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88.79	102.87	118.47	0.59

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INTERNATIONAL NEWS

Global trade rises 2.5% in Q2, poised for record 2025 levels: UNCTAD

The total value of global trade rose by about $500 billion in the first half of 2025, despite volatility and policy shifts. In the second quarter (Q2) alone, trade grew by 2.5 per cent quarter over quarter (QoQ). Despite persistent policy uncertainty and geopolitical tensions, global trade remains on course to reach record levels in 2025, according to the Global Trade Update for October 2025 by United Nations Trade and Development (UNCTAD).

Developing economies led the expansion, driven by rising South–South trade, while softer import activity in the United States weighed on the global average. UNCTAD forecasts sustained momentum through the third quarter, with goods trade expected to grow by about 2.5 per cent and services by around 4 per cent.

Manufacturing remained the primary engine of growth. Prices for traded goods began to climb in Q2, with a sharper rise expected in Q3, indicating that price increases may soon play a greater role than volumes in fuelling trade growth.

Global trade imbalances narrowed in the second quarter following shifts in United States trade policy. China's trade surplus edged lower, the European Union's also declined, while deficits widened in Japan, India, and the United Kingdom.

UNCTAD's nowcast projects continued resilience, with trailing four-quarter growth at about 5 per cent for goods and 6 per cent for services. Risks persist from United States policy uncertainty, geopolitical instability, and renewed protectionism in response to overcapacity.

Nonetheless, stronger economic growth, potential monetary easing, and resilient services trade are expected to keep global trade on an upward trajectory through the year's end, added the report.

Source: fibre2fashion.com– Oct 13, 2025

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US notes notable progress in achieving better trade ties with Cambodia

US Trade Representative Jamieson Greer has said recent talks with Cambodia have marked significant progress in achieving a more fair and reciprocal trade relationship and securing commitments that break down longstanding trade barriers and tariffs.

“The progress made will provide more export and business opportunities for American farmers, ranchers, workers and businesses while protecting our domestic producers," said Greer.

Greer recently welcomed Deputy Prime Minister of Cambodia Sun Chanthol in Washington, DC, and confirmed the significant progress made on the US-Cambodia Agreement on Reciprocal Trade.

The USTR and Cambodian negotiating teams have been negotiating closely to further bilateral trade relationship.

"I thank Deputy Prime Minister Chanthol for his leadership and collaboration with the United States on furthering our bilateral trade relationship and look forward to continued engagement," he was quoted as saying in a USTR release.

Source: fibre2fashion.com– Oct 13, 2025

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China's Export Engine Powers Ahead Despite Trade Tensions, New US Tariff Threats

China's export ecosystem continues to roll full steam ahead despite its ongoing trade war with the U.S.

Shipments out of China rose 8.3 percent in September to $328.6 billion, with exports flowing out at the fastest pace in six months, according to data from China's General Administration of Customs. Imports jumped 7.4 percent from a year ago to $238.1 billion, marking the strongest increase since April 2024.

The export figures surpassed growth estimates from both Bloomberg (6.6 percent) and Reuters (7.1 percent), and only fails to surpass March's 12.4 percent export growth in 2025. March was the final month before the "Liberation Day" country-specific tariffs were levied by the Trump administration, which tanked China's exports to the U.S. in the months after.

Exports to the U.S. are still plummeting from year-ago totals at a pace of 27 percent to $34.3 billion in September, with tensions between Beijing and Washington appearing to heat up again.

The numbers came in Monday three days after President Donald Trump threatened to impose another 100 percent tariff on Chinese goods on Nov. 1., on top of any existing tariffs already in place. In a Truth Social post late Friday, the president also said the U.S. would slap export controls on "any and all critical software."

The moves were in response to China's recent export controls placed on rare earth minerals, which are critical components for production of defense technologies, automobiles and semiconductors.

Along with the tariff threat, Trump suggested early Friday that "there seems to be no reason" to meet President Xi Jinping at the upcoming Asia-Pacific Economic Cooperation summit in South Korea later this month, spooking U.S. markets before close of business.

But later in the day, Trump seemingly walked back those comments, with Treasury Secretary Scott Bessent echoing Monday morning that he believed the meeting would still take place.

On Saturday, China's Commerce Ministry said Trump's tariff threats and remarks about the export controls "reflect textbook double standard"

While the volatile U.S. relationship brought a hit to China's export economy, the expansion into other partner markets has more than offset any trade war-related slowdowns.

Exports to the 10-member Association of Southeast Asian Nations (ASEAN), the European Union and Africa accelerated 15.6 percent, 14.1 percent and 56.4 percent, respectively.

The E.U. took in $48 billion in Chinese goods, while the ASEAN countries led the way in importing $53.7 billion from the country.

Vietnam continues to be a beneficiary of the shifts in export patterns, with Chinese exports to the apparel and footwear manufacturing country spiking 24.5 percent to $16.7 billion.

The U.S. levied a 40 percent transshipment tariff on Vietnam due to the country's alleged role in hosting Chinese exports that are later shipped to the U.S. so that China can skirt the other tariffs.

On Friday, in a seeming decision to prevent transshipment disputes with the U.S., the Vietnamese government ordered a decree aiming to tighten control over the temporary importation of goods for re-export activities. The decree introduces a maximum storage period of 60 days for these goods, extendable only twice for up to 30 days each.

Elsewhere in Southeast Asia, China's exports to Thailand grew 19.7 percent to $8.2 billion, while exports to Indonesia saw 17.1 percent growth to $7.1 billion.

Shipments out of China to regional rival India increased 14.4 percent to $11.8 billion, an all-time high, while exports to Latin American countries accelerated 15.2 percent to $26.5 billion.

China's trade surplus fell to $90.5 billion in September, from $102.3 billion a month prior.

China's port fee retaliation kicks in Tuesday

On Friday, China also unveiled its countermeasures to the U.S.-imposed docking fees on Chinese-built and -owned ships at American ports. The U.S. fees will go into effect Tuesday.

With its retaliatory measures, U.S.-owned, operated or flagged ships would be subject to a 400 yuan ($56) per net ton fee per voyage if they dock in China, according to China's Transport Ministry.

The fees would be applied on the same ship for a maximum of five voyages each year, and would rise every year until 2028, when it would hike to 1,120 yuan ($157) per net ton, the ministry said. They would also take effect Tuesday.

U.S. shipping isn't expected to see a major impact from the measures, as only 24 U.S.-flagged container vessels visit Chinese ports in total, according to Linerlytica.

"The U.S. practice disregards facts, fully exposing its unilateralist and protectionist nature," said a Transport Ministry spokesperson of the port fees on Chinese ships. "It is clearly discriminatory and severely damages the legitimate interests of China's shipping industry, seriously disrupts the stability of the global supply chain, and seriously undermines the international economic and trade order."

Source: sourcingjournal.com– Oct 13, 2025

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Trump Team Tempers Tariff Tantrum, But China Warns: 'Not the Right Way to Get Along'

A weekend defined by tariff tumult may have few lasting impacts. The storm abated by Monday, underscoring a trend that has become all too familiar in recent months.

The Chinese government's announcement last week that it would be tightening export controls and putting restrictions on the usage of rare earth minerals sent President Donald Trump into a Truth Social tailspin on Friday, culminating in an evening announcement from the Commander in Chief that the country would be hit with 100 percent tariffs beginning Nov. 1.

