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INTERNATIONAL NEWS

Red Sea Return Could Flood Europe's Ports With Cargo

A Red Sea return may not imminently be in the cards for the container shipping industry despite the recent Israel-Hamas ceasefire, but such a move could lead to more European port congestion if carriers made the commitment.

According to an analysis from maritime advisory firm Sea-Intelligence, there would be two primary impacts of an industrywide resumption of Suez Canal transits: a significant release of global vessel capacity currently absorbed by longer voyages around Africa, and a potentially disruptive surge in cargo arrivals into Europe.

A mass return to the Suez would release approximately 2.1 million 20-foot equivalent units (TEUs) of nominal capacity, equivalent to 6.5 percent of the current global fleet, Sea-Intelligence says.

The analysis quantified the capacity absorbed by round-Africa diversions across Asia-to-Europe and some Asia-to-North America East Coast services, accounting for roughly four additional vessels needed per round trip for affected services.

Sea-Intelligence modeled the European import surge under different scenarios, ranging from an instantaneous switch back to the Suez by all shipping lines, to a more gradual phase-in over two, four or six weeks.

An immediate switch back to the Red Sea would shorten supply chains dramatically, causing a temporary doubling of arrivals from Asia to Europe for two weeks. This translates to a 39 percent surge in total port handling volumes across the continent compared to the previous all-time peak in March 2025, said Sea-Intelligence CEO Alan Murphy.

European ports like Rotterdam and Antwerp have been slammed with congestion throughout the year due to various labor strikes and disruptions, as well as schedule changes brought upon by the Red Sea diversions.

“Even a phased switchover presents a considerable challenge for port infrastructure,” Murphy said in the recent update.

A two-week phase-in would result in a 19 percent increase in European port volumes, including both imports and exports. On a four-week basis, these volumes would increase 13 percent. Even if the phase-in took six weeks, it would still add 10 percent more cargo to the continent's ports compared to the early 2025 peak levels.

Currently, there is no indication from most major container shipping firms that they will make a routine return to the Red Sea, despite the Suez Canal Authority's efforts to incentivize a consistent comeback.

After the canal's operator urged Maersk to gradually resume transits in the waterway in the wake of the Gaza ceasefire, the ocean carrier indicated it was still too early to assess how progress in the region would influence the situation.

The Houthi militants who have been attacking commercial vessels since late 2023 in response to Israel's offensive against Hamas have not declared a ceasefire of their own. And without a security guarantee that the Yemeni group will not attack again, Maersk and rivals like Mediterranean Shipping Company (MSC) remained steadfast in avoiding the region altogether.

Adding to the security concerns is the overall cost to shifting networks. Maersk CEO Vincent Clerc noted in February that it would cost "hundreds of millions of dollars" if the liner returned to the Suez Canal, only to have to revert to the Cape of Good Hope route in the event of new attacks.

As decision making on the Red Sea situation continues to move slowly, freight rates out on the ocean have seen a recent uptick as carriers sought to curb the months-long rate slide with their own general rate increases (GRIs).

After a decline of 17 straight weeks, the Drewry World Container Index (WCI) has seen two consecutive weekly increases in rates. As of Thursday, the WCI increased 3 percent from the week prior to \$1,746 per 40-foot container.

Spot rates from Shanghai to Los Angeles increased 4 percent to \$2,290 per container, while those to New York rose 6 percent to \$3,420. Drewry expects rates to increase slightly next week due to the GRIs implemented in mid-October.

According to research firm, carriers are planning to implement new GRIs on Nov. 1 and Nov. 15 on these trade lanes to secure higher prices before the effect of the current rate increases completely fades away.

Another freight rate benchmarking platform, the Freightos Baltic Index, has seen an even bigger jump in container prices on the Asia-to-U.S. West Coast route.

“Trans-Pacific prices to the West Coast increased 18 percent last week from a year-to-date low of about \$1,400/FEU the week before to about \$1,700/FEU, with daily rates this week above the \$2,000/FEU mark so far,” said Judah Levine, head of research at Freightos, in a Wednesday update. “Daily rates to the East Coast of \$3,357/FEU are more than \$300/FEU higher than a week ago.”

