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Currency Watch			
USD	EUR	GBP	JPY
88.29	102.66	118.04	0.58

INTERNATIONAL NEWS

NATIONAL NEWS	
No	**Topics**
1	HIGH-LEVEL SAUDI DELEGATION ENGAGES WITH INDIAN TEXTILE LEADERSHIP TO BOOST SECTORAL COLLABORATION
2	IMF raised India's growth estimates to 6.6% in FY26, lowered for FY27 to 6.2%
3	Indian textile exporters could rejoice with US slapping additional 100% tariff on Chinese goods, but uncertainty prevails
4	India's e-commerce market to hit $345 billion by 2030 as demand surges: Rubix
5	Jewellery, garments, marine goods bore the brunt of US duties in August
6	Indian Apparel Exporters Hope for Expedited Trade Deal with EU
7	Is a US-India deal on the cards as China tensions escalate?
8	South India cotton yarn trade slows ahead of Diwali

INTERNATIONAL NEWS

Shoppers Will End Up Eating 55% of the Cost of Trump's Tariffs, Goldman Sachs Says

American shoppers are shouldering most of the economic burden created by President Donald Trump's tariff regime, according to a note released Sunday by Goldman Sachs.

According to the investment bank, U.S. consumers are slated to pay more than half of the duties imposed by the administration by the end of 2025, while American companies will end up paying about 22 percent and foreign exporters will see 18 percent of the burden as they lower prices on their products.

Economists Elsie Peng and David Mericle wrote that U.S. businesses are, at the moment, "likely bearing a larger share of the costs" as they continue to shield shoppers from the worst of the price increases, "because some tariffs have just gone into effect and it takes time to raise prices on consumers and negotiate lower import prices with foreign suppliers."

"If recently implemented and future tariffs have the same eventual impact on prices as the tariffs implemented earlier this year, then U.S. consumers would eventually absorb 55 percent of tariff costs," they wrote.

What's more, despite the president's insistence to the contrary, tariffs are driving up inflation, the note said, with the rate expected to hit 3 percent by December, a full point above the Federal Reserve's 2 percent goal. Core personal consumption expenditure prices have already jumped 0.44 percent this year due to the president's tariff agenda.

The investment bank's projections did come with a caveat, as the administration's negotiations with foreign trade partners are perpetually in flux.

Just Friday, for example, Trump threatened China with 100 percent tariffs on a wide range of products because Beijing announcing new export control measures on rare earth minerals.

By Monday, the president had all but changed his tune, Truthing that the relationship with China “will all be fine!” Cabinet members went on to hint that the president plans to continue to negotiate with China over the course of the coming weeks. The new tariffs are scheduled to take effect on Nov. 1.

Goldman Sachs’ Sunday projections offer a slightly sunnier picture than the one its analysts painted in August, when they wrote that consumers’ share of the tariff burden could jump to 67 percent by year’s end. But the inflation data rings true, as August saw consumer inflation rise to 2.9 percent.

Without offering concrete figures, White House deputy press secretary Kush Desai said Monday that the markets are responding favorably to the pressures posed by the duties, with firms relocating their manufacturing bases to the U.S. “Companies are already shifting and diversifying their supply chains in response to tariffs, including by onshoring production to the United States.”

“Americans can rest assured that the Administration will continue to deliver economic relief from Joe Biden’s inflation crisis while laying the groundwork for a long-term restoration of American Greatness,” he added.

But shoppers largely aren’t taking the bait when it comes to rousing rhetoric.

According to a poll released Monday by media outlet The Center Square and Noble Predictive Insights, a nonpartisan polling firm, which surveyed 2,565 registered voters from Oct. 2-6, 51 percent disapprove or strongly disapprove of the president’s stewardship of the American economy.

Naturally, voters within the president’s own party were more likely to view his handling of fiscal policy favorably (80 percent), though 83 percent of Democrats and 57 percent of independents disapprove.

Reactions aren’t just split down party lines—they’re also dependent on income levels. According to the poll, six-figure earners were most likely to take a sympathetic view of Trump’s economic performance (59 percent), but the numbers decline sharply alongside salary levels.

Just 39 percent of voters with less than $50,000 in household income approve of Trump's handling of the economy, while 46 percent of households with between $50,000 and $100,000 said the same.

According to the Yale Budget Lab's Sept. 26 analysis, tariffs have collectively raised consumer prices by an average of 1.7 percent in the short-run, amounting to average per-household income losses of up to $2,400 this year. The duties have disproportionately impacted leather products and apparel, with shoppers facing 36 percent higher prices on the former and 34 percent higher prices on the latter in the near term.

Noble Predictive Insights' CEO and founder, Mike Noble, noted the president's overall approval appears more directly tied to his handling of the economy than it was during his first term. However, this month's answers from voters were in line with those captured in the spring, indicating that tariffs have become the central recognizable tenet of his economic plan.

"Not only is he tethered to it, it's actually dragging him down a little bit more," Noble said. "I think that is a worrisome thing, especially going into the midterms."

Source: sourcingjournal.com– Oct 14, 2025

HOME

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Europe's Circular Turn: The Danish vision shaping a new industrial era

In a speech that captured both urgency and ambition, Danish MEP Rasmus Nordqvist stood before an audience of European policymakers, industry leaders, and sustainability advocates at a recent event hosted by the Danish Presidency of the Council of the EU 2025, and declared what may soon become the new mantra of Europe's industrial future: 'Circularity is security'.

Framing the circular economy not merely as an environmental agenda but as a pillar of Europe's economic and geopolitical resilience, Nordqvist called it "the industrial revolution Europe needs." His vision was clear transitioning away from the old linear 'take-make-dispose' model toward a closed-loop, regenerative system would be central to ensuring that Europe remains competitive, resource-secure, and globally relevant in a century defined by ecological limits and supply-chain volatility.

Circular revolution as industrial policy

"Keeping materials in use is not just a sustainability issue it's a security issue," Nordqvist said, underscoring that Europe's dependence on imported raw materials leaves it exposed to global shocks, from energy crises to geopolitical tensions. Circularity, he argued, is the lever that can reduce this vulnerability.

