tool it calls the Digital Factory Passport (DFP).

The BGMEA wants the DFP to enable stronger transparency and foster competitiveness in the ready-made garment (RMG) industry. The tool will ingest and streamline data from specific factories, then will create reports on the insights generated, which the BGMEA contends will "reduce audit fatigue" and offer stronger efficiency as factories work to track their sustainability metrics against goals and compliance requirements.

According to the BGMEA, Mahmud Hasan Khan, the organization's president, said that AI and digital transformation remain core pieces of how the RMG industry in Bangladesh should progress, particularly as it relates to sustainability progress. Simultaneously, Inamul Khan-Bablu, senior vice president at the BGMEA, and Vidiya Amrit Khan, vice president at the organization, said the DFP is slated to "position Bangladesh as a leader in responsible manufacturing."

Digital Bridge Partners said the initiative is targeted at helping the RMG industry bring stronger transparency to the fore.

The RMG sector in Bangladesh accounts for most of the country's global exports; BGMEA data shows that, between 2024 and 2025, about 81.5 percent of all goods exported from Bangladesh fell into the RMG category. In that time frame, RMG factories in Bangladesh shipped nearly $40 billion worth of merchandise to other nations around the globe.

Part of the allure of the DFP is that, as Bangladesh continues to provide apparel to brands and retailers across the globe, having a more centralized data approach, aided by AI, can help factory owners and operators position their practices to align with what international buyers have come to expect and request.

That could be particularly useful as brands and retailers operating businesses in different regions find that they have different mandates. For instance, a brand that sells products in Europe may have specific data needs to meet the European Union's Ecodesign for Sustainable Products Regulation's (ESPR) incoming rules for digital product passport (DPP) implementation. Meanwhile, a California-based brand selling exclusively in the U.S. might have different needs as it prepares to meet Extended Producer Responsibility (EPR) requirements in the state.

Having a more robust mechanism in place to collect product data—then share it externally—could be key for manufacturers worldwide as companies race to meet their sustainability goals and determine how to comply with regulations. The BGMEA said the newly announced DFP could, for that reason, "future-proof Bangladesh's position as a global sourcing hub."

Source: sourcingjournal.com– Oct 08, 2025

HOME

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NATIONAL NEWS

Union Minister of Commerce & Industry Shri Piyush Goyal Visits Qatar to Reinforce India–Qatar Strategic Economic Partnership

The Union Minister of Commerce and Industry, Shri Piyush Goyal, paid an official visit to Doha, Qatar to co-chair the India–Qatar Joint Commission on Economic and Commercial Cooperation with H.E. Sheikh Faisal bin Thani bin Faisal Al Thani, Minister of Commerce and Industry of the State of Qatar.

This was the first meeting of the upgraded Joint Commission, following the decision taken during the visit of the Amir of Qatar to India in February 2025 to elevate the earlier Joint Working Group on Trade and Commerce. The visit reaffirmed both sides' strong commitment to further strengthen bilateral economic engagement and expanding cooperation across multiple sectors.

During the Commission meeting, both Ministers:

- Reviewed the overall trade (valued at over USD 14 billion in 2024–25) and identified measures to enhance and diversify Indian bilateral trade in goods and services.
- Set a shared goal of doubling bilateral trade by 2030, with new opportunities in energy, infrastructure, manufacturing, finance, technology, and green growth.
- Agreed to expedite the finalization of the Terms of Reference (ToR) for launching formal negotiations on the India–Qatar Comprehensive Economic Partnership Agreement (CEPA).
- Acknowledged the announcement of USD 10 billion by Qatar into India during the State Visit of His Highness the Amir of the State of Qatar and shared commitment of both sides to unlocking new avenues for mutually beneficial investments.
- Emphasized cooperation in priority sectors such as digital economy, healthcare, agriculture, tourism, culture, and environment.

On the sidelines, Shri Goyal held a series of high-level bilateral meetings with senior Qatari dignitaries and business leaders to discuss avenues for enhancing collaboration in various areas like food security, trade finance, project partnerships, and investment opportunities for Qatar entities in India's infrastructure and industrial sectors.

