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# INTERNATIONAL NEWS

## Trump Says Added 100% Tariff On China 'Not Sustainable'

The sustained trade war with China is "not sustainable," President Donald Trump admitted Friday during an interview with Fox News.

Speaking with anchor Maria Bartiromo about the current status of the trade relationship, the president confirmed that he is slated to meet with Chinese President Xi Jinping in Korea at the APEC Summit at the end of the month.

Trump responded to a question about the country's newly announced export controls on rare earth minerals—key components in semiconductors used in a range of critical technologies—saying that the action prompted his latest escalation in tariff threats.

"I raised our tariffs to 100 percent on top of what they're already paying, which is far worse, far worse," Trump said. "We'll see what happens with China. I've always had a great relationship with [Xi], as you know, but they're always looking for an edge. You know, they ripped off our country for years."

Should the president move forward with his most recent tariff threat, Chinese imports to the U.S. market could see duties of up to 157 percent. "It's not sustainable. But that's what the number is," Trump said.

The president said the tables are set for a sit-down with Chinese trade officials, along with a "separate meeting" for Xi and himself.

Trump and his cabinet have attempted to walk a tightrope when it comes to messaging surrounding the turbulent and mercurial dealings with Beijing.

On one hand, surrogates like Vice President JD Vance, Treasury Secretary Scott Bessent and U.S. Trade Representative (USTR) Ambassador Jamieson Greer have projected outrage over what they view as an effort to hold hostage critical elements of the global supply chain, along with assurances that the U.S. maintains supremacy within the bilateral trade relationship. China is both in the wrong and at our mercy, they seem to say.

Meanwhile, Trump doubled down on the villainization narrative by reviving concerns about China's support of Russia, chiefly through the continued purchasing of resources like oil, which he sees as a fundamental affront to his efforts to broker an end to the Russia-Ukraine conflict.

As he took a victory lap this week for his role in hammering out a plan that would put an end to the war in Gaza, Trump remained bent on sowing discord elsewhere in the world. He instructed Bessent and Greer to rally European allies around the creation of a Ukraine Victory Fund, its coffers lined with revenue from the higher tariffs on China he threatened last Friday, all while continuing to claim closeness with Xi and progress toward a trade deal.

"I mean, you know, we're doing very well with China," Trump said Friday on Fox, before adding, "I don't know what's going to happen."

Source: sourcingjournal.com– Oct 17, 2025

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# Section 301 tariffs to tackle China's practices ineffective: US AAFA

The American Apparel & Footwear Association (AAFA) recently said it does not believe the application of the Section 301 tariffs to remedy China's 'harmful' trade practices and policies has been an effective tool.

In a letter to Philip Butler, chair of the Section 301 Committee of the Office of the US Trade Representative, Beth Hughes, AAFA vice president for trade and customs policy, said the association

strongly supports the extension of the current China 301 exclusions, which are set to expire on November 29 this year, and recommended the US administration to determine if any of the exclusions listed should qualify for permanent or more-longer term exclusion periods to give US companies more predictability.

Close to 97 per cent of apparel, footwear and related goods sold in the United States today

are imported. Yet the United States maintains high duties on these products—some of the highest levied on any product—adversely affecting US consumers who ultimately pay those duties in the form of higher prices, the letter noted.

"Although the average trade weighted tariff rate imposed on all products was approximately 2.35 per cent in 2024, the average trade weighted tariff rate in 2024 on knit apparel was 14.90 per cent, woven apparel 14.29 per cent, footwear 12.25 per cent, home textiles 8.70 per cent, and 13.85 per cent on travel goods.1 Moreover, the amount of tariffs collected on imports of US apparel, footwear, textiles, and travel goods in 2024 exceed $18.3 billion," the letter said.

This burden falls disproportionately on products imported by the sector, even though many of these products are no longer made in commercial quantities in the United States, AAFA observed.

Source: fibre2fashion.com– Oct 20, 2025

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# US holiday spending to reach $890.49 per person in 2025: NRF

Consumers in the US are planning to spend $890.49 per person on average this year on holiday gifts, food, decorations and other seasonal items, according to the National Retail Federation's (NRF) annual consumer survey conducted by Prosper Insights & Analytics. The amount is the second-highest in the survey's 23-year history and falls only 1.3 per cent less than last year's record of $901.99.

"Time and again, Americans prioritise spending on loved ones for holidays despite economic uncertainty," NRF vice president of industry and consumer insights Katherine Cullen said. "With more consumers planning to seek out sale events this year, retailers are prepared to deliver on deals and value to ensure consumers have everything they need to make the holiday special."

Nearly all US adults (91 per cent) plan to celebrate winter holidays such as Christmas, Hanukkah or Kwanzaa this year, in line with recent years.

Out of the total, $627.93 will go to gifts for family and friends. The remaining $262.56 will be used on seasonal items like food or candy, decorations and greeting cards, as per the survey.

