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Currency Watch			
USD	EUR	GBP	JPY
87.72	101.79	116.84	0.57

NATIONAL NEWS	
No	**Topics**
1	India and US on Precipice of Trade Deal That Would Slash Tariffs
2	Strengthening India-Germany Partnership: Union Commerce and Industry Minister Shri Piyush Goyal Meets German Minister for Economy and Energy Ms. Katherina Reiche
3	GST reforms expected to outweigh US tariff impact on demand for Indian goods, says IMF
4	Trade differences remain between India and EU after 14th round of talks
5	GST reforms to raise India's apparel retail sector's revenue growth
6	Commerce and industry minister Piyush Goyal expects 'fair and equitable' US trade agreement
7	India must build tech depth and cut costs to stay export-competitive: GTRI chief
8	Textile exporters soar on optimism over India-US trade breakthrough

INTERNATIONAL NEWS

Trump-Xi Meeting Date Set as US-China Tensions Continue to Brew

President Donald Trump and Chinese President Xi Jinping have formalized a date for their meeting on trade and tariffs.

The heads of state will meet on Thursday next week at the APEC Summit in South Korea, according to the White House.

Trump told reporters in the Oval Office Wednesday that he sees the long-awaited sitdown as the likely conclusion to months of negotiations. “We’ll make a deal on, I think, everything,” he said, citing soybean purchases by China (which have tapered off throughout 2025).

Trump also spoke about de-escalating nuclear tensions, pointing to a call he had with Russian President Vladimir Putin. “I think we’ll probably add China into the mix,” he added. A planned meeting between Trump and Putin was shelved on Tuesday, as the Russian leader reportedly rejected an immediate ceasefire in Ukraine.

China Foreign Ministry spokesperson Guo Jiakun confirmed the plans for next week’s meeting on Wednesday, adding, “Heads-of-state diplomacy plays an irreplaceable role in providing strategic guidance for China-U.S. relations.”

According to Guo, Trump and Xi “maintain close exchanges and communication.”

While both sides are outwardly expressing confidence and hopeful expectation that a deal can finally be brokered, with Trump even saying a protracted trade war with China is “not sustainable,” actions by the White House this week may serve to ratchet up tensions between the U.S. and China even further.

According to reporting from the New York Times, the administration is gearing up to launch a trade investigation into China for not meeting the terms of the Phase One trade deal negotiated during Trump’s first term in office.

A source familiar with the investigation told the Times that the probe could inflame already boiling tensions and even result in more tariffs. The timing of the filing may be significant—an attempt to gain a tactical advantage over China ahead of the upcoming meeting between the leaders—the first in-person sit-down since 2019.

The Times reported that the investigation may be initiated by the U.S. Trade Representative (USTR) on Friday under Section 301 of the Trade Act of 1974. The law, which Trump leveraged during his first term to levy hefty tariffs of up to 25 percent on China-originating products, allows the Commander in Chief and USTR to wield a number of authorities, including the imposition of tariffs, in order to enforce America's rights under trade agreements or respond to unfair trade practices abroad.

China, for its part, has also stoked the flames of discord in recent weeks, first by announcing new global export controls on rare earth minerals, key components in technologies and weaponry. The action prompted swift blowback from the U.S. Treasury Department and the USTR, which threatened further tariffs.

Earlier this month, on the same day the U.S. began fining Chinese-owned and built ships new fees to dock at U.S. ports, China launched its own review of the Section 301 investigation that prompted the fees (and sanctioned several segments of Korean shipping company Hanwha which are tied to the U.S.).

China's Ministry of Transport said at the time that various government agencies are looking into how industrial supply chains have been impacted by Washington's Section 301 investigation. It said that based on the results of its investigation, the Chinese government will introduce "corresponding measures" against the U.S.

This week, USTR Ambassador Jamieson Greer clapped back at China for initiating the inquiry and sanctioning companies with American connections.

"China's recent retaliatory actions against private companies across the globe is part of a broader pattern of economic coercion to influence American politics and control global supply chains by discouraging foreign companies from investing in America's shipbuilding and other critical industries," Greer said Monday.

"Attempts at intimidation will not stop the United States from rebuilding its shipbuilding base and responding appropriately to China's targeting of critical industrial sectors for dominance," he added. "We remain committed to defending our companies, securing supply chains, and encouraging allied investment in America's industrial future."

Source: sourcingjournal.com– Oct 23, 2025

HOME

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UK retail sales rises by 2.3% Y-o-Y in September 2025 : BRC-KPMG report

Retail sales in the UK increased by 2.3 per cent Y-o-Y in September 2025, as per a joint report by the British Retail Consortium (BRC) and KPMG.

As per the report, this growth rate was slower than the 3.1 per cent recorded in August, indicating a cooling of consumer spending as households exercised greater caution.