The Minister also addressed the first meeting of the India–Qatar Joint Business Council (JBC) attended by senior business representatives from FICCI, CII, ASSOCHAM, and the Qatar Chamber, and later interacted with members of the Qatari Businessmen Association (QBA). He underlined India's role as one of the fastest-growing major economies and an emerging hub for innovation, manufacturing, and technology under the vision of Viksit Bharat@2047.

As a key milestone in digital cooperation, Shri Goyal launched Unified Payments Interface (UPI) services in Qatar, enabling seamless digital transactions for the Indian diaspora and local consumers.

The Minister also interacted with members of the Indian Business and Professionals Council (IBPC), the Doha Chapter of the Institute of Chartered Accountants of India (ICAI), and the vibrant Indian community in Qatar, appreciating their contribution as a bridge for enhancing economic ties between both nations.

The visit concluded with a reaffirmation of India and Qatar's shared vision for a forward-looking, diversified, and resilient economic partnership, built on mutual trust, energy cooperation, technological collaboration, and strong people-to-people ties.

Source: pib.gov.in – Oct 08, 2025

HOME

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Separate GST registration required for importers storing goods in warehouses located in other States

An importer with its head office in one state but warehouse in another state will have to take GST registration there too, Central Board of Indirect Taxes and Customs (CBIC) has said.

“The term ‘place of business’ as defined under Section 2(85), includes any location from where business is ordinarily carried out, including warehouses and storage facilities,” CBIC said in a recent communication while responding to a representation by the Kirana Committee of Delhi.

The primary concern pertains to whether a business entity whose principal place of business is in Delhi is required to obtain GST registration in Haryana, where goods are stored in cold storage facilities operated by third parties from which the goods are supplied to recipients.

ln this regard, “it is reiterated that under Section 22 of the CGST Act, 2017, every person making taxable supplies from a State is liable to be registered in that State, provided the aggregate turnover exceeds the prescribed threshold,” the board said. Further, where goods are stored in Haryana and subsequently, dispatched to customers from such facilities, the warehouse effectively functions as a place of business for the purpose of making outward taxable supplies.

“The fact that the cold storage is operated by a third party does not alter the legal position if the supply originates from that location. Therefore, in such cases, the business entity is required to obtain GST registration in Haryana, and all provisions of the CGST Act shall apply mutatis mutandis to such supplies made from the State of Haryana, the board clarified.

It also said that as establishments of the same PAN in different states are treated as distinct taxable persons, the warehouse shall become a distinct place of business. Thus, any movement of goods from the principal state to such warehouse must be accompanied by a valid tax invoice and e-way bill, and GST shall be discharged appropriately. Since place of supply of goods is the location where the movement of goods terminates for delivery, any movement of goods within the same State where the warehouse is located will be treated as intra-state supply, attracting CGST & SGST. Supplies to other States shall be treated as inter-state supply and shall attract IGST, the communication explained.

Also, cold storage services shall be regarded as services related to immovable property and accordingly, the place of supply of services shall be the location of the third-party cold storage facilities, meaning CGST and SGST of the state where the warehouse is located, will apply.

According to Harpreet Singh, Partner at Deloitte, while in one of the FAQ issued by CBIC and certain advance rulings it was held that storing goods in third-party warehouses will not qualify as fixed establishment/ place of business, this circular implies increased compliance responsibilities, including maintaining separate stock registers, issuing tax invoices and e-way bills for inter-State movements, and filing separate GST returns for each registration. “Companies may also need to reassess their logistics and warehousing strategies, potentially relocating storage or renegotiating third-party agreements to optimise registration exposure” he advised.

Source: thehindubusinessline.com– Oct 09, 2025

HOME

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Set out vision for India-UK Joint Economic and Trade Committee (JETCO) to deliver India UK CETA gains and deepen bilateral trade ties

The Union Minister of Commerce and Industry, Shri Piyush Goyal, and the Rt. Hon. Peter Kyle, UK Secretary of State for Business and Trade, held a bilateral meeting in Mumbai today to chart a renewed course for the India–UK trade and investment partnership.