Early shopping remains popular, with 42 per cent of shoppers planning to begin browsing and buying for the holiday season before November. The leading reasons they shop early are to spread out their budget (54 per cent) or to avoid the stress of last-minute shopping (41 per cent). Even with the early start, the majority (60 per cent) anticipate they will finish shopping in December.

Tariffs remain top of mind for most holiday shoppers, with 85 per cent anticipating higher prices because of tariffs. Nearly two-thirds (63 per cent) plan to wait until Thanksgiving weekend to do most of their holiday shopping, up from 59 per cent last year.

"Despite consumers' economic concerns, the winter holidays remain an important occasion to celebrate with loved ones," Prosper executive vice president of strategy Phil Rist said. "This is particularly true for those families with children who are expected to increase their gift budgets by more than $30 on average."

As with other years, consumers plan to shop across numerous destinations this holiday season. Online continues to be the top holiday shopping destination, with 55 per cent planning to make purchases digitally. That is followed by grocery stores (46 per cent), department stores (44 per cent) and discount stores (42 per cent).

According to the survey, the top gifts consumers would like to receive include gift cards (50 per cent), clothing or accessories (46 per cent), books and other media (27 per cent), personal care or beauty items (23 per cent) and electronics (22 per cent).

The survey asked 8,247 adult consumers about their holiday shopping plans. It was conducted from October 1-7 and has a margin of error of plus or minus 1.1 percentage points.

Source: fibre2fashion.com– Oct 20, 2025

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## EU annual inflation hits 2.6% in September: Eurostat

European Union annual inflation was 2.6 per cent in September 2025, up from 2.4 per cent in August. A year earlier, the rate was 2.1 per cent. The euro area annual inflation rate was 2.2 per cent in September 2025, up from 2.0 per cent in August. A year earlier, the rate was 1.7 per cent, as per the figures published by Eurostat, the statistical office of the European Union.

The lowest annual rates were registered in Cyprus (0.0 per cent), France (1.1 per cent), Italy and Greece (both 1.8 per cent). The highest annual rates were recorded in Romania (8.6 per cent), Estonia (5.3 per cent), Croatia and Slovakia (both 4.6 per cent). Compared with August 2025, annual inflation fell in eight member states, remained stable in four and rose in fifteen, Eurostat said in a press release.

In September 2025, the highest contribution to the annual euro area inflation rate came from services (+1.49 percentage points, pp), followed by food, alcohol & tobacco (+0.58 pp), non-energy industrial goods (+0.20 pp) and energy (-0.03 pp).

Source: fibre2fashion.com– Oct 20, 2025

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## UK production output drops 0.3% QoQ during quarter to Aug 2025: ONS

UK production output was estimated to have decreased by 0.3 per cent quarter on quarter (QoQ) during the quarter to August this year, according to the Office of National Statistics (ONS).

The largest negative contributor to the three-monthly fall in August came from electricity and gas (down by 2.6 per cent QoQ), while manufacturing remained flat.

Monthly production output was estimated to have increased by 0.4 per cent in the month. This followed a decline in July 2025 (down by 0.4 per cent month on month) and a rise in June 2025 (up by 0.9 per cent), an ONS release said.

The rise in monthly production output in August resulted partly from increases in manufacturing (up by 0.7 per cent). Eight of the 13 manufacturing sub-sectors saw a monthly increase.

Source: fibre2fashion.com– Oct 19, 2025

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# Heimtextil 2026 to reunite global textile industry from January13-16, 2026

The world's premier trade fair for home and contract textiles, Heimtextil 2026, is set to reunite the global industry in Frankfurt from January 13 to 16, 2026. Organized by Messe Frankfurt, the event will continue its tradition of strengthening ties with the Turkish textile sector.

At a press conference in Istanbul to promote the fair, Margit Herberth and Bettina Bär, Directors shared insights into global market transformation, emphasizing that geopolitical challenges, economic instability, inflation, cost pressures, declining consumer demand, and digitalization are the key forces reshaping the industry.

In a presentation titled ‘Lead the Change,’ Herberth highlighted how artificial intelligence (AI) is changing the game - from trends to innovation. The market is currently being shaped by two powerful factors: hyper-individualization and connectivity, she noted

AI profoundly impacts every field. It enables real-time hyper-personalization across products and services, strengthening the personal and emotional bond between manufacturers and consumers, Herberth stated. AI empowers businesses by facilitating and accelerating scalable value chains, production, and product development, allowing for ‘tailor-made offers faster and more authentically than ever before, she added.

Bettina Bär called Heimtextil a strategic partner for the sector’s transformation, providing a reliable platform where more than 3,100 companies from 65 countries showcase their solutions. The fair's layout has evolved to reflect market changes. The Hall 3.0 features the ‘among-all’ installation, along with wallpapers, carpets, curtains, and sun protection systems.

Hall 4.0 hosts the smart bedding segment with the new Sleep & Meet area while Halls 3.1 & 4.1 showcase upholstery and decorative fabrics.

Created by Alcova Milano, the Heimtextil Trends 26/27 will be presented in Hall 6.1. The theme, ‘Craft is a Verb,’ demonstrates, high technology and traditional craftsmanship are complementary, opening up new creative horizons.