The growth in the value of sales was often due to higher prices (inflation) rather than an increase in the volume of goods purchased. Data from Barclays also shows, overall consumer card spending actually declined by 0.7 per cent Y-o-Y in September.

Non-food sales increased by a meager 0.7 per cent Y-o-Y during the month, which was well below the 12-month average.

This cautious consumer behavior was linked to a mix of economic and seasonal factors including the looming Autumn Budget (scheduled for November) and fears of potential tax increases that weighed heavily on consumers' minds as they plann their budgets, especially for Christmas spending.

Unseasonably mild temperatures across the UK led shoppers to delay purchases of autumn and winter clothing and footwear, directly impacting the non-food sector. Consumers also remain highly selective, prioritizing ‘pick-me-up’ purchases in categories like furniture, clothing, and beauty, while making broader cutbacks in essential spending, which declined by 2.6 per cent Y-o-Y according to Barclays.

The data suggests that while the retail sector is still showing growth in monetary terms, the underlying spending behavior is becoming increasingly cautious and targeted due to persistent inflationary pressures and economic uncertainty.

Source: fashionatingworld.com– Oct 20, 2025

HOME

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Tougher EU supply chain due diligence rules challenge for Vietnam bizs

Tougher supply chain due diligence regulations introduced by the European Union (EU) and its member states are emerging as a new challenge for Vietnamese businesses, a recent workshop in Hanoi organised by the Vietnam Chamber of Commerce and Industry (VCCI) was told.

The EU and countries like France, Germany and the Netherlands have enacted or proposed laws requiring large firms to identify, prevent and remedy human rights and environmental risks across their global supply chains.

Hence, Vietnamese suppliers offering raw materials, manufacturing, processing or logistics services may come under closer scrutiny.

While these regulations primarily apply to large companies, their effects extend to all participants in the supply chains of those companies irrespective of size, VCCI deputy secretary general Dau Anh Tuan said.

“To maintain existing contracts and secure new export orders from major European partners, Vietnamese enterprises must understand and cooperate closely with those partners to comply with these legal requirements,” he was quoted as saying by a domestic media outlet.

A recent VCCI survey revealed that 59.3 per cent of Vietnamese exporters to the EU had never heard of supply chain due diligence regulations, while another 36.6 per cent had heard of them, but did not understand the content. Only a small proportion had a clear and accurate grasp of what the EU and member states now require.

Affected suppliers will need to demonstrate compliance with strict standards on human rights, labour conditions and environmental protection. Beyond basic legal compliance, they must also show proactive measures to prevent and mitigate risks, not merely respond after violations occur.

Source: fibre2fashion.com– Oct 24, 2025

HOME

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What's Your Traceability Readiness Level?

The complex process of getting a garment made makes it harder to pinpoint input and material origins as they pass through various continents, countries, suppliers, manufacturers and touchpoints. But an opaque supply chain is no excuse for not knowing exactly what's in your products. Regulatory scrutiny is on the rise, and companies can find themselves in hot water if the goods they're importing are found to have (knowingly or not) banned or misrepresented materials.

Crackdowns on textiles and garments made with forced labor have reached record highs. Border detentions rose 25 percent between 2023 and 2024, according to U.S. Customs and Border Protection, with a 400 percent surge from May to June 2025. Apparel, footwear and textile detentions grew 33.4 percent between 2023 and 2024.

Is the industry taking these risks seriously enough? Do companies have adequate traceability systems in place? What are their strategies for the near future? To find out, Sourcing Journal and Oritain surveyed the industry and the resulting "Readiness Report: The Future of Fashion Traceability—Sustainability and Supply Chains in 2026 and Beyond" sheds light on current progress and challenges, with a look toward future strategies surrounding traceability.

The survey revealed a troubling gap between intention and action. Most companies recognize the importance of traceability for regulatory compliance and brand reputation, but actual execution remains inconsistent. Less than half of industry professionals verify supplier data frequently, which creates vulnerabilities as unverified claims may not withstand regulatory or public scrutiny.

Traceability requires corporate commitment, yet the industry isn't fully there yet. On a 10-point scale, most (86 percent) rated their company's commitment to end-to-end supply chain traceability between 5 and 10, which is a tilt in the right direction, even though only 29 percent rate themselves a "fully committed 10." More than half (56 percent) have no traceability plan in place or are not actively tracing goods.

Knowing where a product has been doesn't necessarily prove where it originated, so companies would be wise not to accept all supplier claims as gospel. "Trust isn't compliance," said Ben Tomkins, regional vice president Americas at forensic verification company Oritain. “It is crucial to verify your supplier data.”

There is also a preparation gap, the survey concluded. While 61 percent say traceability will be “extremely important” or “very important” in 3 to 5 years, only 44 percent are actually tracing goods. And while 20 percent said they weren’t actively tracing goods but had a strategy in place, a larger portion (36 percent) had no plan in place at all.