The meeting marked a significant step towards operationalising the India–UK Comprehensive Economic and Trade Agreement (CETA), with both Ministers agreeing to reposition the Joint Economic and Trade Committee (JETCO) to oversee its implementation and delivery.

Both sides underlined their commitment to ensuring swift, coordinated, and results-oriented implementation of the Agreement, aimed at realising its full potential for businesses and consumers in both countries.

The Ministers reaffirmed their shared ambition to double bilateral trade by 2030, leveraging the complementarities between the two economies in areas such as advanced manufacturing, digital trade, clean energy, and services.

Emphasising the transformative scope of CETA, the Ministers discussed ways to maximise its benefits through regulatory cooperation, addressing non-tariff barriers, and promoting supply chain integration.

The highly productive Commerce Secretary and Director General-level meeting set the tone for the Ministerial meeting, which laid a strong foundation for a full day of engaging and forward-looking discussions.

Ahead of the bilateral meeting, a series of sectoral roundtables were held across priority sectors including including Advanced Manufacturing, Consumer Goods, Food and Drink, Science, Technology and Innovation, Construction, Infrastructure & Clean Energy, and Financial, Professional & Business Services (including IT/ITeS, education, and engineering). These dialogues brought together leading voices from Indian and UK industry and provided valuable insights to guide implementation.

The India–UK CEO Forum was also held bringing together business leaders from both countries to discuss new opportunities for trade, investment, and innovation. Co-chaired by prominent industry representatives from India and the United Kingdom, the Forum served as a key platform to deepen bilateral economic cooperation and strengthen partnerships across sectors. The discussions reaffirmed the shared commitment of India and the UK to advancing a modern, mutually beneficial, and sustainable economic partnership, strengthened by the India-UK CETA.

Both Ministers also exchanged views on the global trade and economic outlook, acknowledging the importance of building resilient and diversified supply chains amid ongoing global uncertainties. Shri Goyal highlighted India's emergence as a key growth engine of the global economy, while Secretary Kyle underscored that UK's deal is the best ever secured with India, putting British businesses first in line to access its vast market and drive growth, jobs, and prosperity at home.

The meeting concluded with a business plenary attended by senior industry representatives from both sides. Both sides reiterated their determination to advance a modern, inclusive, and mutually beneficial trade partnership, unlocking new opportunities for growth, investment, and innovation.

Source: pib.gov.in– Oct 08, 2025

HOME

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India stands out as global growth driver while China decelerates, says IMF chief

India has emerged as a key growth engine, Kristalina Georgieva, Managing Director of the International Monetary Fund (IMF), said on Wednesday. She also noted the high US tariffs applied to India.

"Global growth patterns have been changing over the years, notably with China decelerating steadily while India develops into a key growth engine," Georgieva said in her curtain-raiser speech for the Annual Meetings. This remark comes at a time when almost all agencies have revised India's growth estimates to a range of 6.5–6.9 per cent for the current fiscal year, although some have lowered the growth projection to between 6.3–6.5 per cent for the next fiscal year.

The Annual Meetings of the World Bank Group (WBG) and the IMF will take place from Monday, October 13 to Saturday, October 18, 2025. The World Economic Outlook will be released during the meeting. According to Georgieva, global growth is forecast at roughly 3 per cent over the medium term—down from 3.7 per cent pre-pandemic.
Resilience amid challenges

"As our World Economic Outlook will explain next week, we see global growth slowing only slightly this year and next.

All signs point to a world economy that has generally withstood acute strains from multiple shocks," she stated. Explaining this resilience, she put forward four reasons: improved policy fundamentals, private sector adaptability, less severe tariff outcomes than initially feared—for now—and supportive financial conditions—for as long as they hold.

"In many parts of the world, sustained efforts have delivered more credible monetary policy, deeper local currency bond markets, new fiscal rules, and— during the pandemic—swift, decisive, and globally coordinated fiscal action to limit the immediate pain and the lasting scars.

Emerging market economies, especially, have significantly upgraded their policy frameworks and institutions," she said. It should be noted that India is categorised as an emerging economy.