Both benchmarks had increases on the Asia-to-Europe trade lanes, although the rate growth was more substantial on the Freightos index.

Asia-to-Northern Europe container prices increased 13 percent to \$1,975 per 40-foot container, while Drewry’s Shanghai-to-Rotterdam rate jumped 4 percent to \$1,736 per box.

According to Drewry, major shipping lines have announced new freight all kinds (FAK) rates on the route effective Nov. 1, ranging between \$2,600 and \$2,700 on average.

Levine noted that despite the expected incoming GRIs, the rates climbing during low demand “has many observers skeptical that prices will remain elevated.”

Source: sourcingjournal.com– Oct 24, 2025

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Türkiye's textile industry in meltdown

Türkiye's textile and garment industry, long hailed as the backbone of its manufacturing economy, is now grappling with one of its toughest periods in decades.

The sector has shed about 350,000 jobs and lost nearly \$8 billion in export revenues over the past three years, according to the Istanbul Apparel Exporters' Association (IHKIB), as soaring costs, currency instability and waning European demand erode its global competitiveness.

What has for many years been a powerhouse of affordable, high-quality production is fast becoming a case study in how shifting trade dynamics and economic pressures can unravel an industry's success story.

Mounting bankruptcies

Insolvency filings are piling up across the sector, signalling growing distress.

In 2025, several prominent companies declared insolvency, including Ugur Balkuv Triko, a leading knitwear producer supplying Hugo Boss, Mango, and Zara, and Settriko, an Istanbul-based manufacturer producing for Boyner and DeFacto, among others.

Meanwhile, financial difficulties have struck key players such as Fabrilla Tekstil, one of Kırklareli's largest manufacturers, and Bozdamlar Tekstil in Konya. Baltali Group, founded in Denizli in 1991, also shut down its two production facilities in Afyon Hocalar and Çal in Denizli, citing the severe contraction in textile demand.

IHKIB data shows that employment in Türkiye's textile and apparel sectors, which remained above one million between 2020 and 2023, fell to 959,395 by the end of 2024.

By March 2025, textile jobs declined by another 17,373, and in apparel by 10,690. This sharp year-on-year drop underscores the deepening crisis across the industry.

Erosion of competitiveness

Manufacturers note that production costs have surged, with labour accounting for 15–17 per cent of textile costs and around 50 per cent in ready-made garments, while orders continue to shift towards lower-cost regions in Asia and North Africa. As a result, many factories are operating below capacity or closing altogether, dealing a heavy blow to major production hubs and local employment.

Exports decline

According to the Turkish Clothing Manufacturers' Association (TGSD), Türkiye is currently the only major apparel exporter facing a downturn, while competitors such as Bangladesh and Vietnam increased their exports by more than 10 per cent over the same period.

The country's share in global apparel trade has fallen to 2.96 per cent—below 3 per cent for the first time in 35 years—while its share in the EU market has dropped under 5 per cent for the first time in 30 years, despite the global apparel trade growing by 6 per cent year-on-year.

Breaking point

At a TGSD press conference held in September, co-chairs Toygar Narbay and Dr Ümit Özüren described the sector as being at a “historical breaking point.”

Narbay warned that “importing is now cheaper than producing domestically,” and that job losses and capital erosion among manufacturers are accelerating.

He attributed the downturn partly to the government's disinflation policy, which has raised interest rates while keeping exchange rates artificially low—a combination that has inflated production costs and undermined exporters.

Urgent policy support

Industry associations are urging the government to introduce targeted measures to stabilise input costs, expand access to credit, and incentivise investment in higher-value, innovation-led production.

Dr Özüren emphasised that Türkiye's apparel sector has diverged sharply from global trends over the past two years and now requires short-term support to prevent deeper losses and safeguard employment.

However, despite the grim short-term outlook, TGSD leaders remain cautiously optimistic that with policy adjustments and renewed investment, the sector could begin to recover by 2027.