If regulations aren’t enough to scare companies into action, then damaging their reputation should. Reputation was a recurring theme for both traceability strategy and implementation, with 48 percent acknowledging their company is exposed to reputational risk if it fails to verify supply chain origins.

“Everyone’s nervous that they might be on the front page of The New York Times or The Wall Street Journal for being associated with forced labor,” said Tomkins.

On the flip side, a clean reputation opens commercial opportunities, and almost two-thirds (63 percent) say traceability offers their company a competitive advantage.

Despite progress, barriers remain. The biggest issue to end-to-end traceability implementation was the price tag, at 43 percent. One survey respondent noted, “Customer values, margin and price over everything else” while another cited “Resources and competing priorities.” A third mentioned its customers weren’t yet requesting that level of granular traceability to warrant its implementation.

When it comes to watching or researching innovations, only 16 percent are “actively investing” in them. “Unfortunately, what this suggests is that people are only acting once the house is on fire, rather than protecting themselves through buying fire insurance,” said Tomkins. “Sustainability claims such as regenerative or organic products all relate to the location in which that fiber or material is being produced. If you are unable to prove where that material comes from, all other claims are invalidated—and that can leave brands significantly exposed.”

Source: sourcingjournal.com– Oct 23, 2025

HOME

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UK's clothing imports mark strong rebound in August 2025

The UK's clothing imports rose by 11.30 per cent to £1.663 billion (~$2.215 billion) in August 2025, up from £1.475 billion in August 2024, according to the Office for National Statistics (ONS). This strong rebound reflects renewed retail demand following inflationary pressures, easing cost-of-living constraints, and improving consumer sentiment in 2025. Imports also surged 6.26 per cent compared to July 2025, when they stood at £1.565 billion.

Imports of textile fabrics remained steady year on year (YoY), while fibre imports declined. In August 2025, textile fabric imports totalled £441 million (~$587.40 million), unchanged from August 2024. Fibre imports, however, fell to £22 million (~$29.30 million) from £26 million a year earlier, continuing a downward trend influenced by global raw material price volatility and sustainability-led sourcing shifts.

In the second quarter (Q2) of 2025, the UK's clothing imports reached £4.056 billion (~$5.508 billion), up 2.34 per cent from £3.963 billion in Q2 2024. Although this quarterly growth was slightly weaker than in Q1 2025, it indicates steady recovery amid stabilising global supply chains and resilient consumer appetite. Fabric imports during Q2 2025 were valued at £1.389 billion, while textile fibre imports reached £97 million, compared to £1.418 billion and £108 million, respectively, in the same quarter of 2024.

For the full year 2024, UK clothing imports fell by 7.06 per cent to £14.612 billion (~$18.394 billion) from the previous year, reflecting the impact of high inflation, lower discretionary spending, and shifting retail dynamics.

However, the 2025 data suggests a clear turnaround driven by stronger consumer demand, early seasonal buying, and inventory replenishment. Textile fabric imports dropped by 4.35 per cent to £5.341 billion, while fibre imports declined to £378 million.

In 2023, the UK's clothing imports totalled £15.702 billion (~$20.33 billion), representing a sharp 25.94 per cent fall from £21.203 billion in 2022—a period marked by post-pandemic adjustments and supply disruptions.

The consecutive annual declines in 2022–2023 underscore how significant the 2025 rebound is for the sector. Fabric imports fell to £5.547 billion from £6.357 billion, while fibre imports dropped to £413 million from £562 million.

The recent uptick highlights renewed confidence in the UK apparel market, supported by stabilising inflation, improving purchasing power, and sustained demand for diverse fashion imports from Türkiye, Bangladesh, and China—key sourcing partners in the country's apparel trade.

Source: fibre2fashion.com– Oct 19, 2025

HOME

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Indonesia's apparel exports reach $5 bn; North America leads growth

Indonesia recorded higher growth in apparel exports to its largest market, North America, compared to its overall global shipments. The country's exports to North America grew 11.39 per cent, while total apparel exports to the world rose 8.23 per cent in the first seven months of 2025—indicating strong demand recovery from US and Canadian retailers.

Indonesia exported garments worth $5.02 billion during January–July 2025, up from $4.64 billion in the same period last year. Improved consumer sentiment in the US, restocking activity among major retailers, and a gradual rebound in fashion retail spending supported the uptick in orders. North America remained the key destination, accounting for $3.03 billion or 60.4 per cent of total exports, followed by the Asia-Pacific region at $1.10 billion (21.9 per cent) and Europe at $717 million (14.3 per cent), according to sourcing intelligence tool TexPro.