The model he envisions would turn waste into value, shorten supply chains, and create hundreds of thousands of new jobs not in extractive industries, but in design, repair, remanufacturing, and recycling. It is a blueprint that marries ecological responsibility with economic competitiveness.

Indeed, recent European Commission data echoes this potential: a fully realized circular economy could add €1.8 trillion to the EU economy by 2030, while cutting net resource use by 20 per cent and generating over 700,000 new jobs across the bloc.

"This is industrial policy for the 21st century," Nordqvist emphasized. "Circularity is not just about reducing harm it's about creating strength."

Barriers on the road to circularity

But as Nordqvist and other speakers at the event made clear, Europe's path to circularity remains uneven and beset with structural barriers. The first is price disparity. Virgin materials often subsidized, readily available, and globally traded still undercut recycled or secondary alternatives. This distorts the market and discourages investment in circular business models.

Second, Europe's single market is anything but single when it comes to circular economy rules. The MEP lamented the "patchwork of national regulations" governing product standards, waste classifications, and recycling protocols creating complexity, raising compliance costs, and undermining scale.

Third, investor uncertainty looms large. The absence of EU-wide standards and metrics for circularity, such as how to measure product durability, repairability, or recyclability makes it difficult for financiers to assess risk and channel capital toward credible green innovations.

Finally, there's the challenge of product design itself. "Too many products are still designed for obsolescence, not for longevity," Nordqvist observed. Without embedding circular principles at the design stage, efforts to recycle or reuse often fail downstream.

A blueprint for Europe's circular future

To overcome these hurdles, Nordqvist outlined a four-pillar action plan that could reshape Europe's industrial landscape.

1. Closing the price gap: He proposed expanding the Carbon Border Adjustment Mechanism (CBAM) to include plastics and chemicals, effectively internalizing the environmental cost of virgin materials and levelling the playing field for recycled alternatives.

2. Harmonizing regulations: A unified framework for waste and product rules across member states would reduce friction, lower costs, and enable true circular scalability within the EU's single market.

3. Mobilizing capital: Establishing EU-wide metrics and standards for circularity could unlock private and institutional investment, giving confidence to investors seeking credible, measurable impact.

4. Designing for circularity: Nordqvist urged faster implementation of the Ecodesign for Sustainable Products Regulation (ESPR), prioritizing high-impact sectors such as electronics, textiles, and construction materials industries responsible for a disproportionate share of Europe's material footprint.

"Europe has always led through innovation," he said. "Now we must lead through regeneration."

Emergences of a broader consensus

The event, moderated by Sandrine Dixson-Declève, Co-president of the Club of Rome, featured a lineup of distinguished voices including Emmanuel Chaponniere, Adèle Naudy-Chambaud, and Commissioner Jessika Roswall, who reinforced the call for an industrial strategy that fuses green ambition with economic realism.

Roswall noted that aligning circular policies with trade, competition, and investment frameworks will be critical to scaling their impact. "Circularity cannot exist in isolation," she said. "It must be embedded across Europe's value chains—from mining and manufacturing to consumption and waste."

Chaponniere emphasized that the next wave of competitiveness will come not from resource extraction but from resource efficiency, echoing Nordqvist's assertion that the circular transition offers Europe a "first-mover advantage" in the race for green markets.

Circularity as Europe's strength

As the discussion drew to a close, Nordqvist's message resonated as both a warning and a rallying cry. Europe, he suggested, stands at a crossroads between industrial decline if it clings to the linear past, and renewed leadership if it embraces circularity as its strategic core. "Waste should not be a burden," he concluded. "It should be a resource. And in that transformation lies Europe's strength."

From vision to execution

The shift Nordqvist envisions is not merely environmental reform it's economic reinvention. Achieving it will require political will, regulatory coherence, and substantial investment in infrastructure and innovation.

But perhaps more importantly, it will demand a mindset change from consumers, corporations, and governments alike. For decades, Europe's prosperity was built on throughput more extraction, more production, more consumption. The next era, as Nordqvist and his peers argue, must be built on circulation more reuse, more repair, more resilience.

As the EU crafts its post-2025 industrial agenda, the message from Brussels is becoming increasingly clear: the future of European competitiveness may well hinge not on how much it produces, but on how intelligently it reuses.

Source: fashionatingworld.com– Oct 14, 2025

HOME

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China's exports to U.S. drop in September, while rise in global shipments hits a six-month high

China's exports to the United States fell 27% in September (2025) from the year before, even though growth in its global exports hit a six-month high.

Customs figures released on Monday (October 13, 2025) showed that China's worldwide exports were 8.3% higher than a year earlier, at $328.5 billion, surpassing economists' estimates. That was markedly better than the 4.4% year-on-year increase in August(2025).

China's exports to the United States have fallen for six months straight. In August they dropped 33%.

The outlook is cloudy as a truce between Beijing and Washington unravels and both sides hit out with new tariffs and other retaliatory measures.

As exports to the United States have come under pressure from U.S. President Donald Trump's policies aimed at trying to get manufacturers to shift factories to America. China has expanded markets for its products in other regions.

Source: thehindu.com– Oct 14, 2025

HOME

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Twenty-six European associations support ratification of EU-Mercosur Partnership Agreement

Representing a broad range of industries, 26 European business associations, have issued a joint declaration expressing their full support for the rapid ratification of the EU-Mercosur Partnership Agreement.

The members of these associations account for a significant portion of the total trade between the EU and the Mercosur region, which reached over €153 billion in goods and services in 2024. They also represent much of the mutual investment, which stood at approximately €380 billion in 2023.

The business leaders emphasized, in an unprecedented time when the rules-based global order is under critical threat, this free trade agreement serves as a vital tool for the EU's diversification strategy. They consider it a critical component for safeguarding the EU's long-term competitiveness.