Trump accused Beijing of attempting to "hold the World 'captive'" by leveraging rules surrounding highly coveted magnets and elements largely mined in China. Markets tumbled on the back of the president's tariff threat, with the S&P 500 and the Nasdaq each clocking their worst days since April.

But less than 48 hours later, the message from the president shifted dramatically. "Don't worry about China, it will all be fine!" he Truthed. "Highly respected President Xi just had a bad moment. He doesn't want Depression for his country, and neither do I. The U.S.A. wants to help China, not hurt it!!!"

The president's surrogates quickly assumed their positions. Vice president JD Vance took to Fox News on Sunday, saying that Trump "is always willing to be a reasonable negotiator" with China, touting the president's "friendship" with Chinese President Xi Jinping.

Monday morning saw Treasury Secretary Scott Bessent grace the network with his own well-choreographed tempering of tensions. "The relationship, despite this announcement last week, is good. Lines of communication have reopened, so we'll see where it goes," he said. Bessent noted that the "100 percent tariff does not have to happen" if Washington and Beijing are able to hash out their differences.

A planned meeting between the heads of state at the Asia-Pacific Economic Cooperation (APEC) forum in South Korea later this month is still a go, he indicated. "I believe that meeting will still be on."

News of the White House's softening stance prompted Wall Street to claw back about half of Friday's losses—a narrative that is becoming par for the course (to leverage the lingo of the president's favorite pastime).

The pattern: late-week Truth Social threats give way to weekend double-downs, stoking market anxieties and prompting responses from the objects of the president's ire. On Sunday, though, he shifts tack, saying a resolution or trade deal is on the way. Proxies and acolytes are deployed to the networks to underscore the strength of the president's stance while subtly watering down threats and reassuring investors. Rinse and repeat.

The trend isn't going unnoticed. New York-based cryptocurrency-based prediction market Polymarket on Monday showed that just 13 percent of traders believe Trump's threatened 100 percent tariffs will remain in effect on Nov. 1, a supremely low vote of confidence down from the already skeptical 54 percent who made the same bet on Friday after the potential new tariffs were first revealed.

China, long the subject of Trump's tariff ambitions (the president first levied Section 301 duties on China citing anti-competitive practices and a pervasive trade imbalance with the U.S. during his first term) is not taking the vacillations in the same stride as hobbyist bettors.

The country's Commerce Ministry on Saturday released a statement defending its export control measures, calling them "normal actions" taken in accordance with laws and regulations as a "responsible major country."

The Ministry characterized the U.S. retaliation as a reflection of a "double standard," saying America "has been overstretching the concept of national security, abusing export control, taking discriminatory actions against China, and imposing unilateral long-arm jurisdiction measures on various products" for some time.

In fact, over the past 20 days since the U.S.-China trade talks in Madrid, the American government has introduced new restrictions on Chinese trade, including adding entities to the Entity List and Special Designated National List—actions the country said have "undermined the atmosphere of bilateral economic and trade talks" during a time where both parties have supposedly been grasping for consensus.

"Willful threats of high tariffs are not the right way to get along with China. China's position on the trade war is consistent: we do not want it, but we are not afraid of it," the Ministry wrote. Underscoring Washington's slipping leverage with the global superpower, Monday numbers show China's exports have accelerated at their strongest rate in more than a year despite the precarious nosedive in trade with the U.S.

"If the U.S. insists on going the wrong way, China will surely take resolute measures to protect its legitimate rights and interests," the Ministry added.

Source: sourcingjournal.com– Oct 13, 2025

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China's foreign trade grows 4% YoY to $4.7 trn in Jan-Sept 2025

China's total goods imports and exports climbed to ¥33.61 trillion (~$4.73 trillion) in the first nine months (9M) of 2025, marking an increase of 4 per cent year-over-year (YoY). The pace of growth quickened from 3.5 per cent in the January–August period, according to the General Administration of Customs (GAC).

The GAC data indicated that exports remained the key driver of expansion, rising 7.1 per cent to ¥19.95 trillion, while imports edged down 0.2 per cent to ¥13.66 trillion. In September alone, total trade surged 8 per cent YoY to ¥4.04 trillion—the strongest monthly growth recorded this year.

China's foreign trade has maintained a stable and positive trajectory amid a complex global environment since beginning of this year, said Chinese media reports quoting Wang Jun, deputy head of the GAC.

The trade growth rate strengthened each quarter, advancing from 1.3 per cent in Q1 to 4.5 per cent in Q2 and 6 per cent in Q3.

China's trade structure also continued to diversify in January-September period, with goods trade with Belt and Road partner nations reaching ¥17.37 trillion, up 6.2 per cent YoY. Trade with ASEAN countries expanded by 9.6 per cent, with Africa and Central Asia rose it rose sharply by 19.5 per cent and 16.7 per cent, respectively, added the reports.

Source: fibre2fashion.com– Oct 14, 2025

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African fashion strengthens its global market position

African fashion is experiencing unprecedented momentum. The market was valued at roughly $31 billion in 2020, according to McKinsey & Company. By 2030, it could exceed $50 billion – if investment and infrastructure keep pace. UNESCO estimates that annual exports of textiles, apparel, and footwear from the continent total $15.5 billion. Demand for high-end African brands is projected to rise by 42% by 2033. Yet UNESCO also highlights structural barriers: limited financing, insufficient infrastructure, and a shortage of modern training programs. These issues call for strong state involvement. The question is: what can designers and the fashion community do to sustain this momentum?
Diversity of Ideas and Original Design

Luxury fashion has long drawn inspiration from Africa, and in recent years, that interest has grown stronger. Chanel staged its first African runway show in Dakar in 2022. Dior hosted a women's cruise collection in Marrakech in 2019 and a men's show at the Pyramids of Giza in 2022. However, in the past the continent often served as a backdrop rather than an active player. That narrative is shifting.

Now, African designers are moving into the spotlight, supported by global stars like Beyoncé, Alicia Keys, and Naomi Campbell. Lemlem, the brand founded by Ethiopian model Liya Kebede, has gone global, cementing its success with an H&M collaboration.

Kenya's Zuri opened a store in New York. Ethiopian brand Mastewal Alemu, along with South Africa's Boys of Soweto and DOPE Store, showcased their collections at Moscow Fashion Week (MFW). Meanwhile, Katchy Kollections and Maki Oh have gained international recognition. In fact, several African designers, including Adebayo Oke-Lawal and South Africa's Thebe Magugu, dressed celebrities at the Met Gala in May 2025.

Serge Carreira, director of the emerging brands initiative at the Fédération de la Haute Couture et de la Mode, notes the growing appetite for African talent and predicts that within 10 years, at least two or three African brands could reach the recognition and scale of European independent brands. Consumers, he says, are drawn to African fashion's vibrancy and originality – a refreshing alternative to the "quiet luxury" and mass-market labels.

African fashion is truly diverse. Each region on the continent is unique, with its own cultural traits, heritage, and specific crafts – all of which are reflected in distinctive styles that inspire local designers. Designers can and indeed should integrate national colors and traditions into a global context, but grounding their work in their roots remains the foundation of African fashion, emphasizes Nana Addo Tamakloe, CEO of Accra Fashion Week.

Sustainability and Local Production

Another strength of African fashion lies in its sustainability. Designers often draw on local traditions, techniques, and materials, producing collections in their own regions with locally sourced raw materials. As global demand for sustainable production grows, this approach gives Africa a strategic advantage.