US tariffs remain a concern

Talking about US tariff action, the IMF MD said that the US trade-weighted tariff rate has fallen to 17.5 per cent now from 23 per cent in April, yet it remains much higher than before. The effective rate is now far above the rest of the world's, which has held relatively steady this year, with very few cases of retaliation. "In short, the world has avoided a tit-for-tat slide into trade war—so far. But openness has nonetheless taken a big hit. And the story is not over—US tariff rates keep moving," she cautioned.

"Trade deals with the UK, the EU, Japan, and soon Korea have nudged some rates down while disputes with Brazil and India have pushed others up," she explained. Furthermore, the rates of other countries are also likely to change.

Global tests ahead

Meanwhile, Georgieva cautioned that global resilience has not yet been fully tested. "And there are worrying signs the test may come. Just look at the surging global demand for gold." Spurred by valuation effects and net purchases—partly reflecting geopolitical factors—holdings of monetary gold now exceed one-fifth of the world's official reserves.

"On tariffs, the full effect is still to unfold. In the US, margin compression could give way to more price passthrough, raising inflation with implications for monetary policy and growth," she concluded.

Source: thehindubusinessline.com– Oct 08, 2025

HOME

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Taking stock of US shutdown impact on trade talks, says Piyush Goyal

The government is taking stock of the impact of the US government shutdown on trade negotiations with the Donald Trump administration, and expects to gain clarity on the way forward within a week, Union Minister of Commerce and Industry Piyush Goyal said on Wednesday on the sidelines of Global Fintech Fest 2025.

The US government entered into a shutdown on October 1 as Republicans and Democrats could not agree to pass a Bill funding government services into October and beyond. The shutdown currently underway is the fourth-longest.

Last month, from September 22 to 24, Goyal led a delegation to New York where India and the US discussed and exchanged views on the "possible contours" of a trade deal. During the visit, Goyal met his counterpart Jamieson Greer, the US Trade Representative, as well as Sergio Gor, the US ambassador-designate to India. Goyal was accompanied by senior commerce department officials, including special secretary and chief negotiator Rajesh Agrawal.

Talks between the two countries had previously stalled, largely because of India's refusal to grant Washington unrestricted access to its politically sensitive agriculture and dairy sectors. Bilateral ties were further strained by Trump's imposition of a 25 per cent reciprocal tariff and an additional 25 per cent levy on India for purchasing Russian crude oil.

Separately, speaking at the Global Fintech Fest, Goyal said the Indian government is taking massive steps to promote the domestic economy, built upon the pillars of infrastructure development and consumption-led growth.

He also highlighted that the government is committed to expanding international trade, so much so that despite all the global turbulence, India is in positive territory in exports of both goods and services in the first six months of the year.

"This is India's resilience, this is the strength of Young India, this is the strength of the talent of India", Goyal said.

“India is at an inflection point with strong macroeconomic fundamentals, expanding trade relations with developed countries around the world, and a focus on empowering customers with high quality and low taxes,” he added.

Additionally, Goyal underlined that India has transformed into a principal architect of the fintech world. “Technology has become a driver of inclusive growth. Every citizen today is empowered with digital tools,” he said.

The commerce minister also highlighted that India’s real-time payments platform Unified Payments Interface (UPI) is becoming more and more prominent not only in the country but also across the world.

“Day before yesterday, I launched UPI in Doha, the capital of Qatar... Today, nine countries are using UPI,” Goyal emphasised.

Source: business-standard.com– Oct 08, 2025

HOME

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SEZ units seek QCO relief, local sale flexibility

New Delhi: Developers and units of special economic zones (SEZ) have sought exemption from quality control orders, minimum import price and port restrictions so that imports of those goods are allowed into these zones.

In a meeting with commerce and industry ministry officials on Tuesday, they also sought amendment in the import policy to allow Free Trade Warehousing Zones to import new vehicles and get them included in the list of 18 ports and inland container depots which are allowed such imports. FTWZs are designated areas in SEZs that allow businesses to import, store and re-export goods without paying customs duties and taxes. These zones facilitate various warehousing services such as packaging and inspection.