According to calculations from the EU's Directorate-General for Trade (DG Trade), the agreement is projected to generate substantial economic benefits by 2040. It is expected to add €77.6 billion to the EU's GDP. It would also add €9.4 billion to Mercosur's GDP.

Additionally, the agreement is also forecast to boost EU exports to Mercosur by 39 per cent Mercosur exports to the EU by 17 per cent.

The EU-Mercosur Agreement is expected to deliver increased market access and better access to resources while protecting key European domestic sectors, diversifying secure supply chains, and encouraging investment for both regions.

Furthermore, the pact will deepen cooperation on sustainable development, specifically in areas like combating climate change, conserving biodiversity, and advancing labor and social rights.

Source: fashionatingworld.com– Oct 14, 2025

HOME

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ICE cotton dips further on trade tension; market may stabilise soon

ICE cotton futures closed lower amid ongoing trade tensions and weak demand. However, market analysts expect prices may stabilise after hitting recent lows. Crude oil gained after touching low levels, and dearer crude oil raises the production cost of polyester fibre, a manmade substitute for cotton.

ICE December cotton futures settled at 63.59 cents per pound, down 0.25 cents or 0.39 per cent. All major cotton futures contracts recorded declines between 16 and 34 points. The May 2026 contract hit a new all-time intraday low.

US crude oil futures rose after hitting a five-month low earlier, supported by easing tensions. Rising oil prices make polyester—a cotton substitute—more expensive, potentially supporting cotton demand.

During the session, 43,552 contracts were traded, while Friday's cleared contracts totalled 75,880. The average daily volume last week was 46,655 contracts, indicating slightly higher trading activity earlier.

ICE deliverable No. 2 cotton contract inventory, as of October 10, stood at 16,471 bags, unchanged from the previous day.

Market analysts noted that after Friday's new lows, prices were choppy but showed signs of stabilisation during Monday's trade. The market appears to be bouncing off the lows and may be entering a consolidation phase.

Persistent trade tensions continued to weigh on global cotton demand and investor confidence.

CBOT soybean futures ended steady after a sharp decline in the previous session caused by trade-related concerns.

The ongoing US government shutdown has delayed key reports, including the USDA monthly supply and demand report, limiting available market data.

Brazilian export data from Secex showed that shipments in the first two weeks of October totalled 91,157.02 tons, with a daily average of 11,394.63 tons—down 11 per cent from 12,770.24 tons last October. Total monthly exports last year were 280,945.36 tons.

Currently, ICE cotton for December 2025 is trading at 63.36 cents per pound (down 0.23 cent), cash cotton at 61.34 cents (down 0.63 cent), the March 2026 contract at 65.06 cents (down 0.20 cent), the May 2026 contract at 66.38 cents (down 0.18 cent), the July 2026 contract at 67.63 cents (down 0.16 cent) and the October 2026 contract at 67.67 cents (down 0.25 cent). A few contracts remained at their previous closing levels, with no trading recorded today.

Source: fibre2fashion.com– Oct 15, 2025

HOME

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Global cotton prices ease as key benchmarks slip in October

Cotton prices weakened across major benchmarks over the past month, reflecting subdued global demand and stable currency movements, according to Cotton Incorporated.

The December NY/ICE contract fell below key support levels near 66 cents per pound, reaching new life-of-contract lows below 65 cents before a mild recovery above that mark in recent sessions.

The A Index also eased slightly from 78 to 76 cents per pound. In China, the CC Index (3128B) dropped from 98 to 94 cents per pound in international terms and from 15,250 to 14,750 RMB per ton domestically, with the RMB stable around 7.12 RMB/USD, according to Cotton Incorporated's Monthly Economic Letter – Cotton Market Fundamentals & Price Outlook for October 2025.

In India, Shankar-6 cotton prices held steady near 78 cents per pound, or about ₹55,000 per candy, supported by a stable rupee at ₹88 per USD.

Meanwhile, Pakistan's spot rates remained around 68 cents per pound, or 15,600 PKR per maund, with the PKR steady near 281 PKR/USD.

The overall decline across global benchmarks suggests continued demand sluggishness and seasonal market softness as the 2025 harvest season progresses.

Source: fibre2fashion.com– Oct 15, 2025

HOME

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Global supply chains steady in September; Asia nears full capacity

The GEP Global Supply Chain Volatility Index remained nearly unchanged in September at—0.38 (from -0.39 in August), signalling continued underutilisation of global supply chains. Yet, a sharp rebound in Chinese factory purchasing propelled Asia's procurement activity to its highest level since mid-2022, nearing full capacity.

China led a strong rebound in factory purchasing, driving Asia's supply chains to near-full utilisation. Manufacturing procurement activity in the region rose at the fastest pace since mid-2022. The uplift was particularly pronounced in Chinese factories, where businesses expanded input purchasing to meet stronger order volumes and facilitate growth in production and sales, GEP said in a press release.

Across Asia, input demand strengthened for the tenth consecutive month, showing resilience amid a broader global slowdown. This surge offset weaknesses in other regions and became the primary driver of the overall global improvement.

In contrast, North American supply chains lost momentum during the month. Manufacturers cited tariff-related delays, economic uncertainty, and cautious purchasing strategies as key reasons for the slowdown. After a strong August, most firms chose not to build up additional inventories, reflecting concerns over the near-term outlook.

While demand remained relatively stable, delivery times were affected by customs and tariff issues, which, coupled with reduced purchasing, led to underutilisation of supply chain capacity across the region.

Europe's supply chains continued to operate well below potential, extending the region's industrial downturn. Manufacturers in Germany, France, and Italy reduced both purchasing and inventory levels, pushing the region's activity to its weakest since March 2025.

The region's subdued factory output and diminished orders were indicative of persistent energy costs, low external demand, and weaker consumer confidence.

The UK's index rose modestly to -0.57 from -0.9, suggesting marginal improvement in utilisation levels. Yet, the figure continues to reflect significant manufacturing weakness, with subdued output, low new orders, and ongoing pressure from inflation and high borrowing costs affecting business sentiment.