Kenyan designer Katungulu Mwendwa has made sustainability the core of her brand Katush. "We strive to create pieces that are 100% made on the continent," she says, noting that even buttons are hand-carved in Kenya. She sources fabrics from Burkina Faso, Uganda, and Tanzania.

Nairobi's Anthony Mulli incorporates traditional beadwork in Katchy Kollections, while Lagos-based Amaka Osakwe of Maki Oh works with adire cloth. South Africa's David Tlale insists his brand uses only high-quality African fabrics, with all collections produced in Johannesburg.

"Supporting and promoting local designers, artisans, and manufacturers both nationally and globally is a key priority for the Egyptian Fashion and Design Council (EFDC)," says Susan Sabet, EFDC Board Member & Secretary General and BOF500 member.

Nana Addo Tamakloe adds that "Accra Fashion Week continues to evolve with a growing focus on ethical production and environmental responsibility," According to him, this sustainability focus is fueling growth, global demand, and broader financial opportunities for African brands.

Collaboration as a Path to Leadership

For the first time, Africa's emerging status as one of the world's most promising new fashion hubs became especially visible at the BRICS+ Fashion Summit in Moscow. The inaugural forum of this kind was held two years ago and generated significant global attention, demonstrating that emerging markets are becoming a new influential force in fashion, capable of setting their own rules. When gathered on a single platform – more than 100 countries participated, including around 30 from Africa – the emerging fashion economies no longer appeared as isolated pockets, but as a serious, cohesive force ready to reshape the industry and create new opportunities.

Collaboration within BRICS+ is critical for strengthening and forming new markets across the Southern and Eastern hemispheres, says Stephen Manzini, Founder of Soweto Fashion Week. "The BRICS+ Fashion Summit is crucial for emerging economies and the global South. Until now, these nations never had a united platform of this nature. The unification of these markets could potentially bring major trade agreements across these economies and perhaps create a reason for the current dominant economies to look South and East for trends, facilitating their inclusion into the mainstream."

Click here for more details

Source: businessinsider.com– Oct 13, 2025

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Uniqlo to open 11 new stores across the US

Japanese fashion giant Uniqlo plans to open 11 new stores across the United States. This significant commitment marks a decisive doubling down on the US retail market, signaling a fresh, full-scale attempt to transform its presence from a specialized destination into a mainstream national brand.

The announced store openings will strategically place Uniqlo in key metropolitan hubs that have historically been underserved by the retailer. The new locations will stretch geographically from Seattle on the West Coast to Boston in the Northeast, suggesting a carefully planned push into major shopping centers and high-traffic urban areas nationwide.

This coast-to-coast growth signals Uniqlo's intent to challenge existing fast-fashion competitors like Zara and H&M more directly by offering its distinct brand of clothing to a wider American audience.

For years, the US market has been a slow-burn project for Uniqlo compared to the explosive growth seen in Asia. However, the recent success of existing flagship locations and increasing consumer demand for quality basics have provided the momentum for this accelerated growth phase. The company is investing heavily to capitalize on this appetite.

At the heart of this massive rollout is the brand's core philosophy, LifeWear: clothing designed to be highly functional, high-quality, and affordable essentials. Uniqlo is betting that American consumers are increasingly seeking durable, versatile basics that transcend fleeting trends.

Products like the popular Heattech thermal wear, ultralight down jackets, and premium linen shirts serve as the foundation for this expansion, positioning Uniqlo as a reliable provider of foundational wardrobe pieces.

This rapid expansion of 11 large-format stores represents a substantial physical investment in the American retail landscape. Each new location will require dozens of staff, translating into the creation of hundreds of new retail jobs across the country.

By securing prime real estate, Uniqlo is emphasizing the importance of the physical shopping experience - a crucial component for consumers who prefer to feel the quality of LifeWear fabrics before purchasing.

With these new stores opening, Uniqlo is set to become significantly more accessible, solidifying its position as a major player in American apparel.

Source: fashionatingworld.com– Oct 13, 2025

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Fashion dominates Europe's e-commerce industry in 2024: Ecommerce Europe report

Europe's e-commerce landscape showed a clear dominance of the clothing, footwear, and accessories category in 2024, with 70 per cent of online shoppers purchasing these items. This figure significantly surpasses multimedia products and streaming subscriptions, according to a recent report by Ecommerce Europe. The Eurostat-based survey also highlights, 31 per cent of consumers buy perfumes and cosmetics online, and 26 per cent purchase sports equipment. The report offers insights into customer ordering habits, noting that a strong majority of Europeans place orders with domestic sellers. Cross-border shopping remains common, with 33 per cent of customers buying from other European countries. A notable 20 per cent of orders are placed with sellers based outside the EU - a figure being closely watched amid the expansion of non-European platforms like Shein and Temu.

Leaders at Ecommerce Europe are calling for urgent action on competitiveness and regulation. Luca Cassetti, Secretary General, states. while there's a shift in perspective on simplification, the urgency of the situation is unaddressed. Director general Christel Delberghe emphasized the need for consistent and rigorous enforcement across all Member States to ensure that all companies, domestic or foreign, meet the same obligations. A technological gap persists between businesses of different sizes. Among large companies (over 250 employees), 46 per cent and 41 per cent report high and very high 'digital intensity,' respectively. In contrast, smaller and medium-sized enterprises (SMEs) lag behind, with 40 per cent reporting low and 27 per cent reporting very low digital intensity.

Geographically, Western Europe (France, Germany, UK, Ireland, and Benelux) remains the powerhouse of European e-commerce, driving 64 per cent of B2C online sales in 2024. Southern Europe (Portugal, Spain, Italy, and Greece) holds the second spot with a 19 per cent share. In absolute figures for 2023, Western Europe generated €569 billion, followed by Southern Europe (€166 billion), and Central Europe (€79 billion). Northern Europe accounted for €56 billion, with Eastern Europe trailing at €17 billion.

Source: fashionatingworld.com– Oct 13, 2025

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Can Bangladesh maintain its position in the lucrative EU market?

Ever since US President Donald Trump began imposing reciprocal tariffs, attention has shifted toward Europe.

This has largely been driven by the need of many of the affected nations involved in apparel manufacturing to shift focus toward diversifying markets to safeguard their apparel exports from falling. The European Union, a 27-member bloc with significant consumer purchasing power and substantial demand for clothing, has emerged as the most sought-after destination in this regard.

With an estimated population exceeding 450 million, the EU is one of the largest apparel markets in the world, and China has long held dominance in this space, even if Bangladesh has also been climbing steadily as the second-largest apparel exporter to the region.

Between 2020 and 2024, Bangladesh experienced significant growth in apparel exports to the EU. The country's readymade garment (RMG) exports grew by a sustained 48.34 per cent over this period, reaching approximately 18.79 billion euros, as per some estimates.

Estimates suggest Bangladesh's apparel exports to the EU amounted to 12.32 billion euros in 2020, which rose to 18.28 billion euros by 2024. This increase was particularly significant as it reportedly surpassed the overall global export growth to the region.

However, given the rapidly changing landscape of global trade lately—especially amid shifting geopolitical alliances—there are questions about whether Bangladesh can maintain its position as a key apparel exporter to the EU.

Stakeholders believe the answer to this is far from being straightforward.

Bangladesh, which is currently the second-largest apparel exporter globally after China and boasts the highest number of green manufacturing facilities in the world, has many challenges.

To start with, Bangladesh, recognised for its massive production capabilities and access to abundant and cost-effective labour, is expected to face increasing competition from countries that have been hit hard by the US tariffs and are eager to regain lost ground by expanding into the EU market.