Shipments to other regions were relatively small: $72 million to the Middle East, $54 million to Africa, and $44 million to Central and South America. High logistics costs and limited trade agreements with these regions continue to restrict export expansion outside key markets.

For the full year 2024, Indonesia's apparel exports stood at $8.32 billion, a modest increase from $8 billion in 2023, but still below the $9.58 billion peak recorded in 2022. The latest figures suggest a continuing recovery trend, supported by strong orders from US and Canadian retailers and the government's initiatives to strengthen the textile and garment ecosystem.

During the same period last year, Indonesia shipped garments worth $4.95 billion (59.52 per cent) to North America, $1,911.57 million (22.98 per cent) to the Asia-Pacific region, and $1,152.96 million (13.86 per cent) to Europe, as per TexPro data.

The country's apparel exports were valued at $8.466 billion in 2021, $6.986 billion in 2020, and $8.229 billion in 2019.

Source: fibre2fashion.com– Oct 23, 2025

HOME

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Vietnam sets new 10% average annual growth target between 2026, 2030

Vietnam has set a new average annual growth target of at least 10 per cent between 2026 and 2030, according to a new directive from Prime Minister Pham Minh Chính on the socio-economic development plan for the next five-year period.

The directive warrants that the targets set for 2026-30 must be clear, feasible and compliant with the 2021-30 national development strategy.

The plan focuses on restructuring the economy, accelerating industrialisation and modernisation, promoting science, technology innovation and digital transformation as key growth drivers, and maintaining macroeconomic stability while controlling inflation.

The directive identifies the private sector as a key pillar for growth and innovation, calling for support to promote the development of regionally and globally competitive private groups and small and medium enterprises, a domestic media outlet reported.

The country also plans to invest in cultivating high-quality human resources to meet global standards and the requirements of strategic industries.

Infrastructure development remains a top priority, including the North-South expressway, key seaports and airports, urban railways and two nuclear power plants.

Source: fibre2fashion.com– Oct 23, 2025

HOME

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Bangladesh's BIDA assures S Korea full support to set up businesses

The Bangladesh Investment Development Authority (BIDA) recently assured South Korean business leaders of full support to set up businesses in the country from scratch.

The assurance was given by BIDA executive chairman Ashik Chowdhury at an investment seminar hosted by the authority in Seoul.

South Korea is the fifth largest foreign investor in Bangladesh.

“There has never been a better time to enter Bangladesh,” said Nahian Rahman Rochi, head of business development at BIDA, referring to Bangladesh’s present status as similar to that of South Korea in the 1980s.

“Macroeconomic indicators from exports and currency stability to inflation are at their most favourable levels in recent years despite global uncertainties. The government has rolled out 32 targeted reform initiatives to facilitate business entry. And for those exploring Bangladesh for the first time, BIDA provides full-spectrum support—from investment advisory to factory set-up—through our One Stop Service platform,” he was quoted as saying by a BIDA press release.

Chang-beom Kim, vice chairman and chief executive officer of the Federation of Korean Industries (FKI), said his country and Bangladesh are accelerating negotiations for a comprehensive economic partnership agreement. The talks began in August 2025 and are expected to further boost bilateral trade and investment, he noted.

The seminar was organised in collaboration with the embassy of Bangladesh in South Korea and FKI, and backed through technical cooperation from the International Finance Corporation.

Source: fibre2fashion.com– Oct 23, 2025

HOME

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Bangladesh Denim Group Reopens Factories After Weeklong Suspension

One of Bangladesh's largest denim manufacturers is poised to reopen Thursday after days of violent protests, which left more than two dozen workers injured, resulted in an "indefinite" suspension of its factories last week.

"Due to an unexpected situation, the authorities were compelled to declare an indefinite closure of all factory operations under Section 12(1) of the Bangladesh EPZ Labor Act 2019, effective from Oct. 16," a notice signed by Pacific Jeans Group managing director Syed Mohammed Tanvir read in Bangla. "As the overall situation has now improved and a favorable environment has been restored, the authorities have decided to reopen the factories from Thursday."

More than 35,000 workers are employed across Pacific Jeans Group's eight factories in the Chattogram Export Processing Zone in Chittagong, Bangladesh's second-largest city after the capital of Dhaka, which lies nearly 170 miles to the north. According to the company's website, it produces jeans for high-profile brands such as American Eagle Outfitters, Calvin Klein, C&A, Tommy Hilfiger, Mango, Lee, Wrangler, Uniqlo and Zara.

Mango denied a relationship with Pacific Jeans Group, though Pacific Jeans, one of the closed factories, was listed on its public supplier list as of 2024, the most recent version available online.

The other companies either declined or did not respond to requests for comment. Neither did Pacific Jeans Group, Tanvir or the Bangladesh Garment Manufacturers and Exporters Association, the influential trade group where Tanvir serves as a board director, making it difficult to get a full picture of the circumstances.