Six core trends illustrate this fusion, including: Re:media (digital design and craftsmanship interaction), Visible co-work (AI initiates, humans complete), and Crafted irregularity (a counter-movement to AI's perfection).

The trend's color palette ranges from stable, natural tones like sand and olive to vibrant, digital accents such as acidic green and bright screen blue.

Source: fashionatingworld.com– Oct 17, 2025

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## Chinese firm to invest $19.72 mn to set up apparel unit in Bangladesh

Chinese company October 4128 (BD) Ltd will invest $19.72 million to set up a high-end garment manufacturing factory at the Bangladesh Export Processing Zone Authority (BEPZA) Economic Zone (BEPZA EZ) in Mirsharai, Chattogram.

Company managing director Mohammed Taufikul Ahsan and Mohammad Ashraful Kabir, BEPZA member in charge of investment promotion, signed the agreement.

The company will annually produce 3 million pieces of ski, snow sports, hunting and motor riders' gear, insulated winter coats, down jackets and pants, rain gear, work wear, running wear, yoga wear and water sportswear.

The project is expected to create 2,788 jobs, according to domestic media outlets.

Forty nine companies, including October4128 (BD) Ltd, have signed agreements so far to invest in the BEPZA EZ, with a total proposed investment of around $1.08 billion. Of those, six have started production.

Source: fibre2fashion.com– Oct 20, 2025

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# Japan's consumers favour cotton over manmade garments

Japanese apparel consumers preferred more cotton garments instead of manmade ones. The latest trade data indicates that imports of cotton garments have increased over the last three years, while the share of manmade garments in total apparel imports has declined. The market share of manmade garments stood at 46.10 per cent and cotton garments at 33.52 per cent in the first eight months of the current year.

During 2022, imports of manmade garments accounted for 49.26 per cent, which has now fallen to 46.10 per cent. Meanwhile, imports of cotton garments have risen from 31.59 per cent to 33.52 per cent during the same period, according to sourcing intelligence tool TexPro. This shift reflects growing consumer preference for natural and breathable fabrics, as well as renewed interest in comfort and sustainability.

Imports of wool and animal hair garments declined to 3.84 per cent from 4.72 per cent in the last three years. However, silk garments increased slightly to 0.42 per cent from 0.39 per cent, while imports of garments made from other types of fibres rose to 16.12 per cent in January–August 2025 from 14.03 per cent in 2022. This diversification suggests experimentation with blended and performance-based materials amid lifestyle changes.

The country's total apparel imports were valued at $15.651 billion in the first eight months of the current year, up 7.01 per cent from $14.625 billion in the same period last year, as per TexPro. The rise in import value signals a steady recovery in apparel consumption after a subdued 2023, supported by easing inflation and improved retail confidence.

Japan's apparel imports totalled $22.907 billion in the full year 2024, compared with $23.712 billion in 2023 and $25.001 billion in 2022. The gradual decline over the years highlights ongoing demand stagnation and the country's mature apparel market, where consumers prioritise quality over quantity.

During January–August 2025, imports of trousers and shorts topped the apparel basket at $3.096 billion, accounting for 19.79 per cent of total imports. This was followed by jerseys ($2.270 billion; 14.50 per cent), T-shirts ($2.015 billion; 12.88 per cent), shirts ($1.890 billion; 12.08 per cent), and innerwear ($1.026 billion; 6.56 per cent). This indicates stable demand for everyday wear and versatile casual clothing.

Japan can be considered a unisex garment-dominated market. Imports of unisex garments were valued at $5.872 billion (37.52 per cent), followed by women's garments at $5.668 billion (36.22 per cent), men's garments at $3.966 billion (25.34 per cent), and kids' garments at $144.102 million (0.92 per cent) in the first eight months of the current year. The dominance of unisex styles underscores Japan's evolving fashion culture driven by minimalism, gender-neutral trends, and functionality.

Source: fibre2fashion.com– Oct 20, 2025

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# Bangladesh: Strikes at Ctg port end but leave scars

Operations at the country's main trade gateway faced significant disruption following a series of wildcat transport strikes and work abstentions, which ended yesterday, leaving hundreds of export containers stranded, ships departing half-empty, and import deliveries falling to a trickle.

According to port sources, over 3,600 TEUs (twenty-foot equivalent unit) of import containers accumulated at port yards as the unrest brought normal cargo movement to a near halt, affecting traders and the wider supply chain.

Khairul Alam Suzan, former vice president of Bangladesh Freight Forwarders Association, said the import backlog is expected to be cleared within two-three days if delivery resumes smoothly as the daily delivery capacity can go up to 5,000 TEUs.

"However, the backlog of export containers might take longer, and if not resolved shortly, this might portray a bad image of the port operations," he added.

The disruption began last week when owners of container-carrying prime mover trailers partially halted operations on Wednesday afternoon following a sudden fourfold increase in port entry fees by the Chittagong Port Authority (CPA).