"High US tariffs have prompted suppliers like China and India to incrementally raise their concentration in the EU countries," claimed a Bangladesh-based apparel exporter.

This competition could intensify further in future, depending on how trade negotiations and the tariff structures evolve.

According to some estimates, Bangladesh exported readymade garments (RMG) worth 14.29 billion euros to the EU in 2021, which increased to 21.91 billion euros in 2022. However, exports dipped to 17.44 billion euros in 2023, largely due to economic challenges across Europe triggered by the Russia-Ukraine conflict.

In 2024, the country's exports reportedly rebounded to 18.28 billion euros.

Bangladesh's edge in terms of sustainability is noteworthy, nonetheless. The country has the highest number of green factories certified by the United States Green Building Council's LEED programme, with 263 certifications that include 111 platinum-rated, 133 gold-rated, 15 silver-rated, and four certified facilities.

Despite the credentials, Bangladesh needs to adapt fast to the EU's evolving due diligence and sustainability regulations, which could pose future hurdles, claimed industry insiders, adding that while demand for Bangladeshi products remains strong on account of price competitiveness, EU buyers are now prioritising sustainable production and greater transparency across the supply chains.

Sustaining the export momentum could thus be challenging given these shifting requirements.

However, the Government, trade bodies, and development partners are apparently up to the challenges. They have already started to implement strategic measures like drafting the national action plan for the labour sector, amending the Bangladesh Labour Act, and making continuous improvements to factory safety standards.

Many apparel manufacturers are also adopting digital systems to improve supply chain traceability while obtaining internationally recognised certifications to meet the growing expectations of European buyers, steps that are seen as part of a broader endeavour to maintain the hold on the EU market even as effort are also on to move up the value chain by offering high-value, fashionable products while enhancing worker productivity and skills.

However, some observers also believe, Bangladesh's apparel exports to the EU may have already reached near-peak levels, which could be another area of concern for sure.

Nevertheless, as the global trade environment continues to evolve, only time will tell how things will pan out and if Bangladesh can retain its hold on the EU market.

Source: fibre2fashion.com– Oct 13, 2025

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Bangladesh wants to sign CEPA, then FTA with EU: Commerce Adviser

Bangladesh wants to sign a comprehensive economic partnership agreement (CEPA) followed by a free trade agreement (FTA) with the European Union (EU) after assessing the feasibility and analysing trade-related data, the former's Commerce Adviser Sheikh Bashir Uddin told a visiting EU delegation in Dhaka recently.

The delegation was led by EU ambassador to Bangladesh Michael Miller.

Both discussed various aspects of trade, investment and economic cooperation.

Bashir Uddin said the EU offers vast potential for further expansion of trade.

Miller said the EU has a trade imbalance with Bangladesh, and both sides can prosper by addressing existing challenges in trade and investment ties, according to domestic media reports.

The meeting was also attended by Spanish ambassador to Bangladesh Gabriel Sistiaga and Danish ambassador to the country Christian Brix Moller.

The EU is the largest trading bloc for Bangladesh, where goods worth more than $25 billion are exported annually, accounting for over three-fifths of the country's total merchandise exports.

Bangladesh has also been negotiating with the EU to secure GSP Plus status to enjoy zero-duty trade benefits after graduation from the least developed country (LDC) status. This is because the current tenure of the GSP status enjoyed by Bangladesh under the LDC category will end in 2029.

Source: fibre2fashion.com– Oct 14, 2025

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Bangladesh RMG exports to non-traditional markets register sluggish growth in Q1, FY26

Bangladesh's readymade garment (RMG) exports to non-traditional markets recorded a sluggish growth in Q1, FY26, reflecting weak global demand and persistent economic uncertainty.

Official data from the Export Promotion Bureau (EPB) shows, exports to these new destinations- including Japan, Australia, India, Korea, China, Mexico, and Turkey - grew by a mere 0.77 per cent Y-o-Y to $1.65 billion during the July-September quarter. Industry insiders attribute this marginal increase to high living costs, sluggish global economic growth, and geopolitical tensions that are forcing consumers worldwide to prioritize essential spending over clothing purchases.

Within the non-traditional category, woven garments outperformed knitwear. Woven exports rose by 2.99 per cent to $847.37 million, while knitwear shipments declined by 1.45 per cent to $808.91 million.

Despite the overall muted performance, a few countries stood out. China emerged as the fastest-growing destination, with RMG exports soaring by 59.52 per cent to $71.14 million, largely driven by an 85.88 per cent growth in woven garments.

Japan remains the largest non-traditional market, importing $334.91 million in apparel. Other strong performers included Saudi Arabia (up 34.38 per cent), Chile (up 14.37 per cent), and Brazil (up 9.66 per cent) In contrast, exports to Australia, Turkey, Korea, and Mexico saw declines ranging from 8.13 per cent to 31.30 per cent.

The country's total RMG exports showed resilience, growing by 4.79 per cent to reach $9.97 billion overall in the quarter. This total growth was supported by strong performance in traditional, major markets: exports to the United States rose by 8.60 per cent to $2.01 billion, the European Union grew by 3.14 per cent to $4.74 billion, and the United Kingdom increased by 6.74 per cent to $1.21 billion.

Source: fashionatingworld.com– Oct 13, 2025

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NATIONAL NEWS

Commerce secy Rajesh Agrawal-led team heads to US for trade talks

A team of officials led by Commerce Secretary Rajesh Agrawal is set to travel to Washington later this week, with a focus on reaching an early conclusion of the proposed trade agreement between India and the United States (US), a senior government official said on Monday.

“Discussions between India and the US are moving in a positive direction. A team will visit Washington this week. As we have said earlier, the first tranche of the BTA (bilateral trade agreement) will be finalised by the fall (of 2025),” the official said.

The official added that India was looking to increase its purchase of gas from the US, as the country might require more energy products in the long term. Stepping up such imports could also help address Washington’s longstanding concern over the trade deficit with India, which stood at $40.89 billion during FY25.

A team from the US Trade Representative (USTR) had been planning to come to Delhi for an official round of talks in October. However, amid the ongoing US government shutdown, the Indian delegation will instead travel to Washington to hold an in-person discussion round.

Officials are still to determine whether this round can be classified as an “official” negotiation, given the shutdown.

The visit follows a recent phone call between Prime Minister Narendra Modi and US President Donald Trump, as well as the US’ India Ambassador-designate Sergio Gor’s New Delhi visit.

Last week, Modi called up Trump to congratulate him on the Gaza peace plan. Both leaders also reviewed the “good progress” made in trade negotiations. On Sunday, the US Ambassador-designate met with Agrawal in New Delhi, where discussions focused on enhancing economic ties, including increasing investment in America. Gor’s India visit runs from October 9 to 14.

Earlier, both countries last month discussed potential contours of a trade deal during the New York visit of a delegation led by Commerce and Industry Minister Piyush Goyal. Previous trade talks scheduled in August were postponed after tensions escalated over the imposition of steep US tariffs on several Indian imports, including a 25 per cent punitive tariff for New Delhi's purchase of Russian oil.

Both sides are now negotiating a comprehensive resolution that addresses pending issues in the trade deal and Washington's concerns over India's continued purchase of Russian oil.