What's certain, however, is that the situation had escalated in a matter of days, according to local media. The Business Standard, which described the unrest as "one of the most severe in Bangladesh's garment sector this year," traced the demonstrations to Oct. 9, when workers reportedly learned that the Bangladesh authorities were verifying their home addresses as part of an investigation into an earlier skirmish where police cars were vandalized. This sparked a wave of panic among workers who feared they were being targeted for arrest—not a far-out notion—resulting in an initial protest that triggered a temporary shutdown. This appeared to anger the demonstrators further. By Oct. 14, workers allegedly stopped work, disrupted electrical systems and persuaded others to join their strike.

By the time Pacific Jeans Group announced what would turn out to be a seven-day production shutdown, 27 workers—16 men and 11 women—were hurt, two of them seriously enough to have to be seen at Chattogram Medical College Hospital. Factory officials, who had described the strike as illegal under local labor law, said they had also been assaulted. One other notice from Tanvi added that workers started fighting among themselves and vandalized their factories, making it impossible to continue operations. Workers later issued a litany of complaints, including opposition to recent factory floor line changes that they said displaced certain employees and demands for the dismissal of supervisors whom they accused of mistreatment.

Abdullah Al Mahmud, a superintendent with Chattogram Metropolitan Police, told The Business Standard that it held several meetings with workers, management, the Bangladesh Export Processing Zones Authority and other stakeholders over the past five days. Pacific Jeans Group, he said, has identified and fired more than 420 workers who were involved in the protests and disruptions. He added that all termination benefits have been paid.

“We have deployed special teams in coordination with BEPZA, the Army, Navy, CMP, and intelligence agencies,” Al Mahmud added. “We will remain alert to prevent any further disturbance in the factories.”

Source: sourcingjournal.com– Oct 22, 2025

HOME

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NATIONAL NEWS

India and US on Precipice of Trade Deal That Would Slash Tariffs

India and the United States are reportedly inching toward a trade deal, with Prime Minister Narendra Modi's government now considering reining in purchases of Russian oil—a key point of contention for President Donald Trump in recent negotiations.

The trade partners are getting close to solidifying a trade agreement that would see India's steep, 50 percent tariffs cut down to just 15-16 percent, according to New Delhi-based outlet Mint, which cited individuals familiar with the dealings.

India is weighing the possibility of pulling back gradually on Russian oil imports, the factor that prompted the Trump administration to levy 25 percent punitive duties on top of a 25 percent "reciprocal" tariff in August. The decision will have sizable implications for India's energy sector, with Russia making up about 34 percent of crude oil imports. Meanwhile, the country purchases about 10 percent of its oil and gas from the U.S., Mint stated.

Trump confirmed the conversations during a White House celebration of Diwali on Tuesday.

"I spoke to Prime Minister Modi today…And we just have a very good relationship. And he's not going to buy much oil from Russia," he said. "He wants to see the war end with Russia-Ukraine. And, as you know, they're not going to be buying too much oil. So they've cut it way back and they're continuing to cut it way back."

While Russia has been a central talking point in the protracted negotiations, the sources said that the parties have also been discussing U.S. agriculture—especially in the wake of the dearth of business American farmers have faced since China majorly drew down on purchasing U.S. soybeans. The crop traditionally represents the biggest U.S. export to China, with farmers exporting over half their yield to the country last year. In 2025, however, that volume has dropped by nearly 78 percent.

As a result, Washington is angling for a new home for crops like non-GMO corn and soymeal, and India is weighing the possibility of importing more of those goods for consumption by both humans and livestock. Greater market access is also being discussed for dairy inputs and ethanol, the unnamed sources said.

Since tensions ratcheted up between the two countries and the 50 percent tariffs on India went into effect, bilateral trade has plummeted.

According to a report released by the Global Trade Research Initiative this week, India's exports to the U.S. fell by 20.3 percent in September to $5.5 billion, marking the fourth consecutive month of losses. According to the reporting, the sectors most impacted by the trade détente include textiles and apparel, jewelry, chemicals and industrial products.

Source: sourcingjournal.com– Oct 22, 2025

HOME

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Strengthening India-Germany Partnership: Union Commerce and Industry Minister Shri Piyush Goyal Meets German Minister for Economy and Energy Ms. Katherina Reiche

Union Minister of Commerce and Industry, Shri Piyush Goyal, held a productive meeting in Berlin on 23 October 2025 with German Federal Minister of Economy and Energy, Ms. Katherina Reiche. This engagement follows their video conference on 7 August 2025. The discussions focussed on enhancing cooperation in trade, investment, technology, green energy, and skilling.

Shri Goyal also met Dr. Levin Holle, Economic and Financial Policy Advisor at the Federal Chancellery and Germany's G7 & G20 Sherpa and discussed ways to further deepen the bilateral economic relationship.