The regulatory body raised charges, as per the recently revised tariff schedule, for heavy vehicles, including trucks, covered vans, and prime mover trailers, from Tk 57.50 to Tk 230 per vehicle — a 300 percent hike.

Light vehicle fees were also increased from Tk 23 to Tk 115 per vehicle, while licence fees were raised, prompting widespread opposition from transport owners and stakeholders.

Truck and covered van owners escalated the protest on Saturday morning, joining the ongoing strike and effectively halting the movement of all types of cargo to and from the port.

The situation worsened yesterday when customs clearing and forwarding (C&F) staff enforced a four-hour work abstention from 9:00am, protesting the increased entry fees for light vehicles and higher license charges. As a result, normal cargo operations remained suspended for at least 35 hours.

The impact on exports was immediate and severe. A total of 944 TEUs of export containers missed their scheduled sailings, forcing five vessels, including the Colombo-bound Sol Resilience, to depart without them.

The Sol Resilience alone left 170 TEUs behind, according to Muntasir Rubayat, head of operations at the ship's local agent, GBX Logistics.

Rubayat said the vessel could not defer departure as it had already been berthed at the jetty for three days and needed to maintain its schedule to connect with the mother vessel at Colombo by October 24.

Other depots reported similar losses. AKM Abdul Hadi, operations manager of ICD Nemson Container Ltd, said at least 160 TEUs of export-laden containers from their depot missed the scheduled sailings of these five ships.

The delays are expected to ripple through the supply chain, as export cargo unable to reach transshipment ports on time may incur additional costs, including airfreight charges or penalties from buyers.

Nasir Uddin Chowdhury, former first vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said most of the export cargo stranded at the port is unlikely to connect with their mother vessels at transshipment ports, potentially resulting in delays and additional expenses for exporters.

"Buyers in such cases often seek discounts, leaving exporters with little option but to incur extra costs," he added.

Import operations were equally affected. On-chassis delivery of import containers, where goods are transported directly from the port to the importer's factory, fell drastically.

Sources at the port said only 10-15 TEUs were delivered per day over the three-day disruption, compared to an average of 600-900 TEUs daily. The sudden suspension of goods-carrying vehicles left factories waiting for critical raw materials and supplies, creating a backlog of over 3,600 TEUs at port yards.

The congestion further strained logistics operations and delayed downstream production for multiple industries.

Following a meeting with the CPA chairman yesterday afternoon, transport owners withdrew their strike, allowing cargo operations to gradually resume after 4:00pm. The authority also temporarily suspended the increased fees pending a decision by the CPA board, following instructions from the government.

Shamsuzzaman Suman, president of the Inter-district Truck Covered Van Owners' Association, said he hopes that the government will take a "wise decision" to reinstate the fees at their previous rates.

Industry representatives, however, fear that the disruption has already caused substantial financial and logistical damage.

The sudden implementation of the revised port tariff structure caused "chaos in operations," despite objections from businesses, port users, and stakeholders, said SM Abu Tayyab, president of the International Business Forum.

He urged the government to review the tariff schedule to prevent future operational crises at the port.

Source: thedailystar.net– Oct 20, 2025

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# NATIONAL NEWS

## Trade pact review: India, ASEAN exchange proposals on last-mile issues

India has asked the ten-member ASEAN to finalise its position on New Delhi's counter proposal on outstanding issues–focussed on bridging its widening trade deficit with the bloc–as part of the ongoing review of the free trade agreement. The review is to be "substantially concluded" by the year-end, sources have said.

New Delhi is aiming for more balanced gains with greater market openings in member-countries like Indonesia, Vietnam, Thailand and Cambodia for items such as agricultural products, vehicles and pharmaceuticals, a source tracking the matter said.

Both sides want to substantially conclude the free trade pact, called the ASEAN-India trade in goods agreement (AITIGA), by end-2025 and an announcement to this extent may be made at the ASEAN-India Summit in Kuala Lumpur later this month.

"After the last joint committee meeting in August this year in Delhi, the ASEAN shared its package/proposal on outstanding issues. After internal consultation, India reverted with its counter proposal. India's counter proposal is under active consideration by ASEAN side," an official said.

Counter proposal

India's counter proposal is mainly focussed on measures to bring down its trade deficit with the ASEAN, which increased to $45.2 billion in FY25 from about $7 billion in 2010 when the AITIGA was implemented. Lower tariff reduction commitments given by some members like Thailand and Vietnam and poor utilisation of the FTA by Indian exporters, at 30-40 per cent or lesser, are among the main reasons for the deficit.

The ASEAN, which includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam, wants to explore new areas of collaboration and growth such as digital economy, green economy and deepening of supply chains.

The ten-member bloc has also recognised India's concerns on the increasing trade deficit, the existing non-tariff barriers, and the rules of origin enforcement, the official said. New Delhi is especially worried about influx of cheap Chinese goods through the ASEAN countries, misusing the pact.

Senior ASEAN officials have been quoted in local media reports stating that the bloc acknowledged these issues, and was utilising the AITIGA review negotiations to address implementation issues and trade concerns.