India-EU trade talks

The official also said that India and the European Union (EU) were yet to resolve matters related to agriculture, automobile, and the carbon border adjustment mechanism (CBAM) in the latest round of free-trade agreement (FTA) talks, which concluded in Brussels on Friday. The 14th round of negotiations took place from October 6 to 10.

"The progress on the India-EU talks has been good, but some problems remain and need to be resolved. Issues that still need attention include agriculture, automobile, and CBAM," the official said, adding that the next round of negotiations could take place by the end of the month. India and the EU are working towards an "early conclusion" of the trade deal and targeting the year-end deadline.

Source: business-standard.com– Oct 13, 2025

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Indian textile exporters turn to Europe, offer discounts to offset US tariffs

Indian textile exporters are seeking new buyers in Europe and offering discounts to existing U.S. customers to cushion the blow from steep U.S. tariffs of as much as 50%, industry executives said.

President Donald Trump doubled tariffs in August on Indian imports, placing them among the highest for any trading partner, and affecting goods and produce ranging from garments and jewellery to shrimp.

A Mumbai-based garment exporter, who sought anonymity ahead of signing export contracts, said his company was prioritising diversification into European Union markets and that an early trade deal with the bloc would help boost shipments from India.

Trade talks between India and the EU have entered a decisive phase, as their teams work intensively to meet a year-end target for signing a free trade pact.

The EU is India's largest trading partner for goods, with two-way trade of $137.5 billion in the fiscal year to March 2024, for an increase of nearly 90% over the past decade.

Indian exporters are stepping up efforts to meet the EU's tougher standards on chemicals, product labeling, and ethical sourcing, textile exporters said.

Exporters are upgrading production facilities to meet these standards, said Rahul Mehta, whose website describes him as the chief mentor of the Clothing Manufacturers Association of India.

Exporters are also keen to reduce their dependence on the United States, Mehta added.

The United States was India's largest market for textiles and apparel in the fiscal year to March 2025, taking nearly 29% of total exports of roughly $38 billion.

Some exporters have started offering discounts to retain U.S. customers, said Vijay Kumar Agarwal, chairman of Mumbai-based Creative Group, whose U.S. exports make up 89% of its total shipments.

If U.S. tariffs continue to bite, the company could lose 6,000 to 7,000 of its 15,000 workers, and after six months may consider moving production to Oman or neighbouring Bangladesh, Agarwal said.

Source: thehindubusinessline.com– Oct 14, 2025

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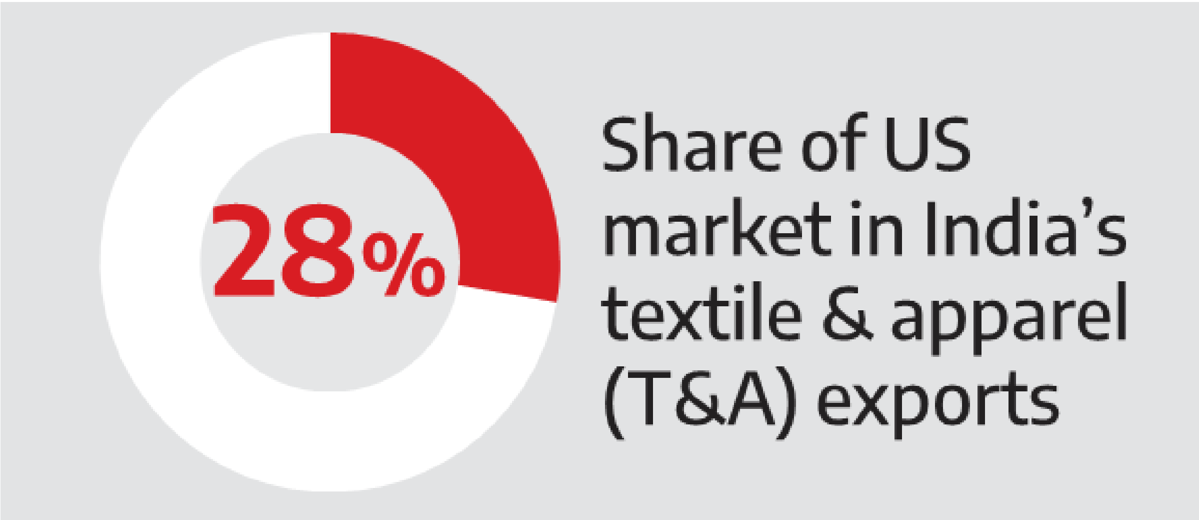
Textiles face tariff turmoil amid US-China tensions and India's woes

Amid the 100 per cent tariff on China by the United States raising hopes for the Indian textile industry, a survey conducted by the Confederation of Indian Textile Industry (CITI) found that about one-third of the respondents reported that their turnover has been reduced by over 50 per cent due to the current tariffs on India. Bangladesh, Vietnam, and Indonesia have an advantage on the tariff front.



According to the respondents, buyers in US are asking for up to 30 per cent discounts, while 25 per cent of orders are getting cancelled or postponed, and the industry is witnessing a 20 per cent reduction in volumes too.

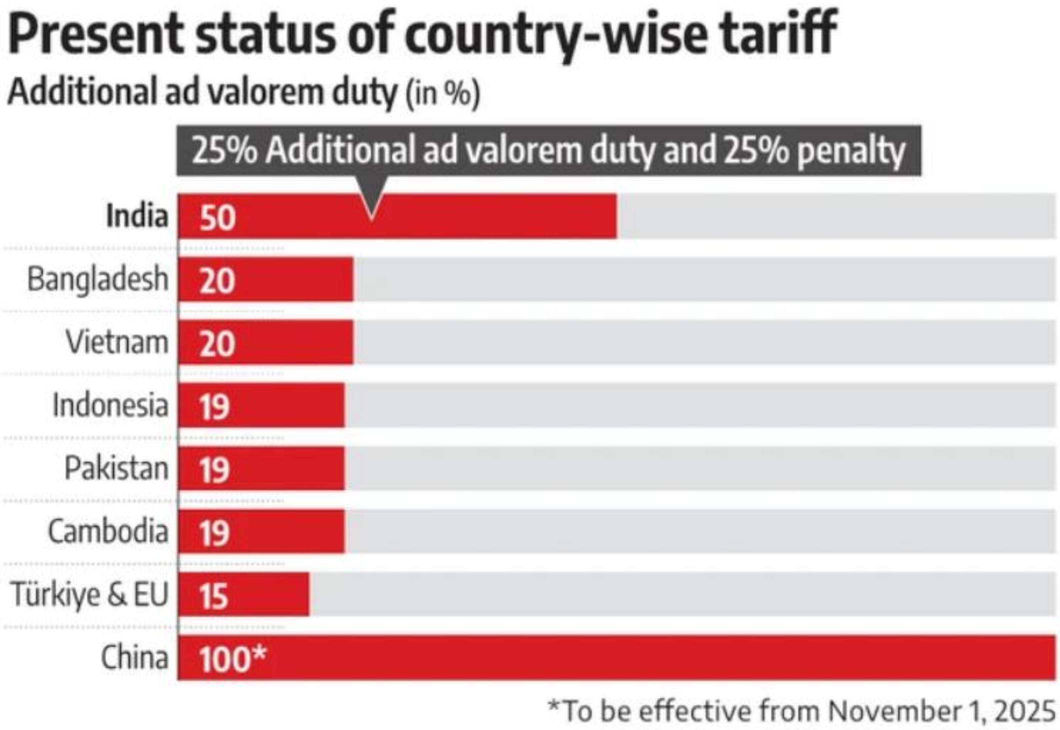
Here are the results

- 36% Over 50 per cent impact on turnover
- 28% 25-50 per cent
- 28%10-25 per cent
- 8% Less than 10%

Discounts and credit cycle woes

Around two-third of the respondents have to offer a discount to their buyers. About 85 per cent of the respondents have reported an inventory buildup due to the reduction in orders

- 62% Offering discounts to the US buyers, while remaining 38 per cent are not
- 82% Experiencing extended credit cycle across supply chain. Among them, over half indicated that the credit period has increased by 3 to 6 months, reflecting a substantial strain on liquidity
- 40% Respondents who reported a rise in working capital requirements by more than 30 per cent



Source: business-standard.com – Oct 13, 2025

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Finance ministry to review US tariff impact on MSME sector on Monday

The Ministry of Finance is scheduled to hold a review meeting on Monday with public-sector banks (PSBs) to assess the impact of the punitive tariffs by the United States (US) on the micro, small, and medium enterprises (MSME) sector and evaluate their credit requirements, a senior government official said on condition of anonymity.