Later, Shri Goyal also chaired a Roundtable with CEOs and leaders of German Mittelstand companies at the Indian Embassy, who conveyed their keenness to do business in India and expand existing investments.

The Minister highlighted the opportunities offered by India and the measures taken by the Government of India to facilitate investments and ease of doing business.

They discussions explored synergies and stronger business-to-business linkages, especially in areas of innovation, sustainability, and advanced manufacturing.

Later in the day, Shri Goyal is scheduled to meet Mr. Xavier Bettel, Deputy Prime Minister and Minister of Foreign Affairs and Trade of Luxembourg and hold one-on-one discussions with CEOs of leading German companies, including Infineon Technologies, Schaeffler Group, Renk, HerrenknechtAG, Enertrag SE, and Mercedes Benz Group.

The Minister´s engagements continue on 24 October with a panel discussion at the Berlin Global Dialogue and further meetings with German industry associations.

Source: pib.gov.in– Oct 23, 2025

HOME

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GST reforms expected to outweigh US tariff impact on demand for Indian goods, says IMF

International Monetary Fund (IMF) has said that the impact of GST rate cuts will outweigh that of US tariffs on the Indian economy. It also stated that assessment of tariff impact will require time.

"India economy is projected to expand at 6.6 per cent this year (FY 2025-26), slightly up from 6.5 per cent in 2024 (FY 2024-25). The forecast has improved since April 2025 as strong Q2 growth and the goods and services tax (GST) reform are expected to outweigh the negative effects of higher US tariffs on demand for Indian goods," IMF said in its regional economic outlook. However, the growth is expected to moderate to 6.2 per cent in 2026 (FY 2026-27).

The US imposed a 50 per cent tariff on India on August 27. In September, the GST Council recommended tweaking the four-slab GST structure of 5 per cent, 12 per cent, 18 per cent and 28 per cent to a two-slab structure of 5 per cent and 18 per cent. It also recommended introducing a new GST rate of 40 per cent, to be imposed on sin and luxury goods. These rates have been made effective from September 22 for various products and services except tobacco and tobacco-related products.

Talking about the impact of these two developments, Chief Economic Advisor V Anantha Nageswaran had said last month, "If you take the GST into consideration, the impact of tariffs and the compensating effects of GST, rate reductions and process reform could probably give us a 0.2-0.3 per cent on a net basis, in terms of drag on the GDP estimates that we have of 6.3 to 6.8 for the current financial year."

According to EY, GST rate rationalisation is expected to lower prices across employment-intensive sectors such as textiles, consumer electronics, automobiles, healthcare and food products. Producers in agriculture-linked sectors including fertilisers, agri-machinery and renewable energy also stand to benefit from lower input costs, translating into wider gains for farmers. By lifting disposable incomes and boosting consumption, the reforms are expected to offset short-term revenue shortfalls, strengthen demand and support the growth base, EY added in its monthly report on Indian Economy.

Government is also hopeful that GST rate cut is expected to further lower retail inflation based on Consumer Price Index (CPI) because domestic demand is likely to go up. A similar observation has been made in IMF's regional economic outlook report. "Soft domestic demand and negative output gaps have contributed to inflation being below target in many Asian emerging markets with some exceptions (for example, India)," the report said.

Meanwhile, IMF said that the impact of the tariffs will continue to be felt in the Asia Pacific region, with recent ones—like the increase on India in August 2025—requiring time to assess their full impact. According to the multilateral agency, economies in the Asia-Pacific region have shown resilience amid external and domestic challenges so far in 2025, posting stronger-than-expected economic growth in the first half of the year.

Nevertheless, "higher US tariffs and increasing protectionism will likely reduce demand for Asian exports and eventually weigh on growth in the near-term. Domestically, slowing growth trends and social tensions pose additional challenges. Amid these forces, reforms to make economic growth more resilient and sustainable will be critical," IMF said.

Source: thehindubusinessline.com– Oct 24, 2025

HOME

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Trade differences remain between India and EU after 14th round of talks

Differences persisted between India and the European Union (EU) in their discussion earlier this month on the proposed free-trade agreement (FTA), leaving no scope for a substantial breakthrough.

In the 14th round of negotiations, which took place in Brussels, the disagreements related to market access for goods, and also investment, trade, and sustainable development.

However, progress was made in consolidating the text of the negotiations, according to the report.

While both sides had "constructive discussions", resulting in progress on a number of provisions related to trade and sustainable development, "substantial differences" remained, including those on the binding and enforceable nature of such commitments.

"On market access, both sides made their expectations known for tariff liberalisation, red lines and flexibilities, both on the levels of liberalisation and on the staging of tariff dismantling. Discussions will continue intersessionally," the report said.