At the 13th East Asia Summit - Economic Ministers Meeting (EAS) in Kuala Lumpur last month, India highlighted the need to ensure fair, înclusive, non-discriminatory, open, equitable and rules-based transparent multilateral trading system with the WTO at its core. At the ASEAN-India Economic Ministers consultation (AEM) held simultaneously, India also asked the bloc to finalise its position on New Delhi's counter-proposal on the trade pact review, the official said.

Source: thehindubusinessline.com– Oct 19, 2025

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# Slower global factory growth in Sep; India, ASEAN lead upturn: S&P GMI

Worldwide manufacturing business conditions improved in September, though upturns in new orders and production were insufficient to encourage a net increase in staffing levels, according to S&P Global Market Intelligence (S&P GMI). India and the Association of Southeast Asian Nations (ASEAN) led the global upturn.

Sluggish demand was also linked to increased price discounting.

However, trends varied around the world, ranging from strong expansions in India, Thailand and some eurozone economies to especially sharp downturns in Taiwan, Russia, Brazil and the United Kingdom.

"At least some of the variations in recent performances can be linked to US tariffs, which have likely buoyed US production and exports to the US temporarily. We anticipate some payback from these gains as we head towards the end of the year," wrote Chris Williamson, chief business economist at S&P GMI on the company website.

The J.P. Morgan global manufacturing purchasing managers' index (PMI) registered 50.8 in September from 50.9 in August. Although dipping slightly at the end of the third quarter, the past two months have seen the highest back-to-back PMI readings since June 2024 to indicate one of the best spells for the sector since the pandemic, Williamson noted.

Global production rose for the third time in the past four months, buoyed by a further modest increase in new orders. However, the overall pace of production growth remains relatively lacklustre, and the upturn in demand was insufficient to drive global factory staffing levels higher, he observed.

Therefore, employment dropped marginally in September amid a further fall in global backlogs of work, the latter having now fallen for 39 successive months to indicate the persistence of excess capacity relative to demand.

Price pressures, meanwhile, moderated globally as more discounting was evident. Average prices charged for goods at the factory gate rose globally at the slowest rate since January.

Of the 33 countries for which PMI data are available, output rose in only 14, but fell in the rest.

Global factory growth continued to be led by India, but an especially solid production gain was seen in Thailand, where output showed its largest monthly increase since May 2023.

Alongside a further robust increase in Vietnam, Thailand's performance helped drive another strong overall ASEAN output rise, a region which in recent months has reported its best output growth since early 2024.

ASEAN goods exports rose, albeit only marginally, for the first time since May 2022. The Netherlands and Germany also reported notably strong gains, with growth hitting 16- and 42-month highs respectively to help lift overall eurozone factory output for a seventh successive month.

However, reduced output gains in Spain and Ireland, alongside falling output in France, and to a lesser extent Italy, meant overall eurozone output growth weakened to remain stubbornly modest. A steep fall in UK output was noted, as factory production fell for an eleventh successive month, and at the sharpest pace in six months. The United Kingdom also reported the steepest drop in goods exports of all countries tracked by the PMI in September.

Russia, Brazil and Taiwan all reported even sharper production falls than the United Kingdom in September. Recent months have seen output fall in Tawain and Brazil at some of the sharpest rates seen over the past two years, while Russia's decline in recent months has been the strongest for over three years. Production trends also deteriorated across North America in September, with US output rising at a reduced rate alongside accelerating rates of decline in both Canada and Mexico.

Production in China, meanwhile, rose at its fastest rate since June, notching up the second-best performance recorded over the year to date thanks to a return to growth for exports, S&P GMI observed.

In contrast, Japan's exports fell, dragging output down for a third straight month and at a steeper rate than August.

Source: fibre2fashion.com– Oct 20, 2025

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# Industry upbeat as EU-India FTA talks gather pace

Even as cautious optimism gathers momentum surrounding a potential resolution to the issue of the 50 per cent tariff imposed by the United States—with both official and backchannel negotiations reportedly progressing steadily—attention has now shifted toward the India-European Union (EU) Free Trade Agreement, a development being closely watched by stakeholders across sectors with renewed interest and expectations.

In navigating the shifting contours of global commerce—particularly the impact of US tariffs that have especially dented India's export trajectory to the US—India has adopted a notably proactive stance. The recently signed Comprehensive Economic and Trade Agreement (CETA) with the United Kingdom marked a pivotal step in this direction, to shield Indian exports from the vagaries of protectionist policies, and as the nation positions itself to bolster market diversification, the focus now intensifies on forging deeper economic ties with the EU.

With its over 450 million-strong consumer base, Europe stands as one of the most lucrative apparel markets globally—an arena, better access to which guarantees a massive competitive advantage. Against this backdrop, India's trade pacts with the UK, the European Free Trade Association (EFTA), and now the EU are being viewed as strategic levers that could significantly elevate India's presence in the European supply chain.