SEZs are also pushing for flexibilities to enable units to sell and purchase more easily in the domestic market and do reverse job work for domestic manufacturers as that would help them use their unutilised capacities. "We have heard the concerns of the industry and are examining all the issues," said an official. There are 276 operational SEZs in India with $172 billion of exports in FY25, up 7.3% on-year.

Among other concerns, they flagged issues pertaining to banks not having clear instructions to allow advance remittance for purchase of gold from abroad as it blocks working capital of the units.

"We also requested that limit of advance remittance of $2,00,000 be increased at least in case of import of gold as price of gold has risen," the representative added.

These enclaves have also pushed for flexibilities to sell in the domestic market on a duty foregone basis (where duty payable is based on duties on raw materials) instead of paying customs duties as it would make their goods more competitive locally and they can sell more.

"There is lack of clarity in the field formations about the zero rating of export of contract manufacturing services. This has become all the more important in view of the high additional tariff levied by the US," said an industry representative who participated in the meeting, adding that Washington's 50% tariffs are impacting the SEZ units.

During the meeting, the SEZ industry raised issues about the Import Monitoring Systems for steel and paper, and pushed for easier norms to comply with them.

Since many SEZ units supply goods to bonded warehouses including units operating under the Manufacture and Other Operations in Warehouse Regulations scheme, the representative said that this should be counted towards Net Foreign Exchange (NFE) as SEZs have to be NFE positive.

Source: economictimes.com– Oct 09, 2025

HOME

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India to witness record-breaking T&A sales during Diwali this year

India's upcoming Diwali festival is expected to register record-breaking retail sales this year, marking the strongest festive season performance in a decade. The textiles and garments sector is forecast to be one of the main beneficiaries, even as potential challenges from the global market loom for exporters.

According to estimates from the Confederation of All India Traders (CAIT), Diwali trade could surpass Rs 4.75 lakh crore ($53.50 billion). Recent reductions in GST and Prime Minister Narendra Modi's 'Vocal for Local' (Swadeshi) campaign are expected to give a significant boost to domestic traders, opines Pravin Khandelwal, Secretary, CAIT

Khandelwal states, this year's Diwali is likely to 'illuminate homes and brighten the fortunes of small traders, manufacturers, artisans, and service providers across India.'

Markets across the country, from traditional bazaars to large shopping malls, are projected to see strong consumer turnout. Textiles and garments are expected to account for roughly 12 per cent of total festive expenditure, driven by a growing preference for domestically and locally made products. This momentum reflects the success of the Atmanirbhar Bharat (self-reliant India) initiative, with locally produced Swadeshi textiles expected to dominate sales.

According to industry analysts, the textile sector faces a mixed outlook. While robust domestic demand is certainly expected to lift sales, potential US tariffs on textile imports could put a drag on export performance.

In response, manufacturers in major textile hubs such as Surat, Ludhiana, and Tiruppur are reportedly ramping up production to meet the huge festive demand at home and offset any possible international headwinds.

Emphasizing on the festival's wider importance, Khandelwal states, Diwali is not just about lighting lamps but about powering the entire economic ecosystem of Bharat.

Overall, the Diwali season is set to highlight the resilience of India's domestic retail market.

Strong consumer sentiment and patriotic purchasing are expected to sustain growth, reinforcing the growing importance of local demand in supporting the textile and garment industry against international pressures.

Source: fashionatingworld.com– Oct 08, 2025

HOME

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Indian garment exporters reel under US tariffs

When Donald Trump was elected, Indian garment exporter R.K. Sivasubramaniam thought the new US president would boost business and invested heavily in anticipation of a boom.

But less than a year later, everything is "upside down", he admits with a pained smile.

Trump's 50 per cent tariffs on Indian goods, imposed in August, have upset the country's $11 billion textile export industry and shaken confidence in the US market.

Sivasubramaniam's Raft Garments factory in southern India, normally frenetic with humming sewing machines, is quieter and work hours have been cut, hitting employees' paypackets.