While the 14th round took place from October 6 to 10, some officials stayed back to continue discussion on the "Rules of Origin" chapter.

The EU's key pitch was in areas including cars, wines and spirits, and agriculture -- the segments India considers sensitive -- and they are still under negotiation.

Similarly, for India, sorting out non-tariff measures related to safety, packaging, and environmental norms, such as the Carbon Border Adjustment Mechanism (CBAM), is among the priorities.

The report did not mention any specifics. A government official said that both sides were yet to resolve matters related to agriculture, automobiles, and the CBAM.

"Some progress was made in outstanding areas, in particular on the SPS (sanitary and phytosanitary) chapter, which was closed…At this stage, discussions at technical level will now take the form of a continuous intensive engagement at chief negotiators' level, with the participation of relevant experts, both in virtual and in person format, rather than fully fledged rounds. Intensive engagement at political level will also continue," the report said.

The two sides are working to conclude the deal by the end of the year. Commerce and Industry Minister Piyush Goyal is expected to visit Brussels to give a push to the negotiations.

Last week Commerce Secretary Rajesh Agrawal had said the proposed deal was in the final stages, in which the toughest issues would be taken up. "We are in the last leg of negotiations. The last leg is the most arduous leg," he had said.

During 2024-25, India exported goods worth $75.85 billion to the bloc, down 0.09 per cent year-on-year.

Imports also witnessed a 1.3 per cent contraction and stood at $60.68 billion, the commerce department data showed.

During 2024-25 , the EU was India's largest export destination after the US.

Source: business-standard.com– Oct 22, 2025

HOME

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GST reforms to raise India's apparel retail sector's revenue growth

The recent goods and services tax (GST) rationalisation in India will add about 200 basis points (bps) to revenue growth of the organised apparel retail sector in this fiscal, keeping it steady at 13-14 per cent for the second consecutive fiscal, according to Crisil Ratings.

The GST rate cut on apparel priced below ₹2,500 is likely to lift demand in the mid-premium segment, while the fast fashion/value segment will continue to drive the momentum. The GST relief, though limited, provides timely support to sustain growth, it noted.

The uniform 5-per cent GST rate versus the previous dual structure of 5 per cent below ₹1,000 and 12 per cent between ₹1,000 and ₹2,500has widened the consumption base.

Conversely, the increase in the GST rate on apparel priced above ₹2,500 from 12 per cent to 18 per cent has weighed on premium categories, including wedding wear, woollens, handlooms and embroidered clothing. The premium segment accounts for about 35 per cent of organised apparel sales.

With the fast-fashion/value and mid-premium apparel (largely priced below ₹2,500) segments accounting for almost 65 per cent of the sector's revenue, stronger traction in these price bands will likely offset muted growth in the higher-priced apparel segment, said Crisil Ratings, after analysing nearly 40 organised apparel retailers, accounting for approximately a third of the sector's revenue.

The impact will likely be most visible among buyers in the ₹2,500-₹3,500 range. Many in this bracket may shift towards slightly lower-priced apparel in the 5-per cent GST slab, which offers comparable style and quality.

Source: fibre2fashion.com – Oct 23, 2025

HOME

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Commerce and industry minister Piyush Goyal expects 'fair and equitable' US trade agreement

New Delhi: Commerce and industry minister Piyush Goyal on Thursday exuded optimism about clinching a "fair and equitable" trade agreement with the US in the near future, stressing that both sides continue to be engaged in talks. An Indian team under commerce secretary Rajesh Agrawal held talks with the US side in Washington last week. Goyal also led an official delegation to New York for trade talks last month. "We continue to engage with them and talks are progressing," Goyal told Doordarshan in Berlin.

Leaders of India and the US had in February directed officials to negotiate a proposed bilateral trade agreement, setting a deadline to conclude the first part of the pact by autumn (October-November) this year. Five rounds of negotiations between the two countries have so far been completed.

The negotiations are taking place at a time when relations between the two countries have hit a rough patch after the Trump administration imposed as much as 50% additional tariffs on most Indian goods, which include a 25% extra import duty for buying Russian crude oil.

This prompted India to describe the tariffs as "unfair, unjustified and unreasonable", especially when others, especially Europe and China, continue to buy Russian energy products in much larger volumes without any penal duties levied on them.

Negotiations between the two sides briefly halted after the US announced the extra tariff. Talks resumed in September, with assistant US trade representative for South and Central Asia Brendan Lynch meeting Indian officials in New Delhi.

Both sides had agreed in the September meeting to work towards an early and mutually beneficial conclusion of the trade deal. The US is India's biggest market, having accounted for a fifth of its total merchandise exports of $437 billion in 2024-25.