A senior official from a leading textiles and apparel body, speaking to Fibre2Fashion, opined that these FTAs will not only enhance India's export competitiveness but also cushion the economy against the headwinds generated by the US tariffs.

Meanwhile, the Trade and Economic Partnership Agreement with the EFTA, which came into force at the start of this month, has been hailed as a watershed moment in India's external trade policy by many. The momentum generated by this accord adds a fresh impetus to India's ties with the EU, a bloc that remains India's largest merchandise trading partner.

As per some estimates, bilateral merchandise trade between India and the EU stood at a robust $136.53 billion in FY 2024-25, with Indian exports accounting for $75.85 billion and imports from the bloc amounting to $60.68 billion.

The EU alone reportedly absorbs nearly 17 per cent of India's total exports—a testimony to the bloc's vital economic significance.

Buoyed by the favourable outcome of the 14th round of trade negotiations held recently, stakeholders on both sides are now showing confidence in signing the deal within the agreed timeframe.

With the EU's economic footprint reportedly spanning $19.99 trillion, a partnership between the world's fastest-growing major economy and this formidable bloc holds transformative potential, according to industry insiders.

As per reports, the talks have been expedited, with most of the critical sensitivities on both sides reportedly finding near-resolution. Only a few sticking points—largely concerning non-tariff barriers and select sectoral interests—remain under deliberation.

These are also widely expected to be bridged in the near term.

Industry representatives maintained that the zero-duty access envisaged under the proposed FTA will provide Indian goods with a substantial price advantage, allowing them to effectively compete with rivals in the European marketplace.

Moreover, these agreements are also expected to reduce India's over-reliance on the US market, thereby insulating its exports from any policy volatilities across the Atlantic in future.

Issues like the EU's Carbon Border Adjustment Mechanism (CBAM) persist, though. Set to be fully operational by January 1 following a two-year transition, CBAM seeks to impose a carbon tax on imports, based on the emissions generated during the production process.

India has strongly opposed the move, arguing it constitutes a disguised trade barrier. Commerce and Industry Minister Piyush Goyal reportedly took a firm stance on the issue, underlining India would not hesitate to retaliate if its exports are adversely impacted.

Speaking in New York last month, the Commerce and Industry Minister cautioned that the CBAM framework could potentially isolate Europe and stoke inflationary pressure within the bloc.

The Indian Government has also expressed its discomfort with the EU's insistence on linking climate policy with trade, viewing it as an overreach.

Nonetheless, remarks by EU Commissioner for Trade and Economic Security Maroš Šefcovic have rekindled hopes. He described a meaningful EU-India FTA as a "gateway to unlocking vast potential," one that would dismantle tariff and non-tariff hurdles, invigorate investment flows, and reinforce the tenets of open, rules-based global commerce.

Meanwhile, according to the latest media reports, Commerce Secretary Rajesh Agrawal confirmed that the two sides concluded their 14th round of negotiations in Brussels last week, even if a few Indian officials have stayed back to wrap up discussions on the Rules of Origin (ROO) issue.

"We are in the final stage of negotiations, which is the most difficult, as the most complex issues are addressed at the end. The progress in the last round has been very encouraging," reportedly underlined the Commerce Secretary.

As negotiators work with determination under a political mandate—set jointly by Prime Minister Narendra Modi and European Commission President Ursula von der Leyen—to finalise the agreement by the close of 2025, optimism persists that 2026 may well dawn with a historic EU-India FTA in place, and should fortune favour diplomacy, this milestone may even coincide with the long-awaited resolution to the US tariff issue, ushering in a new era for India's overseas trade.

Source: fibre2fashion.com– Oct 19, 2025

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# India's exports to US decline, non-US markets show strength: Report

India's exports to the United States have contracted, while shipments to non-US destinations have remained robust, surpassing previous growth figures, rating agency Crisil said in its report for October.

According to the report, merchandise exports to the US had shown a degrowth by 11.9 per cent to $5.5 billion in September, after recording a 7 per cent growth in August 2025. The agency noted that without the frontloading of shipments ahead of the tariff hike, the fall would have been sharper.

In contrast, exports to non-US markets expanded by 10.9 per cent in September, accelerating from 6.6 per cent growth in August 2025, it said.

The decline in US-bound exports followed the Trump administration's decision to impose a 50 per cent tariff on Indian goods, effective from August 27.

Crisil cautioned that India's merchandise exports are facing headwinds from the US tariff hikes and a broader slowdown in global growth.

The World Trade Organisation has projected that global merchandise trade volumes will increase by 2.4 per cent in 2025, compared to 2.8 per cent in 2024.

Despite these challenges, Crisil expects India's current account deficit (CAD) to remain within manageable limits, supported by strong services exports, steady remittance inflows, and easing crude oil prices.

The CAD will be around 1 per cent of GDP in the current fiscal, up from 0.6 per cent in the previous year, it said in its forecast.