Global factory purchasing saw its strongest increase since June 2022, primarily led by Asia and particularly China. This indicates renewed optimism in the region's manufacturing prospects. Demand in North America and Europe, however, remained subdued as manufacturers adopted cautious procurement strategies, added the release.

Stockpiling frequency declined globally, showing that manufacturers are less concerned about price inflation or shortages. This suggests that fears of supply instability have eased, and procurement managers are confident about material availability.

Labour shortages decreased further in September, signalling robust availability of commodities, components, and intermediates. Factories reported little to no difficulty in sourcing required materials, marking one of the most stable supply conditions in recent months.

Staffing capacity remained sufficient, with labour-related backlogs dropping to their lowest level in six months. This improvement points to stabilised workforce availability and reduced pressure on production capacity.

Global transportation costs aligned with historically normal levels, reflecting steady freight market conditions and reduced logistics bottlenecks.

"This is the new normal for global companies—higher prices, tariff pressure, and slower growth are here to stay," said John Piatek, vice president at consulting, GEP. "For supply chain leaders who've been waiting to see how things settle: this is as stable as it's going to get—it's time to start executing their revised strategies."

Source: fibre2fashion.com– Oct 15, 2025

HOME

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Turkiye’s home textile exports dip in Jan-Aug amid weaker EU demand

Turkiye’s exports of home textiles were slightly lower during January–August 2025. The country shipped home textile products worth $3,252.872 million, 1.81 per cent lower than in the corresponding period of the previous year. Manmade fibre (MMF) home textiles accounted for 62.35 per cent of the total exports.

Turkiye had exported home textiles worth $3,312.247 million during January–August 2024, according to sourcing intelligence tool TexPro.

Home textile exports had surged during COVID and have remained above pre-COVID levels despite recent volatility. Shipments were valued at $4.666 billion in 2019, rising to $5.142 billion in 2020 and $6.132 billion in 2021. The pandemic-induced lockdowns boosted consumer spending on household furnishings and décor, significantly driving export growth.

After the pandemic, exports eased to $5.580 billion in 2022 and further dropped to $5.102 billion in 2023. However, they recovered slightly to $5.140 billion in 2024. This post-pandemic decline was largely due to global inflation, higher energy costs, and weak demand from the EU—Turkiye’s primary export market.

During the first eight months of 2025, Turkiye’s MMF home textile exports stood at $2,028.312 million, accounting for 62.35 per cent of total shipments.

Cotton home textile exports were valued at $593.420 million (18.24 per cent), while other fibre-based home textiles totalled $569.335 million (17.50 per cent). The dominance of MMF reflects growing global preference for easy-care, durable, and cost-efficient synthetic products over natural fibres.

In the corresponding period of the previous year, MMF home textile exports were $2,132.627 million (64.39 per cent), cotton home textiles $604.260 million (18.24 per cent), and others $518.036 million (15.64 per cent), as per TexPro data.

Between January and August 2025, floor textile exports were the largest segment at $1,792.197 million (55.10 per cent), followed by bathroom and kitchen textiles at $395.788 million (12.17 per cent), bed textiles at $339.671 million (10.44 per cent), sacks and bags at $243.755 million (7.49 per cent), and made-ups at $181.849 million (5.59 per cent).

This segmental distribution highlights the resilience of the floor coverings category, supported by steady renovation activity in key markets despite weaker global retail demand.

Source: fibre2fashion.com – Oct 15, 2025

HOME

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Bangladesh: Increased tariffs at Ctg port take effect amid port users' opposition

The Chittagong Port Authority (CPA) started enforcing the increased tariffs after midnight today, despite widespread opposition from exporters and importers against the steep hike.

Since 12:01am, all ships with containers and cargo arriving at the port have been charged at the new tariff for different services. On average, the rates are 41 percent higher than the previous tariffs. Businesses said this would erode their competitiveness.

The revised tariff came into force in line with a CPA circular issued on September 30, said CPA Secretary Md Omar Faruk.

The circular instructed all enlisted shipping agents to deposit sufficient funds at banks, based on the new rates, before obtaining clearance for incoming vessels.

This is the first time in 40 years the CPA has made a major revision of charges, fees, rents and tolls on a number of its services, including container and vessel handling.

The new tariffs came into effect after several months of opposition from businesses against any sharp hike. It began after the finance ministry approved the new rates on July 24 this year.

Initially, the government kept the enforcement of the rates on hold, and the shipping ministry held meetings with port users over the issue. Discussions did not bring any good news for businesses, as the government last month moved ahead to enforce the increased tariffs.

On September 30, the CPA said the new tariff would be effective from October 15.

From today, the charges for loading and unloading of export and import containers, the most common operations, have soared by 56.68 percent to $68 for a 20-foot full container load (FCL) container, up from $43.40.

Expressing concern over the spike, business leaders of Chattogram yesterday urged Chief Adviser Prof Muhammad Yunus to reconsider the new tariffs.

The Bangladesh Maritime Law Society served a legal notice on the government and the CPA, seeking cancellation of the order on the tariff hike.

Source: thedailystar.net– Oct 15, 2025

HOME

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NATIONAL NEWS

HIGH-LEVEL SAUDI DELEGATION ENGAGES WITH INDIAN TEXTILE LEADERSHIP TO BOOST SECTORAL COLLABORATION

A high-level delegation from the Kingdom of Saudi Arabia, led by H.E. Khalil ibn Salamah, Vice Minister of Industry and Mineral Resources, met with the Secretary, Ministry of Textiles, Government of India, at Udyog Bhawan, New Delhi, today, to advance bilateral cooperation in the textile sector. The meeting marked a significant step forward in reinforcing trade and investment ties between the two nations.

India and the Kingdom of Saudi Arabia reaffirmed their robust economic relationship, with bilateral trade reaching USD 41.88 billion in FY 2024–25. India emerged as the second-largest supplier (USD 517.5 million) to Saudi Arabia's textile and apparel sector, capturing an 11.2% share of Saudi Arabia's total textile and apparel imports in 2024. Both sides expressed strong commitment to further deepening this trade relationship.