Source: economictimes.com – Oct 23, 2025

HOME

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India must build tech depth and cut costs to stay export-competitive: GTRI chief

As the global economy slows and trade dynamics shift, India must shift focus from traditional export strategies to building long-term competitiveness through technology, cost efficiency, and domestic capability, says Global Trade Research Initiative (GTRI) founder Ajay Srivastava today.

In an exclusive telephonic interview with ANI, Srivastava said, "The focus should be on lowering production costs, simplifying regulations, and accelerating ease of doing business especially in logistics, compliance, and taxation."

He said that India must adopt a dual strategy: attracting foreign technology through joint ventures while simultaneously investing in reverse engineering and product localization.

"What India consumes, it must also be able to make and export," he added, pointing to sectors like electronics, machinery, and digital technologies.

On the ongoing trade tariff talks with the US, Srivastava said that while "there's been no official announcement yet, both sides have indicated progress," with advanced discussions underway.

India is quietly assessing sectoral risks and preparing to mitigate any fallout by diversifying away from US markets and enhancing domestic competitiveness, he added.

Regarding the UK and EU trade agreements, Srivastava confirmed that the India-UK FTA has been signed and is pending ratification in the British Parliament.

"(The EU deal) is in an advanced stage of negotiation, with most chapters close to closure," he said.

These agreements, he said, would not only open new markets but also enhance investor confidence and supply chain integration with Europe.

Srivastava also pointed to global financial conditions as a factor India must watch closely.

"When the Fed raises rates, money tends to flow back to the U.S., putting pressure on the rupee, widening the current account deficit, and tightening liquidity," he said.

Managing currency volatility and maintaining export momentum amid such shifts, he noted, will require steady macroeconomic management and domestic growth drivers.

He dismissed the view that India is disadvantaged by staying out of blocs like RCEP and CPTPP.

"Nearly 80% of global trade still takes place at non-preferential tariff rates. Rather than rushing to join every bloc, India should focus on improving export competitiveness, logistics efficiency, and ease of doing business," Srivastava said.

On India's strategic direction in a changing global order, he called for an assertive approach.

"India, rather than waiting for global stability, should use this 'no-rules' phase to rebuild the foundations of competitiveness across industry, agriculture, and services," he said.

That includes investments in green and digital innovation, manufacturing scale, and secure supply chains.

Tackling the trade deficit with China will require more than import restrictions. Srivastava stressed the importance of "large-scale reverse engineering, technology adaptation, and supply chain localization" in sectors like electronics, machinery, and chemicals. "Over time, such capability-building will not only narrow the trade gap but also make India a credible global supplier," he said.

He also raised concerns about the EU's Carbon Border Adjustment Mechanism (CBAM), which he said would act as a "carbon tariff" on Indian exports like steel and aluminium starting 2026.

"India should not conclude its trade agreement with the EU until this issue is resolved through fair transitional arrangements and recognition of India's domestic climate efforts," he warned.

To move beyond raw materials and low-value manufacturing, Srivastava urged a coordinated push by both government and industry.

"The government must provide a stable trade policy, faster clearances, and targeted incentives," he said. The private sector, in turn, should invest in R&D, design, branding, and technology partnerships to create globally competitive products.

"In a slower, more fragmented global economy, the winners will be those who build resilience at home while shaping trade on their own terms," Srivastava added.

Source: economictimes.com – Oct 23, 2025

HOME

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Textile exporters soar on optimism over India-US trade breakthrough

Shares of leading textile exporters rallied on Thursday as optimism grew that India and the US may soon strike a trade deal, potentially easing tariff barriers on Indian exports.

The proposed agreement could reportedly see tariffs on Indian goods to the US drop to around 15-16%, from the current 50%, offering a major boost to export-oriented sectors such as garments, home textiles, and yarn.

The optimism was fueled after US President Donald Trump claimed Prime Minister Narendra Modi assured him that India would limit its purchases of Russian oil one of the key reasons cited by Washington for imposing higher tariffs earlier. Though Indias foreign ministry denied knowledge of any such phone call, the remarks rekindled hopes of progress on a long-pending trade pact.

Media reports suggest both sides are engaged in advanced discussions, which may involve India agreeing to scale down Russian oil imports and allowing greater access for non-genetically modified (GM) American corn and soymeal.

Textile stocks surged in response, with Vardhman Textiles up 9.53%, Gokaldas Exports 7.18%, Arvind 6.90%, Welspun Living 6%, Indo Count Industries 5.30%, Trident 2.87%, Raymond Lifestyle 1.90%, and Bombay Dyeing 1.03%.

The sector had been under strain in recent months after steep US tariff hikes squeezed margins. Hopes of a trade thaw have now brightened the outlook, with analysts saying a favorable deal could restore India's competitiveness in the American market, especially as global retailers diversify their sourcing beyond Bangladesh.

Source: business-standard.com– Oct 23, 2025

HOME

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