Source: thehindubusinessline.com– Oct 19, 2025

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## 50% Trump tariffs: Call on support measures hinges on trade deal

The government is still assessing the impact of the 50 per cent tariff imposed by the United States (US) on several Indian goods, and a call on the anticipated relief package will depend on the progress of the trade agreement between both the countries, among other factors.

"We are adopting a cautious approach before coming up with measures (for exporters). Currently, we (finance, commerce and other ministries) are assessing the impact of the additional tariffs of different sectors," a senior government official said.

Currently, both countries are negotiating a comprehensive resolution that addresses both the pending issues in their trade deal and Washington's concerns over New Delhi's continued purchase of Russian oil. They are also eyeing an early conclusion of the deal — by November.

India is bargaining hard with the US for substantial reduction in the additional tariffs, which not only includes removal of 25 per cent punitive tariffs but also reducing the reciprocal tariff to at least 15 per cent.

In a major blow to India, the US administration in August imposed a steep 50 per cent tariff on several Indian goods, including a 25 per cent punitive tariff for purchasing Russian oil. Since then, exporters have been meeting commerce and finance ministers to convey their concerns over the tariff-related challenges, considering that for several sectors, there is a large dependence on the US market.

Following that there were high-level discussions related to the World Trade Organisation (WTO) compliant support measures, including credit-related support schemes, especially for the MSMEs, to help exporters hit by the 50 per cent tariff.

The idea has been to tackle the liquidity-related challenges by the small exporters in labour intensive sectors and prevent stress on the working capital, protect employment and allow exporters to sustain operations until new markets are tapped.

"It is important not to be in a hurry to roll out measures/packages and assess the timing of the roll out of such measures, especially because we are negotiating a trade deal with the US.

Apart from that, we are still assessing the impact of the higher tariffs on sectors," the official cited above said.

Source: business-standard.com – Oct 19, 2025

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# Exports post growth in 24 nations in Apr-Sep, show market diversification

Reflecting a clear trend of market diversification, Indian exporters registered positive growth in 24 countries during the first half of the current fiscal year, even as shipments to the US declined due to high tariffs in September, official data showed.

These 24 countries include Korea, UAE, Germany, Togo, Egypt, Vietnam, Iraq, Mexico, Russia, Kenya, Nigeria, Canada, Poland, Sri Lanka, Oman, Thailand, Bangladesh, Brazil, Belgium, Italy and Tanzania.

"24 countries with a total export of $129.3 billion recorded positive growth in export in April-September 2025-26 as against the same period last fiscal, amounting to a share of 59 per cent of India's exports," an official said.

During April-September this year, exports increased by 3.02 per cent to $220.12 billion, and imports rose 4.53 per cent to $375.11 billion, leaving a trade deficit of $154.99 billion.

However, according to the Commerce Ministry data, India's exports to 16 countries have registered negative growth during the first six months of the current fiscal. These nations account for about 27 per cent ($60.3 billion) of the country's exports.

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# India, Brazil initiate talks to expand Mercosur trade pact

India and Brazil have launched discussions to expand the scope of the preferential trade agreement (PTA) between India and the South American trade bloc Mercosur, whose founding members are Argentina, Brazil, Paraguay and Uruguay. The discussions are aimed at increasing India's trade with the region at a time when both India and Brazil are facing the brunt of 50% US tariffs, said people familiar with the matter.

The issue was discussed during Brazilian vice president Geraldo Alckmin's visit to India from October 15-17 and the two sides decided to set up a technical dialogue between India and Mercosur, including holding a meeting of the joint administration committee created under a provision of the PTA at the earliest mutually convenient date, with a view to defining the scope of the expansion, said an official.

The India-Mercosur PTA, which came into effect on June 1, 2009, has limited coverage and contains only 450 tariff lines or products. Both sides are looking at expanding the scope of the pact to a full-fledged agreement. "Mercosur, for 12 years, has not had new agreements. In 2023, the Mercosur-Singapore agreement was made.

Last month, Mercosur-EFTA (Norway, Switzerland, Iceland and Liechtenstein) was made...The fifth country to join Mercosur, besides Brazil, Argentina, Uruguay and Paraguay, is Bolivia," Alckmin told a select group of journalists on Friday. "The Mercosur-India agreement has a small number of tariff lines, and it covers a few products. And this work that is going to start, we believe that in 10 months we can conclude it... It has exactly this objective, which is to expand trade. Expand the so-called trade preferences. That is the challenge. We are very confident in this work."

He said that Brazil is keen to deepen ties with India, especially in the fields of defence, healthcare, pharmaceuticals and technology and that in a path-breaking step, both countries have signed an agreement for joint vaccine production.

Source: economictimes.com – Oct 19, 2025

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## Bengal's garments hub hit by lower festive sales, high US tariff

It was the last big Haat before Diwali. Roads were filled with trucks, cars and porters.

The porters were busy carrying towering loads on their backs and over their shoulders to stacking huge boxes of readymade garments on several trucks parked on bustling Akra Road, which is surrounded by old multi-story buildings. These buildings house thousands of stalls and gaddis of garments wholesalers.