The dialogue highlighted significant opportunities for Saudi investment in India's Ready-Made Garments (RMG) sector—a key area for employment generation and exports.

With a shared vision for mutual growth, both parties discussed strategies to expand production capacities and market reach through collaborative efforts in textile manufacturing and trade.

Discussions also emphasized the importance of promoting sustainability across traditional sectors such as handloom, handicrafts, and carpets. These sectors not only represent India's rich cultural and artisanal heritage but also resonate with global consumer preferences for eco-friendly and ethically produced goods.

Strategic Alignment in MMF and Technical Textiles

A key highlight of the meeting was the mutual recognition of Saudi Arabia's strength in petrochemical-based industries and India's expanding capabilities in Man-Made Fibre (MMF) and Technical Textiles.

These segments are poised to become pillars of bilateral trade, offering opportunities to leverage synergies in raw material sourcing, technology exchange, and product development. The Secretary, Ministry of Textiles, emphasized that MMF and Technical Textiles are emerging as high-growth sectors.

The Saudi delegation took keen interest in India's premier textile exhibitions and trade fairs such as BHARAT TEX, Reverse Buyer–Seller Meets (RBSMs), and other major expos that showcase the complete textile value chain. These events serve as platforms for global engagement, bringing together policymakers, industry leaders, investors, and buyers from over 100 countries.

It was highlighted that several prominent Saudi companies participated in BHARAT TEX 2025, held in New Delhi in February 2025. Likewise, a delegation of Indian companies led by EPCH, along with artisans supported by the Ministry of Textiles, participated in Saudi INDEX 2025, held in September 2025.

Both sides agreed to continue utilizing these forums to showcase collaborative innovations and to explore new market and investment opportunities, the Indian side presented its two flagship initiatives—the PM MITRA (Mega Integrated Textile Region and Apparel) Parks and the Production Linked Incentive (PLI) Scheme for MMF and Technical Textiles. These schemes aim to create world-class infrastructure and boost domestic manufacturing. The Saudi delegation expressed interest in aligning these schemes with Saudi Arabia's industrial and investment priorities.

The engagement reflects a deepening of the strategic and economic partnership between India and the Kingdom of Saudi Arabia, setting the stage for a robust, future-ready textile collaboration.

Source: pib.gov.in– Oct 14, 2025

HOME

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IMF raised India's growth estimates to 6.6% in FY26, lowered for FY27 to 6.2%

Noting robust growth in the April–June quarter, the International Monetary Fund (IMF) on Tuesday raised India's growth forecast for FY 2025–26 by 20 basis points to 6.6 per cent. However, citing the impact of increased tariffs, it lowered the projection for FY 2026–27 by 20 basis points to 6.2 per cent.

"Compared with the July WEO Update, this is an upward revision for 2025, with carryover from a strong first quarter more than offsetting the increase in the US effective tariff rate on imports from India since July, and a downward revision for 2026. Compared with the pre-tariff forecast in October 2024, growth is projected to be cumulatively 0.2 percentage point lower," the IMF said in its World Economic Outlook, released ahead of the Fund-Bank annual meetings.

The IMF's current estimate is a tad higher than the World Bank's, which last week raised India's FY26 growth forecast by 20 basis points to 6.5 per cent from its June projection of 6.3 per cent. However, considering the US tariff action, the World Bank also cut its FY27 forecast by 20 basis points to 6.3 per cent.

In its latest South Asia Development Update (SADU), the World Bank said domestic conditions — particularly agricultural output and rural wage growth — have been better than expected. It also highlighted that the government's GST reforms are expected to support economic activity.

IMF's latest print is also higher than S&P and ADB's estimate of 6.5 per cent but lower than Fitch (6.9 per cent), RBI (6.8 per cent) and OECD (6.7 per cent). In the Economic Survey, the Finance Ministry projected growth between 6.3 and 6.8 per cent. Although it has not revised its forecast post the strong Q1 growth of 7.8 per cent, it expects growth to be at the upper end of the range.

Global Outlook

In a blog, Pierre-Olivier Gourinchas, Economic Counsellor at IMF, said the impact of tariffs has been smaller than expected. "We now project global growth at 3.2 per cent this year and 3.1 per cent next year, a cumulative downgrade of 0.2 percentage point since our forecast a year earlier," he said.

“The reasons are clear. The United States negotiated trade deals with various countries and provided multiple exemptions. Most countries refrained from retaliation, keeping instead the trading system largely open. The private sector also proved agile, front-loading imports and speedily re-routing supply chains,” Gourinchas said.

He mentioned that in tariff-hit economies, other dynamics are helping to cushion the blow. China is weathering higher tariffs with a weaker real exchange rate, re-directed exports to Asia and Europe, and fiscal support. Germany’s fiscal expansion is lifting euro area growth.

“Emerging market and developing economies benefitted from easier global financial conditions thanks in part to the depreciation of the US dollar, and they continue to demonstrate strong resilience reflecting in part hard-earned gains from stronger policy frameworks,” he said.

Source: thehindubusinessline.com– Oct 14, 2025

HOME

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Indian textile exporters could rejoice with US slapping additional 100% tariff on Chinese goods, but uncertainty prevails

The latest imposition of 100 per cent tariff by the US on Chinese textiles takes the latter's total tariff to 130 per cent from November 1. While this has raised the hopes of the Indian textile industry, uncertainty still prevails.

Indian products may be competitive in the when compared with that of the Chinese. However, there is still uncertainty and only a bilateral trade commitment in lowering the tariff will give reassure the industry, exporters say.

Largest market for textiles

The US is India's largest market for textiles and apparel with a share of nearly 30 per cent of the total $38 billion.

Aniket Dani, Director- Research, Crisil Intelligence, said the US announcement of imposing 100 per cent tariff on China, thereby taking the total tariff on Chinese products to 130 per cent is likely to benefit Indian textile exporters. Currently the US levies 50 per cent tariff on Indian goods.