The meeting will be chaired by Department of Financial Services (DFS) Secretary M Nagaraju.

“The review will focus on financial inclusion schemes, such as MUDRA and credit guarantee, among others. The aim is to understand how external trade pressures are affecting MSMEs and to ensure that adequate credit support continues under existing government initiatives,” said the official.

The government is also concerned that non-performing assets (NPAs) for MUDRA loans could rise due to higher tariffs, the official said, adding that the DFS would review the situation and seek suggestions from bankers on possible corrective measures.

India’s MSMEs, which contribute over 45 per cent to the country’s exports, are facing major disruptions following the US decision to impose an additional 50 per cent tariff on the country’s goods. MSME industry bodies have raised concerns over its deep impact, seeking immediate government intervention.

An email sent to the ministry didn’t elicit any response until press time.

The official said the disbursement target under the Pradhan Mantri MUDRA Yojana for FY26 had been set at ₹2.4 trillion, of which ₹99,064 crore had been disbursed until September, accounting for about 42 per cent of the total annual target.

Vinod Kumar, president of the India SME Forum, said the steep tariff hike could lead to an annual business loss of over $30 billion, with MSMEs being the hardest hit due to their limited financial buffers and capacity constraints.

The official added that the meeting was also likely to discuss the progress of the microcredit schemes PM SVANidhi and PM Vishwakarma schemes. “The meeting is also expected to review the status of inoperative accounts under the Pradhan Mantri Jan Dhan Yojana, as banks have been directed to reduce their number through various saturation drives,” the official said.

Discussions are also likely to cover the progress of Business Correspondents. “The meeting is also likely to see the progress of opening of bank branches in the north-eastern region,” the official added.

The meeting will further assess the performance of the New Credit Assessment Model for MSMEs, launched in March. “The model leverages digitally fetched and verifiable data to enable automated MSME loan appraisal. Benefits to MSMEs include straight-through processing, reduced turnaround time, and decision-making based on objective data. However, as of July, PSBs have sanctioned only ₹11,994 crore under the model, which will also be reviewed in the meeting,″ the official said.

On the agenda

- Review will focus on financial inclusion schemes such as MUDRA, credit guarantee programmes, etc
- Aim is to understand how external trade pressures are affecting the sector and ensuring adequate credit support
- Govt also concerned that NPAs for MUDRA loans may rise due to impact of higher tariffs
- Likely to discuss progress of micro-credit schemes PM SVANidhi and PM Vishwakarma
- May also take up progress in opening of bank branches in the Northeast

Source: business-standard.com – Oct 12, 2025

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India, US hopeful of concluding first tranche of Trade Agreement by fall deadline: Govt Sources

India and the United States are moving steadily towards the conclusion of the first tranche of their Bilateral Trade Agreement (BTA), with both sides expressing optimism about sealing the deal by the fall deadline, government sources told on Monday.

According to government officials, a high-level Indian trade delegation is set to travel to Washington this week for another round of negotiations aimed at resolving pending issues and finalising the initial segment of the agreement.

"The discussions with the US are progressing on a positive path. Both sides are hopeful that the first tranche of the Bilateral Trade Agreement will be concluded within the stipulated fall timeline," a senior government source told ANI.

The upcoming talks are expected to focus on key market access issues, regulatory cooperation, and expanding trade in energy and technology sectors.

India is also looking at scaling up imports of natural gas and renewable energy technologies from the United States as part of the evolving trade relationship.

Sources noted that energy cooperation remains an area of mutual interest, with India keen to enhance its long-term LNG procurement and renewable energy collaboration with US firms.

"India is exploring avenues to buy more gas and renewables from the US. This aligns with our clean energy transition goals and helps diversify energy sources," the official added.

Meanwhile, India's parallel negotiations with the European Union for a Free Trade Agreement (FTA) are also making headway, though some key issues remain unresolved.

"Talks with the EU are progressing well. However, there are still pending matters related to the Carbon Border Adjustment Mechanism (CBAM), as well as trade concerns in the steel, auto, and agriculture sectors," sources said.

An Indian trade team is expected to head to Brussels by the end of this month for another round of discussions to bridge differences and push the FTA process forward.

Officials indicated that both sides are working to address regulatory and tariff concerns in a balanced manner. "The Indian side has been constructively engaging with the EU on all outstanding matters, including sustainability-linked trade measures," said an official.

The EU is India's third-largest trading partner, and both sides are keen to conclude an agreement that will provide greater market access and regulatory predictability.

Both trade tracks with the US and with the EU are part of India's broader strategy to strengthen its global economic partnerships and secure more resilient supply chains amid shifting geopolitical and trade dynamics. (ANI)

Source: economictimes.com – Oct 13, 2025

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Creating balance in India-EU FTA

While US tariffs have hogged headlines, the end of 2025 deadline for India-EU Broad-based Trade and Investment Agreement (BTIA) looms large. India has consistently sought a "balanced and mutually beneficial" FTA. That balance is key.

Potential headlines such as "EU reduces tariffs on 99 per cent of goods, India on 94 per cent" hide the fact that nearly 80 per cent of Indian exports to the EU even now face miniscule tariffs below 1 per cent. The only sector with genuine scope for gains is textiles, now under pressure from US tariffs. Agri-goods look less promising since EU tariffs are complicated, and access based on shifting standards.

Since talks resumed, the EU has added several new chapters on non-trade areas such as state-owned enterprises, energy, transparency, sustainable food systems, and anti-corruption. These go far beyond the single "Trade and Sustainable Development" chapter that existed before 2013. India has resisted these demands.

A Chief Trade Enforcement Officer has been recently appointed in Brussels to monitor compliance. India has no comparable structure, creating an inevitable asymmetry.

The EU is increasingly aggressive in enforcing its FTAs. It now pressures partners on issues ranging from coal use to alcohol taxes and labour laws. Countries such as Japan, South Korea, Vietnam and Canada have been forced to amend domestic laws and ratify ILO conventions because of EU demands.

Crafting a balance

Since the BTIA will tilt towards the EU both in market access and in non-trade commitments, India requires balancing provisions to find compelling value in the BTIA. Some possible asks in non-trade issues are:

Investment-linked trade access: EU investment in green sectors under India's Paris Agreement commitments should be tied to tariff concessions. Real climate finance has been missing, while EU companies spend crores on doubtful carbon credits claiming green action. Such commitments will enable to act as the climate leader in deed.