If his US buyers turn to other suppliers, half his business could vanish. Meanwhile, half a million garments sit in towering stacks, ready for shipment but stalled over who will pay the new duties.

Buyers are asking for a 16-20 per cent discount.

"We cannot give that much," said Sivasubramaniam, whose desk carries crossed US and Indian flags. "It's a very huge loss for us."

If Raft doesn't shoulder part of the duties, it won't be paid for garments already produced -- leaving it unable to cover costs.

"If it continues for another month... we cannot give work to our employees," he warned.

Trump's anger at India's purchases of Russian oil -- which Washington says help finance Moscow's war in Ukraine -- has left New Delhi facing some of the world's steepest tariffs.

A trade deal that could ease that hinges partly on progress in peace talks.

But the fallout is being felt in Tiruppur, in Tamil Nadu.

'Worst possible situation'

Dubbed India's "knitwear capital", and "Dollar City" for its export earnings, the small industrial town produced $5 billion in garments last fiscal year, two-fifths going to the United States.

Its lanes are dotted with thousands of units including dyeing, embroidery and sewing workshops.

Manufacturers paint a grim picture.

"US orders have largely stopped, around 80 per cent of the US business has reduced," said Ramesh Jebaraj of Trinity Tex.

In the same season last year, he produced 100,000 garments.

Now he has barely a fifth of that -- forcing him to seek buyers in Israel and the United Arab Emirates.

"This is the situation across Tiruppur," he told AFP. "Some of the bigger factories are on the verge of closing some of their units."

Alexander John of NC John Garments, which supplies Walt Disney, called the tariff standoff "the worst possible situation any business can be in".

With his US orders "completely at a standstill", he has cut shifts and laid off workers.

To stay afloat, he is looking to Europe and Britain but said "none of these markets can replace the US".

Tamil Nadu Chief Minister M.K. Stalin has warned that up to three million jobs could be at risk across the state's textile belt, a grim prospect for a country struggling to provide well-paid work for its youth.

Local industry associations say they have so far avoided widespread layoffs by agreeing to steep discounts on US shipments.

"In the short term, we're giving discounts to the customer ranging from 20 to 25 percent," said N. Thirukkumaran, general secretary of the Tiruppur Exporters Association.

But he admits it is not a long-term solution, and has pleaded for government support.

'We are helpless'

Exporters describe the move as a calculated gamble, by selling at a loss to maintain US buyer relationships while awaiting a trade deal.

At RRK Cotton's facility in Palladam, 17 kilometres (10 miles) from Tiruppur, dimly lit production halls are quieter than normal.

Owner R. Rajkumar, a former tailor who built his business over three decades, has closed two factories and furloughed some staff.

"This is a situation nobody could have anticipated," he said, adding that he was running three factories fulfilling European orders, and shipping some US orders after giving a discount.

He fears the next ordering cycle could be disrupted if US buyers shift to rivals such as Vietnam or Bangladesh.

All that depends on a trade deal.

Meanwhile, anger and confusion run deep among workers and business owners.

"My tailor... He doesn't know what is a trade war, or why India is buying oil from Russia, and why it is affecting our lives, our bread," said Kumar Duraiswamy, CEO of Eastern Global Clothing.

"The problem is we are helpless," he added.

N. Karthick Raja, 38, employed at a small embroidery unit now running reduced shifts, fears for his livelihood.

"If this job goes away, I don't know what I will do next," he said. "America has abandoned us, more or less."

Source: economictimes.com– Oct 08, 2025

HOME

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World Cotton Day. Last chance for India's cotton farmers

The shine of cotton, once known as "white gold," is lost in the galleries of one-sided policy decisions made either in favour of man-made synthetic fibre (MMF) or the textile industry.

The situation has reached a point where 100 per cent cotton clothes and fabrics, once the pride of the nation, are gradually disappearing from fashion stores, leaving consumers with little choice but to buy cotton-blended fabrics marketed as new-age, convenient, comfortable and shiny outfits.

For generations, the people of India, living in a tropical climate, have preferred cotton-based clothing for its comfort, breathability and health benefits.