"Tariffs on India are still higher than other competing countries like Bangladesh and Vietnam. However, imposition of 100 per cent additional tariff on China may shift the demand to India as well as its competing nations.

Nonetheless, despite the announcement, the signing of an FTA with the UK will prove to be a boon for Indian textile manufacturers. UK FTA coupled with positive outcome of ongoing trade negotiations with the EU will further provide boost to the sector," said Dani

Raja M Shanmugham of Warsaw International and former president of Tiruppur Exporters Association, "What announcement will come next, nobody knows. We need to watch around without getting into any conclusions."

Currently, exporters are completing booked orders by agreeing on a 10-20 per cent discount range. But, new orders are not coming in because of the tariffs on India.

“Everyone is blinking and expecting a trade agreement soon to keep going. Many companies are planning to extend the festival holidays to a possible extent to tide over the situation instead of closure announcements,” he said.

Source: thehindubusinessline.com – Oct 14, 2025

HOME

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India's e-commerce market to hit $345 billion by 2030 as demand surges: Rubix

India's e-commerce market is projected to grow from $145 billion in FY2025 to $345 billion by FY2030 at a CAGR of 19 per cent, driven by rising urbanisation, evolving consumer preferences, and increased adoption of digital payments, according to a report by Rubix.

In its industry insights report, the firm said that India has rapidly emerged as a global retail powerhouse, becoming the third-largest retail market in 2024.

In FY2025, the country's e-commerce sector recorded a Gross Merchandise Value (GMV) of USD 14 billion, marking a 12 per cent year-on-year growth. Despite this, e-commerce contributes only 7 to 9 per cent of total retail sales, indicating substantial room for expansion.

According to the report, the beauty segment is the fastest-growing online category, fuelled by influencer marketing, rising digital use, and demand for personalised and convenient products.

A 57.5 per cent rise in per capita net income over the last decade has supported increased discretionary spending.

Since 2020, Tier-3 and smaller cities have contributed 60 per cent of new online shoppers and 45 per cent of total orders.

Government initiatives like the National Logistics Policy and Digital India are improving supply chain efficiency and digital access, enabling deeper penetration. Increased female workforce participation, rising from 23 per cent in 2018 to 42 per cent in 2024, has led to more dual-income households and higher demand for lifestyle and premium products.

As digital infrastructure improves and aspirations converge across rural and urban regions, consumption patterns are undergoing a structural transformation, the report added.

"The Indian Government is considering a policy shift to ease foreign investment rules, potentially allowing global-commerce giants like Amazon to directly procure goods from Indian sellers for export. Currently, such companies can only operate as intermediaries, without direct access to either domestic or international retail transactions. The proposed changes would introduce a third-party export facilitation model, enabling a dedicated export entity linked to e-commerce platforms to handle compliance and regulatory processes," the report added.

The proposal, if implemented, will allow global e-commerce giants like Amazon to directly procure goods from Indian sellers for export, introducing a third-party export facilitation model, which will boost the sector, the report further added.

It stated that the move is seen as a step towards making India a global e-commerce export hub, aimed at boosting Indian exports and enabling India to emerge as a global e-commerce export hub.

Source: thehindubusinessline.com – Oct 14, 2025

HOME

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Jewellery, garments, marine goods bore the brunt of US duties in August

As the 25 per cent US tariffs on Indian goods kicked in on August 7, the country's labour-intensive exports, such as gems & jewellery, garments, and marine products, took the maximum hit, according to disaggregated data released by the commerce department.

During the month, shipments of pearls, precious and semi-precious stones declined 54.2 per cent year-on-year, followed by marine products (–33 per cent), gold and other precious metal jewellery (–18.6 per cent), readymade garments (–13.2 per cent), cotton fabrics and made-ups (–10.1 per cent), drug formulations (–7 per cent), and auto components (–6.6 per cent).

The US accounts for 34 per cent of India's readymade garments exports and 39 per cent of cotton fabrics shipments. Exports of precious stones and gold jewellery contribute 37 per cent and 28 per cent to total shipments, respectively, while marine products (36 per cent), drug formulations (40 per cent), and auto components (22 per cent) also form significant shares of India's shipments.

The additional 25 per cent US tariff on Indian goods, which was imposed in response to New Delhi's purchase of Russian oil, came into effect on August 27, raising the cumulative duty on Indian exports to 50 per cent. The commerce department will today (Wednesday) release trade data for September that may reflect the full impact of the 50 per cent tariff on Indian exports.

In August, India's total shipments to the US remained positive at 7.15 per cent, down from 27.9 per cent in July. The growth was driven by sectors like telecom instruments (140.1 per cent), including iPhone exports, petroleum products (67 per cent), electronic components (64 per cent), electric machinery and equipment (31.1 per cent), and machinery for dairy (13.1 per cent).

The US is India's largest export destination, contributing about a fifth of India's total shipments. Notwithstanding India's efforts to diversify its merchandise exports, the country's dependence on the US for its outbound shipments has increased over the past 14 years.

Top 5 exports categories that saw contraction

(in $ mn)	Aug-25	Y-o-Y in %
Pearl, precious, semi precious stones	216.32	-54.22
Marine products	163.01	-32.99
Gold and other precious metal jewellery	231.43	-18.57
RMG cotton, including accessories	252.01	-13.21
Cotton fabrics, madeups, etc	229.87	-10.09

Top 5 categories that saw growth (in $ mn)

	Aug-25	Y-o-Y in %
Telecom instruments	990.76	140.09
Petroleum products	293.24	67.05
Electronics components	224.13	63.98
Electric machinery and equipment	283.86	31.07
Machinery for dairy, etc	170.79	13.14

The share of the US in India's total exports continuously declined from a high of 21.7 per cent in 1998-99 to a low of 10.1 per cent in 2010-11, according to commerce department data.

Most of the major economies have concluded trade deals with the US. India, on the other hand, has accelerated efforts to seal a bilateral trade deal by fall of this year. A team of officials led by Commerce Secretary Rajesh Agrawal is set to travel to Washington later this week. The visit follows a recent phone call between Prime Minister Narendra Modi and US President Donald Trump, as well as the Washington's India Ambassador-designate Sergio Gor's New Delhi visit.