Regulatory carve-outs: India's exports must be shielded from excessive EU environmental rules such as the Carbon Border Adjustment Mechanism (CBAM), the Deforestation Regulation, and the Corporate Sustainability Due Diligence Directive.

These rules are already straining EU industry, especially SMEs, and risk pushing production outside Europe. The EU has carved out exemptions for the US. Granting exemptions to the biggest polluter on the one hand, and pushing developing country imports to submit to one-sided regulatory burdens, will prove a dampener on whatever little tariff advantage is gained through the BTIA

Equal say in rule changes: India should be consulted whenever EU regulations affecting its exports are amended. Brussels is keen on influencing public policy of its partner countries through its market-muscle. Consultations built into the FTA would obviate the constant tussle with each relevant partner. For instance, CBAM challenged formally and informally; EUDR challenged formally and so on.

Safeguards in dispute settlement: Any attempt by the EU to raise non-trade issues which are outside the DS (Dispute Settlement) chapter should allow India to reverse trade concessions. While EU avers one thing in the texts, it begins consultations/disputes on areas that were never meant for being disputed. Korea was quite surprised with the auto dispute based on labour rights. Vietnam would have to lower taxes on alcohol, or that it would have to change its labour laws so fundamentally pursuant to the FTA.

Such guardrails would prevent EU's non-state actors from misusing FTA texts with innovative interpretations and increase trust in EU.

Health emergencies: EU must agree to TRIPS waivers for medicines and vaccines in crises, necessary for the health of populations of the entire global south. The commitment should entail an automatic TRIPS waiver for related pharmaceutical products from EU companies once a pandemic has been declared by the WHO.

Consumption cuts: The EU should commit to per capita consumption cuts in line with India's LiFE principles, for fundamental climate action. EU's per capita consumption is way above global averages. Social cost of carbon in $220 per tonne of carbon US Environmental Protection Agency.

Climate finance: EU promises on climate finance must be implemented and be subject to review. In 2023 EU applied only €0.1 billion of its ETS (Emissions Trading System) €46.7 billion revenues on international finance. If tied to trade and market access, EU will have to prioritise its climate finance promises. That will help EU stand true to its promises and in its bid to be seen as the chief global actor in the arena of climate change. Investment in India will give much better returns in terms of emissions reduction.

A narrowing window

The BTIA has been under negotiation for nearly 20 years. India has moved forward, while the EU has lost ground both in India's market and in its own manufacturing strength. The imbalance is stark: India gives the EU a growing market, while EU's own growth is under question.

By constantly expanding the non-trade agenda and dragging talks for almost two decades, the EU has lost valuable market share in India. In 2010, its share of India's imports was almost 12 per cent. By 2025 it had dropped to just over 8 per cent, while China's rose sharply to over 15 per cent. At the same time, India's own manufacturing has strengthened, while Europe's reliance on China has only grown.

If EU industry and policymakers continue to chase regulatory overreach, they may miss out altogether. For Europe, the smartest move now is to recognise how much the ground has shifted, accept a fair deal, and conclude the agreement with the world's fastest-growing economy.

Source: thehindubusinessline.com– Oct 14, 2025

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US tariffs severely hit India's textile exporters; industry seeks moratorium, raw material reforms: CITI survey

India's textile and apparel exporters are facing severe disruptions following the United States' imposition of a 50 per cent additional tariff, according to a nationwide survey conducted by the Confederation of Indian Textile Industry (CITI).

The survey revealed that the US, which accounts for India's 28 per cent of total textile and apparel shipments, has become significantly less accessible due to the steep tariff structure, eroding India's export competitiveness.

Nearly one-third of the respondents reported a turnover decline of more than 50 per cent following the tariff increase. The major contributing factors included requests for price discounts from US buyers (30 per cent), order cancellations or postponements (25 per cent), and a reduction in order volumes (20 per cent).

Around 85 per cent of the firms reported inventory build-up due to declining orders, while two-thirds were compelled to offer discounts, mostly around 25 per cent, to retain business in the US market.

Liquidity pressures have intensified sharply, with 82 per cent of respondents citing extended credit cycles, and more than half reporting an increase of three to six months.

Around 40 per cent noted that their working capital requirements had risen by over 30 per cent, reflecting severe cash flow challenges across the value chain. More than half of the respondents urged the government to announce a moratorium on repayment of existing loans, while 42 per cent recommended collateral-free loans to ease the financial burden.

About 50 per cent of the surveyed also sought measures to improve raw material competitiveness by removing import barriers such as Quality Control Orders (QCOs), import duties and other restrictions.

The survey highlighted a series of policy suggestions, it includes fast-tracking Free Trade Agreements (FTAs) with key global markets such as the EU and providing interest subvention and financial relief to the industry to address liquidity constraints.

CITI also asks for introducing a Focus Market Incentive Scheme for US-bound exports and reducing corporate income tax or granting tax holidays to help ease the financial crisis. India currently faces the highest tariff rate among major textile-exporting nations, 50 per cent, compared with 20 per cent for Bangladesh and Vietnam, 19 per cent for Indonesia, Pakistan, and Cambodia, and 15 per cent for Turkiye and the EU.

CITI has called on the government to take urgent measures to safeguard employment, support exporters, and restore competitiveness in the textile and apparel industry. The body said it would continue to engage with policymakers and stakeholders to push for targeted relief.

Source: thehindubusinessline.com– Oct 13, 2025

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New interest subvention scheme soon for MSME exporters

The government will soon unveil a revamped interest subvention scheme for exporters, under which it may extend a 3% interest subsidy to micro, small, and medium enterprises (MSMEs), instead of all exporters, sources told FE. This will be a key element of the support package for exporters in the wake of hefty tariffs on most Indian goods imposed by the US, the largest export market for the country.

“The Cabinet will soon take up the proposal to provide interest subvention to MSME exporters,” an official said. The scheme may run for the next five years. Labour-intensive and MSME-dominated sectors like textiles and garments, gems and jewellery, handicrafts, leather, footwear, furniture and toys are among the worst hit by the US tariffs. Working capital and fresh investments by the MSMEs in these sectors will be enabled by the interest subvention.

The earlier version of the Interest Equalisation Scheme (IES), referred to as an interest subvention scheme, provided a 3% interest subsidy to all exporters, including MSMEs. The subsidised interest rates on pre- and post-shipment rupee export credit for exporters were initially launched on April 1, 2015, for an initial five-year period. It has been extended multiple times with benefits capped at Rs 50 lakh per exporter per Import Export Code (IEC).

The interest equalisation scheme has been credited with enhancing export volumes by reducing effective bank interest rates to 5-7% from 9-12%. It ended in December 2024.

The credit costs of Indian exporters range between 8-12% while the export credit in countries they are competing with is priced at 2-3%. Exporters asay the scheme is needed urgently again to bridge the gap in cost of funds.

When the scheme covered almost all exporters it used to cost around Rs 3,700 crore a year. In 2023-24, Rs 3,699 crore were spent on the scheme which came down to Rs 2482 crore in 2024-25 as the scheme ran only for three quarters that year.

Recently, inter-ministerial consultations were held on the extension of the scheme as part of the export promotion mission announced in the budget for FY26.

“It has been suggested that the interest subvention may be provided to only MSME exporters in the revamped scheme,” an official said.

Since large exporters usually have cash balances and have bargaining power with their buyers, it was felt by many departments participating in the consultation. It is MSMEs who may have some challenges in the current headwinds due to higher US tariffs.