Today, however, their traditional preference is being replaced by synthetic alternatives. Around 70 lakh farmers who grow cotton on smallholdings, largely dependent on rainfed agriculture, now find themselves at the mercy of a textile industry increasingly turning away from cotton-based fabrics and textiles to those predominantly produced from synthetic fibres.

From cotton to man-made synthetic fibre

Once a cotton-dominant textile country, India has slowly and steadily shifted toward man-made synthetic fibres (MMF) such as polyester, nylon and acrylic. According to industry estimates, the country's textile production has tilted in favour of MMF over natural fibres like cotton, wool, jute and silk. As of 2024, the Indian textile industry sourced nearly 55-60 per cent of its raw material from synthetic fibres and only 40-45 per cent from natural fibres, a complete reversal of the ratio from a decade ago.

Historically, cotton textiles have been India's core competence in the global textile market, which is dominated by man-made synthetic fibres that account for about 75 per cent of the global consumption, leaving only 25% for natural fibres. India's gradual shift away from its traditional strength in cotton textiles toward synthetic fibres is paradoxical, eroding its distinct identity and diminishing its globally recognized cotton-textile brand image.

The real question is what has enabled India's textile industry to change its composition so dramatically in favor of synthetic fibres over natural fibres and why. Is this truly driven by consumer demand for synthetic fibres or something else? The answer lies in the government's policy paradigm, which actively promotes synthetic fibres (MMF) growth through incentives under schemes such as the Production Linked Incentive (PLI), PM MITRA, technical textiles and recycling of plastics, all positioned under the banner of sustainability.

As a result, the demand for cotton and other natural fibers as raw materials for the Indian textile industry, earlier projected at around 45 million bales, has declined to 36 million bales in 2025. This decline has placed a heavy burden on farmers, who are further challenged by climate uncertainties. The impact extends beyond income, casting a dark shadow over the livelihoods of around 70 lakh cotton farmers, their families, farm workers and the domestic ginning industry

Farmer-centric cotton policies in limbo

The most pressing and long-pending issue, including the approval of next-generation BGIIRRF cotton, has remained unresolved at the Ministry of Environment, Forest and Climate Change (MoEF&CC) since 2013.

Despite persistent technical input and advocacy from the Ministry of Agriculture & Farmers Welfare (MoA&FW), progress has stalled, adding to the growing list of long-pending cotton-related policy decisions at Krishi Bhawan.

In May 2023, Krishi Bhawan organised the Roundtable Discussion on Indian Cotton co-chaired by Manoj Sinha, then Secretary (MOA&FW), Ramesh Chand, Member (Agriculture), NITI Aayog and RS Paroda, Chairman, TAAS, along with top agricultural and textile leaders, senior officials, and key stakeholders with a hope to resolve long pending issues in cotton sector of India.

The forum deliberated on a roadmap to revive Indian cotton, considering three pressing challenges, including the sharp decline in production from 40 million bales to 31 million bales since 2015, the low national productivity of 433 kg/ha compared to the global average of 768 kg/ha, and the looming demand of 45 million bales projected by the textile industry by 2026. These figures underscored the urgent need for coordinated action across policy, research, and industry to protect farmer livelihoods and restore India's global cotton competitiveness.

Two years later: Worsening conditions

Two years later, the situation for cotton farmers has worsened aggravated by climate change and recent policy decisions such as the removal of the 11 per cent customs duty on imported cotton.

This measure, previously safeguarding smallholder farmers by maintaining price parity, has further undermined domestic producers.

Meanwhile, progress on long-standing issues on cotton has been minimal. Challenges such as declining productivity, seed price regulation (Cotton Seeds Price Control Order 2015), proliferation of illegal and substandard HTBt cotton hybrids, NOC delays for field trials, decelerating yields and eroding farmer confidence persist.

While some Indian companies have claimed to develop pink bollworm-resistant Bt cotton, several pressing challenges continue to persist. Field trials of PBW-resistant Bt cotton in various states are often stalled due to the requirement of NOCs.