Previous trade talks scheduled in August were postponed after tensions escalated over the imposition of steep US tariffs on several Indian imports. 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.3

Source: business-standard.com – Oct 14, 2025

HOME

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Indian Apparel Exporters Hope for Expedited Trade Deal with EU

India and the European Union are taking decisive steps toward a trade agreement, which Indian apparel exporters hope will offer an outlet for merchandise now heavily tariffed by the United States.

After working through a round of negotiations last week, the trade partners plan to continue to meet with the goal of solidifying a free-trade deal by the end of the year, the European Commission said this week.

“Teams will continue working at intense pace during the upcoming weeks, while intensive engagement at Chief Negotiators’ level will take place in a continuous manner both in virtual and in person format,” European Commission spokesperson Olof Gill told Politico. EU Trade Commissioner Maroš Šefčovič will interface with Indian Commerce Minister Piyush Goyal to bring the talks to a conclusion over the course of the coming months, he added.

The dealmaking process has been thorough and lengthy, with the 27-member trade bloc and the largest nation in South Asia having met 14 times for negotiations, the last being in Brussels last week. According to the Times of India, both sides are seeking to narrow trade gaps, with the EU looking for lower tariffs on automobiles, medical devices, wine and spirits and agricultural goods.

Meanwhile, India hopes to see its most prominent export categories—chief among them, ready-made garments, along with pharmaceuticals, steel, petroleum and machinery—drum up greater demand across Europe. The EU currently takes in about 17 percent of India’s total exports.

The completion of a trade deal has become increasingly pivotal since the U.S., India’s largest export market, levied 50-percent tariffs on Indian goods in August.

According to reporting from Reuters, India’s textile exporters are feverishly probing European markets for new opportunities. A garment exporter in Mumbai told the outlet his firm was looking to diversify into Europe, and that he hopes a trade deal will spur increased business.

As such, Indian firms are investing more into meeting the EU's more stringent environmental standards, which include rules related to greenwashing and product labeling, chemical management and sourcing from ethical factories.

Others, like Mumbai's Creative Group, which exports nearly 90 percent of its output to the U.S., have taken to slashing prices for existing American clients in the hopes of offsetting some of the impact of tariff costs. The group's chairman, Vijay Kumar Agarwal, told Reuters that the company could be forced to lay off nearly half of its 15,000-person workforce and is looking into relocating production to Bangladesh if conditions don't improve.

As President Donald Trump ramps up (and down, and up again) his inflammatory rhetoric against China, however, the U.S. may find itself looking for an ally in India.

Over the weekend, the president fanned the flames of the trade war by threatening China with 100 percent tariffs over its imposition of export controls, only to insist, on Monday, that all was well with the bilateral trade relationship. However, by Tuesday, Trump Truthed that he was "considering terminating business with China having to do with Cooking Oil, and other elements of Trade," as retribution for the country's apparent drawdown in purchases of soybeans from U.S. farmers.

"This is China versus the world," U.S. Treasury Secretary Scott Bessent said during an interview with Fox News on Monday. He accused the country of having "pointed a bazooka at the supply chains and the industrial base of the entire free world" with the regulations regarding rare earth minerals, and said the U.S. is prepared to assert its sovereignty while rounding up its friends as backup.

"We have already been in touch with allies," he added. "We will be meeting with them this week, and I expect that we will get substantial global support—from the Europeans, from the Indians, from the democracies in Asia."

Source: sourcingjournal.com– Oct 14, 2025

HOME

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Is a US-India deal on the cards as China tensions escalate?

In the swirling cauldron of geopolitical turbulence, as the flames of trade tension between the United States and China are stoked once again following President Donald Trump's threat of a 100 per cent tariff on Chinese imports, businesses in India find themselves cautiously optimistic—hoping for a fortuitous alignment in the India–US trade dialogue.

The escalation, marked by Beijing's abrupt imposition of new export controls on rare earth elements—prompting what Trump condemned as a "very, very bad" move—has sharply tilted the balance of global manufacturing diplomacy. Beijing announced new port fees on American ships and expanded export restrictions on lithium-ion batteries, along with rare earths and related technologies.

The threat of US tariffs ballooning to 140 per cent on Chinese goods now has cast a long shadow over international trade corridors, even as voices from India's business ecosystem hum with a resonant tone of strategic anticipation.

A senior apparel industry leader, interacting with Fibre2Fashion, remarked with calculated optimism that "India has been giving positive statements about bilateral talks progressing well with the USA," emphasising further a key strategic insight—that the United States, for all its economic might, will find it difficult to alienate or discount both China and India simultaneously.

The twin giants of Asia, each a formidable manufacturing powerhouse, represent not only critical links in the global supply chain but also deeply entwined partners in America's complex economic architecture.

Meanwhile, as per reports, China's exports to the United States have slumped 27 per cent in September compared with a year earlier, even though its overall global shipments recorded the strongest growth in six months.

Exports to the United States have now declined for six consecutive months, following a 33 per cent drop in August, as trade tensions between Beijing and Washington intensified, according to media reports.

Although the US and China appeared to be maintaining a delicate ceasefire since the Madrid trade talks in September, hopes of stability have been frayed by Beijing's recent actions, and the anticipated meeting between the Chinese and US Presidents in South Korea now hangs in uncertainty, its prospects dimmed by acrimony. In contrast, the US–India dialogue has gathered momentum lately, buoyed by a series of high-level exchanges.

According to media reports, India and the United States are scheduled to hold another round of trade talks this week, with New Delhi reportedly considering increasing imports of US energy and gas in an effort to address Washington's concerns about its ongoing purchase of Russian oil.

The talks, which were suspended briefly in August after the Trump administration announced tariff hikes of up to 50 per cent on Indian goods, resumed in September after US President Donald Trump struck a conciliatory tone in public remarks and spoke to Prime Minister Narendra Modi on the phone.