Officials said the government’s focus is on making the scheme more robust for labour-intensive and MSME sectors facing US tariffs up to 50%.

While the MSME exporters may get a relief, the revamped scheme will leave other exporters disappointed. Export organisations led by Federation of Indian Export Organisations (FIEO) have been seeking the interest subsidy of 5% for all exporters since 50% tariffs by the US came into force late August.

It is not clear whether the interest subvention scheme would be announced as part of the Export Promotion Mission (EPM), which is also in final stages of preparation.

The EPM was announced in the budget with an outlay of Rs 2,250 crore. Schemes like Lab Grown Diamonds (LGD) and Market Access Initiative (MAI) have been subsumed in the EPM.

Another objective of the EPM is to lower the cost of credit to exporters. This is likely to be attempted through other means like deepening the factoring market and use of other innovative financial products.

Source: financialexpress.com– Oct 12, 2025

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Maharashtra charts roadmap to strengthen cotton value chain

Maharashtra's cotton sector took a significant step towards enhancing its global competitiveness with a high-level workshop on "Enhancing Cotton Value Chain Development by Focusing on Quality, Productivity, Production, and Market Access" held at the Indian Institute of Management (IIM) Nagpur.

The one-day state-level workshop was jointly organised by the Balasaheb Thackrey Agribusiness & Rural Transformation (SMART) Project, MITRA – Maharashtra Institution for Transformation, Maharashtra Village Social Transformation Foundation (VSTF), Indo Cotton Development Association, Grant Thornton, and Palladium Consulting India Pvt Ltd. The event brought together government officials, industry leaders, farmer producer companies (FPCs), and textile stakeholders to shape a unified roadmap for sustainable cotton value chain development in Maharashtra.

Praveen Pardeshi, Chief Economic Advisor to CMO and CEO, MITRA, in his keynote address on "The Cotton Landscape in Maharashtra," underscored the importance of aligning agronomic practices, contamination control, and market reforms to global benchmarks such as the Kasturi Cotton Bharat initiative — India's national cotton quality and traceability program.

Promoting clean cotton

The technical sessions featured insights from leading organisations including the Welspun Group, Beetle Regen Solutions, RPG Foundation, ICAR-CICR, and TEXPROCIL. Discussions centred on improving seed uniformity, promoting clean cotton harvesting, and upgrading ginning infrastructure to meet global quality standards. Representatives from FPOs such as Kanchani FPCL and Green Agritech FPCL shared field success stories demonstrating how contamination-free cotton and consistent seed quality can secure premium prices and open new markets for farmers.

Breakout sessions at the workshop explored regenerative farming practices, contamination control, and traceable production systems, with Palladium leading discussions on sustainable agronomy and clean harvesting. Another session, led by CITI CDRA, MCX, and industry experts, focused on aligning production and ginning with international buyer standards, highlighting investment prospects, technological advancements, and supportive policy frameworks for modernization.

As international brands increasingly prioritise sustainable and traceable cotton sourcing, Maharashtra's integrated approach — linking FPOs, modern ginning units, and premium buyers — positions the State to capture new export opportunities. The synergy between Better Cotton, Kasturi Bharat, and BIS certification frameworks is expected to enhance market credibility, improve quality standards, and boost farmer incomes.

The workshop concluded with a shared commitment to implement a three-year action plan focusing on developing seed homogeneity clusters, investing in modern ginning units, training farmers in best practices, and aligning production systems with global market requirements.

Source: thehindubusinessline.com– Oct 13, 2025

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North India cotton yarn demand, liquidity expected to rise post-Diwali

There is an expectation of higher cotton yarn demand in north India after Diwali, as strong retail sales are likely to improve payment flows. The consumer industry is expected to replenish its depleting stocks after the festival sales. Market sources said that current cotton yarn demand does not encourage spinning mills and stockists, but a better market scenario is anticipated post-festival.

The Ludhiana market witnessed stability in cotton yarn prices after a slight easing earlier this week. Spinning mills did not reduce prices despite cheaper cotton. Cotton prices eased by 3–4 per cent over the past two weeks.

A trader from Ludhiana told Fibre2Fashion, “Spinning mills preferred to keep cotton yarn prices unchanged. They expect export demand support in the coming week. Cheaper cotton will improve their competitiveness in global markets.”

In Ludhiana, 30 count cotton combed yarn was sold at ₹249-259 (~$2.81-2.92) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹239-249 (~$2.70-2.81) per kg and ₹244-254 (~$2.75-2.86) per kg, respectively; and carded yarn of 30 count was noted at ₹229-234 (~$2.58-2.64) per kg today, according to trade sources.

The Delhi market also witnessed weak demand for cotton yarn, with traders and stockists struggling to find buyers. Trade sources said the current market conditions may not improve for the next two weeks, but Diwali-related payment flows are expected to drive demand after the festival. The festive season is also likely to support market sentiment.

In Delhi, 30 count combed knitting yarn was traded at ₹252-253 (~$2.84-2.85) per kg (GST extra), 40 count combed at ₹279-280 (~$3.15-3.16) per kg, 30 count carded at ₹226-228 (~$2.55-2.57) per kg, and 40 count carded at ₹251-253 (~$2.83-2.85) per kg today.

India’s home textile hub Panipat saw steady prices for recycled PC and cotton yarn. Demand slowed ahead of Diwali as traders focused on dispatching finished goods to maximise festival sales.

Traders said that yarn and fabric demand had declined temporarily but were optimistic that payment conditions would improve after Diwali. Higher retail sales are expected to not only improve cash flows but also clear inventories, triggering fresh buying across the textile value chain.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹73-76 (~$0.82-0.86) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹55-58 (~$0.62-0.65) per kg, 20s recycled PC yarn (Grey) at ₹97-100 (~$1.09-1.13) per kg and 30s recycled PC yarn (Grey) at ₹127-132 (~$1.43-1.49) per kg. Meanwhile, 10s recycled cotton yarn were traded at ₹107-108 (~$1.21-1.22) per kg and 18s recycled cotton yarn ₹135-136 (~$1.52-1.53) per kg. Cotton comber prices were noted at ₹109-111 (~$1.22-1.24) per kg and recycled polyester fibre (PET bottle fibre) at ₹77-82 (~$0.88-0.94) per kg today.

In north India, cotton prices have fallen sharply over the past few days as arrivals increased. However, spinning mills remain cautious about new purchases, as several large mills have already imported foreign-grown cotton. Traders reported that daily cotton arrivals have risen to around 15,000 bales (of 170 kg each).

The moisture content has also decreased due to clear weather, yet mills are not in a hurry to buy new-season cotton. The absence of the Cotton Corporation of India (CCI) has also contributed to the bearish tone in cotton prices.

Cotton arrivals in north India totalled nearly 15,000 bales—including 1,500 bales in Punjab, 4,000 in Haryana, 4,000 in upper Rajasthan, and 5,000 in lower Rajasthan.

New cotton prices were recorded at ₹5,270–5,280 (~$59.43–59.54) per maund of 37.2 kg in Punjab, ₹5,180–5,190 (~$58.42–58.53) in Haryana, ₹5,250–5,300 (~$59.21–59.77) in upper Rajasthan, and ₹51,500–52,800 (~$580.79–595.45) per candy of 356 kg. Seed cotton was sold between ₹6,400–7,500 (~$72.18–84.58) per quintal of 100 kg.

Source: fibre2fashion.com– Oct 13, 2025

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