The implementation of the high-density planting system (HDPS) remains half-hearted in the absence of registered defoliants and adequate mechanization. Issues related to the availability of quality HtBt hybrids, limited PPP-based R&D and the lack of a streamlined regulatory framework further compound the problem. As a result, productivity continues to lag behind global standards, unapproved seeds flood the markets and regulatory uncertainty discourages investment.

Even as discussions continue on Technology Mission on Cotton (TMC 2.0), enhanced R&D funding, inter-ministerial coordination and digital seed supply monitoring, the cotton sector remains at a crossroads.

As emphasized during the 2023 deliberations, the respective ministries including MOA&FW, Ministry of Textiles and MOEF&CC etc must now move from identifying problems to implementing solutions, from fragmented efforts to a coordinated national cotton strategy and from short-term fixes to sustained, farmer-centric transformation that strengthens the entire cotton textile value chain. The big question is who will ring the bell, and whether the responsibility of no-decision will be fixed to concerned authorities.

The way forward or the status quo!

The implementation of the roadmap and action points defined at the 2023 Krishi Bhawan meeting on cotton remains the only viable way to address India's declining cotton production. Continued inaction by the concerned ministries on challenges identified over the past two years is a deeply worrying sign.

With the removal of import duties, cotton imports have already crossed 50 lakh bales, turning cotton into a traded commodity much like edible oil. If this trend continues, India risks losing its self-reliance in cotton. Once traders begin to dominate the sector, Atmanirbharta in cotton will remain a distant dream and dependence on imported cotton could soon become the new normal just as it has with edible oil.

Ultimately, the smallholder cotton farmers pay the highest price. They depend on the fragile dryland ecosystem and struggle each season just to survive amid declining productivity, policy neglect and shrinking market opportunities.

Source: thehindubusinessline.com– Oct 07, 2025

HOME

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India's apex cotton body says prices at 4-year-low, industry's survival vital to sustain cultivation

CMD of the Cotton Corporation of India, Lalit Kumar Gupta, has said that the survival of the textiles industry is necessary for farmers to sustain their interest in cotton cultivation, as he termed the interests of farmers and the industry interests as intertwined.

President of the All India Cotton FPO Association, Manish Daga echoed the sentiment, terming Minimum Support Price (MSP) as the only lure in the market, adding that lack of access to MSP for farmers can lead to a decrease in cotton sowing area by as early as the next year.

Stating that more exports will mean the industry will be able to afford to buy from cotton farmers, the Cotton Corporation's CMD said that further decisions on extension of import duty waiver on cotton will be based on a "holistic approach".

India has removed import duty on cotton till the end of the current calendar year. In view of global uncertainties, wars, and tariffs impacting textiles exports, he said that the government is taking all necessary steps to protect the interests of every stakeholder.

As Gupta pointed to an 8% increase in the MSP for the current cotton season, he highlighted that cotton prices in domestic and global markets are at a 4-year low.

He told CNBC-TV18 that the government has opened 550 procurement centres across 11 cotton-growing regions and improved access for farmers to market yards in the hope of crossing last year's cotton procurement, which we described as the 2nd highest MSP operations.

To align procurement with regional crop readiness, procurement operations have started in the Northern Zone (Punjab, Haryana, Rajasthan) from 1st October, and are slated to start in the Central Zone (Gujarat, Maharashtra, Madhya Pradesh, Odisha) from 15th October and the Southern Zone (Telangana, Andhra Pradesh, Karnataka, Tamil Nadu) from 21st October.

Highlighting climate change, crop yields, and waterlogging as challenges for farmers as they may delay cotton flowering and compromise quality, Daga doesn't expect any rise in price above MSP in the current calendar year as purchase of textiles is down. He said that farmers will stand to benefit if the Cotton Corporation of India purchases over 1.5 crore bales, like it did in previous years.

However, he highlighted that procurement will be easier said than done and will depend on when it starts and the availability of quality cotton. Stating that India has 70-75% cotton farmers with small holdings, he added that they won't be able to hold cotton till the new calendar year if it isn't procured.

Source: cnbctv18.com– Oct 08, 2025

HOME

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