Hundreds of trucks, with heaping loads of boxes packed with wide ranges of apparels for men, women and kids, were trying to stay on schedule to reach nearby Khidderpore Docks or Howrah station.

Even this vibrant atmosphere on the late autumn afternoon has failed to bring cheer to Kolkata's Metiabruz, one of Asia's largest garments wholesalers markets, which supplies products pan-India.

"Have you heard anyone here claiming that the GST rate cut (for garments that cost up to ₹2500) benefited him?" Ajit Gupta, owner of H. L. Creation, throws out a question. Gupta is a second-generation wholesaler at Metiabruz and retailers from different parts of the country buy T-shirts in bulk from him.

"We have not got any benefit from the GST rate rejig. Rather in this festive season our business is around 30 per cent down compared to last year," a worried Gupta says.

According to wholesalers, a whopping surge in online sales is affecting retailers and this in turn is dampening their business. Some of the big garment manufacturers are directly selling their products to retailers, bypassing wholesalers and distributors, eating into their business. Moreover, natural calamities like floods and landslides across the country have dampened garment sales during this festive season.

Notably, the Central government made the GST rate rationalisation effective from September 22, first day of Navratri, based on recommendations by the GST Council. For the apparels sector, rate on readymade garments costing up to ₹2500 per piece has been reduced to 5 per cent. Earlier, apparel priced up to ₹1,000 were taxed at 5 per cent, and beyond this threshold 12 per cent was levied. Under the new regime, GST rate on garments priced above ₹2500 has been hiked from 12 per cent to 18 per cent.

Notably, speaking at an event in Kolkata a few days before the new GST rates rollout, Finance Minister Nirmala Sitharaman had said the revised slabs were timed to coincide with Bengal's Durga Puja.

Wholesales at Metiabruz, who sold garments to retailers for Durga puja and Diwali by September-end, are now sending those for Chhath Puja.

"Garment markets are disturbed. We are unable to see any impact of GST cut. Overall sales are lower this year compared to last year. Even for Chhath puja celebrations, demand for readymade garments is very low. Floods in several districts of Bihar have dampened sales," says a third-generation wholesaler, who sells women garments to retailers of states like Karnataka, Bihar and Assam.

Apparel exporters are also facing hard times due to steep US tariffs on Indian goods.

Offering discounts

Maasis Interfashion, a prominent garment producer and exporter which has a production unit at Metiabruz, is resorting to offering discounts to its existing US customers, taking a hit on its margins.

"Our company is offering discounts to the American customers. I cannot sell these products to other countries because these garments have specific sizes and designs. Of our total exports, around 7-8 per cent is exported to the US. Due to the discount offered, our margin will be impacted," says Pravash Agarwal, director at Maasis Interfashion.

The company exports women's apparels to the US. For it, Japan is the largest overseas market, where demands remain strong. "For next year's US order, we will be increasing our product prices," Agarwal adds.

Source: thehindubusinessline.com – Oct 19, 2025

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# Farmers eye better cotton prices despite import duty exemption

As the procurement season for cotton begins on October 22 in the South, farmers in Telangana expect a better deal this time despite the set back in the form of the suspension of duties on the import of cotton a few months ago.

Though they suffered losses in several areas due to continuous rains over the last six weeks, farmers expect yields up to eight quintals an acre.

The Union Government exempted all customs duties on raw cotton imports from August 19, 2025, to December 31, 2025. This measure was aimed at stabilising domestic cotton prices and supporting the textile industry. Farmers expressed concern over the decision as it could push the domestic prices down.

“We are hoping that prices will be good this year. We are also expecting good yields too,” S Malla Reddy, a leader of All-India Kisan Sabha, told businessline.

He, however, wanted the Cotton Corporation of India (CCI) to relax the norms and allow cotton up to 18 per cent.

The CCI stipulates the moisture level at 8 per cent to make the produce eligible for the full MSP. It, however, procures cotton up to 12 per cent moisture level but pares the price accordingly. It refuses to purchase the cotton lots that come with moisture levels beyond 12 per cent.

Meanwhile, Telangana Agriculture Minister Tummala Nageswara Rao has asked the District Collectors in the cotton-growing districts to notify the ginning centres and get ready for the purchases.

Farmers in Telangana grew cotton in 18.61 lakh hectares as against the normal area of 20 lakh hectares.

Union Minister Coal and Mines Minister G Kishan Reddy has asked the farmers to shift to high-density plantation to get more yields. Citing the example of farmers in Maharashtra, he said that farmers in the Akola region could significantly increase yields by following this method.

He said nearly half of the ₹1.37 lakh crore that the CCI spent on cotton procurement over the last 10 years went to Telangana and Andhra Pradesh. The Agricultural Market Intelligence Centre of Prof. Jayashankar Telangana Agricultural University said the cotton import duty exemption till Dec 31, 2025, would help in stabilising raw cotton prices and lower costs for textiles mills.

"However, higher imports may depress domestic prices, pressuring farmers, making CCI's support vital," it said.

Source: thehindubusinessline.com – Oct 19, 2025

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