Prime Minister Narendra Modi, on his part, noted that the two leaders "reviewed good progress achieved in trade negotiations" and committed to remaining in close and frequent communication over the coming weeks. This spirit of constructive engagement has infused stakeholders in India's apparel manufacturing sector with renewed confidence.

The diplomatic overtures, underscored by mutual admiration between leaders, signal a convergence of economic intent. President Trump, in a characteristically emphatic post earlier on Truth Social, had affirmed, "I am pleased to announce that the United States of America and India are continuing discussions to address trade barriers between our two nations...I am confident that reaching a mutually satisfactory conclusion will be straightforward for both of our great countries."

Mirroring this warmth and strategic clarity, Prime Minister Modi also took to 'X' to assert India's commitment to a mutually beneficial outcome, stating, "India and the US are close friends and natural partners. I am confident our trade discussions will unlock the immense potential of the India-US partnership. Our teams are working diligently to conclude these talks swiftly."

His tone, measured yet resolute, signalled India's readiness to take centre stage in the unfolding global trade reshuffle.

Very recently, US ambassador-designate Sergio Gor also met with Prime Minister Modi and later with Commerce Secretary Rajesh Agrawal on strengthening bilateral trade and investment.

“During my visit to India, I met with Commerce Secretary Agrawal and discussed US-India economic ties, including increased investment in the United States,” Gor said on ‘X’ even as the Indian Government maintained Indian officials held “constructive” talks with US counterparts in Washington last month, adding that both sides agreed to push for an early conclusion of a mutually beneficial trade deal.

As expected, within industry circles, the sentiment is somewhat buoyant. As one apparel sector veteran mused, “The way things are proceeding, it could be India now to blunt the China impact.”

The logic is compelling. With Washington bracing for intensified conflict with Beijing, India’s role as a strategic alternative—especially in labour-intensive sectors like textiles—becomes not just viable, but vital, and the industry is abuzz with speculation that the coming festive season might herald a diplomatic coup of economic consequence.

Stakeholders see this moment not merely as fortuitous but as the culmination of months of persistent behind-the-scenes negotiations. Their expectations do not seem naïve or merely aspirational but grounded in the logic of global supply chain realignment, geopolitical recalibration, and the undeniable economic complementarity between India and the United States.

So, while the spectre of a new trade war looms large between the USA and China, for India’s textile and apparel industry, the shifting winds may yet blow favourably.

As China and the US inch closer to open economic confrontation, India’s quiet diplomacy and strategic patience, on the other hand, may pay off in dividends—potentially transforming what once seemed like collateral risk into catalytic opportunity, felt many within the industry.

Source: fibre2fashion.com– Oct 14, 2025

HOME

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South India cotton yarn trade slows ahead of Diwali

As the Diwali festival approaches, buyers have stayed away from the south Indian cotton yarn market. Prices have remained steady in the Mumbai and Tiruppur markets. Market sources said buyers are keeping their distance as production and trading activities will pause during the multi-day Diwali celebrations. After Diwali, the consumer industry is expected to restart production planning. There is optimism about a revival in demand as the festival may improve cash flow across the textile value chain.

In Mumbai, cotton yarn prices were largely unchanged, although a few counts, including 60s, saw slightly better demand due to urgent requirements. A trader from the Mumbai market told Fibre2Fashion, "Cotton yarn buying will remain slow in the coming days until the festival. The consumer industry will plan production after Diwali. The wedding season will reignite textile demand. Traders and manufacturers are currently focused on dispatches and deliveries ahead of the festival."

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,400-1,440 (~$15.77-16.22) and ₹1,370-1,400 per 5 kg (~$15.43-15.77) (excluding GST), respectively. Other prices include 60 combed warp at ₹320-335 (~$3.60-3.77) per kg, 80 carded weft at ₹1,390-1,420 (~$15.66-15.99) per 4.5 kg, 44/46 carded warp at ₹257-263 (~$2.89-2.96) per kg, 40/41 carded warp at ₹248-253 (~$2.79-2.85) per kg and 40/41 combed warp at ₹268-272 (~$3.02-3.06) per kg, according to trade sources.

In Tiruppur, cotton yarn prices were also stable amid thin trade. Trade sources said Diwali brings high hopes for improved demand and smoother payment flow. Garment and textile retail demand has picked up. Higher consumer demand means existing stocks will be depleted, prompting replenishment orders that could boost cotton yarn demand and liquidity in the market.

In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹250-257 (~$2.82-2.89) per kg (excluding GST), 34 count combed cotton yarn at ₹261-268 (~$2-94-3.02) per kg, 40 count combed cotton yarn at ₹273-286 (~$3.07-3.22) per kg, 30 count carded cotton yarn at ₹232-237 (~$2.62-2.67) per kg, 34 count carded cotton yarn at ₹237-242 (~$2.61-2.73) per kg and 40 count carded cotton yarn at ₹244-248 (~$2.75-2.79) per kg.

In Gujarat, cotton prices eased by ₹500 per candy of 356 kg as spinning mills preferred last season's cotton. Weak demand and ample availability of old stocks have reduced buying interest in the new crop. Traders said the Cotton Corporation of India (CCI) and stockists are under pressure to offload inventory. Traders who purchased cotton earlier from the CCI are also struggling to sell. The government's cotton procurement agency has been lowering its base price for auction sales. Additionally, several mills have imported large quantities of cotton following the removal of import duty, further weighing on domestic prices.

All-India cotton arrivals were reported at 58,000–60,000 bales (170 kg each). Gujarat recorded sporadic new arrivals of 18,000–20,000 bales. The benchmark Shankar-6 cotton of the new season was quoted at ₹53,000–53,500 (~$596.97–602.60) per candy of 356 kg, while last season's cotton was priced ₹1,000–1,500 per candy higher. The new season's seed cotton (kapas) was traded at ₹1,300–1,450 (~$14.64–16.33) per maund of 20 kg.

Source: fibre2fashion.com– Oct 14, 2025

HOME

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