Source: fibre2fashion.com– Oct 27, 2025

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Trump Terminates Trade Negotiations With Canada Over Anti-Tariff Ad Featuring Ronald Reagan

The rocky relationship between Canada and the United States just hit another stumbling block.

President Donald Trump proclaimed Thursday evening that “ALL TRADE NEGOTIATIONS WITH CANADA ARE HEREBY TERMINATED” due to an advertisement run on Canadian television that criticizes U.S. tariffs.

Commissioned by Canada’s Ontario province, the ad features a voiceover by President Ronald Reagan, a GOP icon, cautioning against the use of tariffs.

“When someone says, ‘Let’s impose tariffs on foreign imports,’ it looks like they’re doing the patriotic thing by protecting American products and jobs. And sometimes for a short while, it works, but only for a short time. But over the long run, such trade barriers hurt every American worker and consumer,” Reagan’s voice proclaims.

Steep duties prompt retaliation from governments across the globe and trigger trade wars, the ad says. “Then the worst happens. Markets shrink and collapse, businesses and industries shut down, and millions of people lose their jobs.”

“Throughout the world, there’s a growing realization that the weight of prosperity for all nations is rejecting protectionist legislation and promoting fair and free competition. America’s jobs and growth are at stake,” Reagan’s voice adds.

Trump wasted no time in taking to Truth Social to lambast the video as fake and fraudulent. In fact, Reagan did make the statements featured in the video, though they were reordered.

The Ronald Reagan Foundation weighed in, saying the video “misrepresents” the former president’s sentiments on tariffs. The government of Ontario did not receive permission to utilize the audio, the foundation added.

Ontario Premier Doug Ford, a member of Canada's Progressive Conservative party and a longtime Trump critic, told Canadian outlet CBC News that "The commercial uses an unedited excerpt from one of President Reagan's public addresses, which is available through public domain."

Nonetheless, Ford caved to Trump's pressure on Friday, saying Ontario would pause airing the ad so that "trade talks can resume."

But the video of one of the most revered Republican presidents struck a nerve with Trump as the key pillar of his trade agenda—tariffs—is already under threat. On Nov. 5, the Supreme Court will hear the case against the sweeping duties, brought by a dozen states and seven small businesses.

"Canada is trying to illegally influence the United States Supreme Court in one of the most important rulings in the history of our Country," Trump Truthed. "Canada has long cheated on Tariffs, charging our farmers as much as 400%. Now they, and other countries, can't take advantage of the U.S. any longer."

White House spokesperson Kush Desai said Ontario's ad was "misleadingly edited."

"The Trump Administration has repeatedly sought to address Canada's longstanding, unfair trade barriers. These good-faith efforts with Canadian officials have not led to any constructive progress," he added.

With Canada-U.S. trade negotiations at a standstill, the nation to the north is ramping up efforts to expand trade with other nations.

Prime Minister Mark Carney is accelerating the expansion of the Port of Montreal in Contrecoeur—a project that will cost 2.3 billion Canadian dollars (\$1.64 billion), according to Dominic LeBlanc, the minister responsible for Canada-U.S. trade and intergovernmental affairs.

The port will soon reach the peak of its container-handling capacity, port officials have said in recent months. But other challenges have cropped up, too, from dockworker strikes to ballooning construction costs.

But Carney is keen to see the project completed as it's key to his plan to reduce dependence on U.S. trade. On Wednesday, he told reporters that he had set the "ambitious" goal of doubling non-U.S.-bound exports over

the course of the next 10 years, amounting to \$300 billion in new trade business, according to Canada's CTV News.

Asked which exports the country could expand, Carney pointed to critical minerals from the Ring of Fire, a crescent-shaped geographical region in Ontario. Ford, who stood near Carney during the address to the media, has been gunning for the project's acceleration. The prime minister also said Canada could up its exports of liquefied natural gas.

Source: sourcingjournal.com– Oct 24, 2025

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UK manufacturers slam brakes on investment as demand weakens: Survey

The UK manufacturing sector endured another challenging period in the quarter to October, with output and orders falling sharply, sentiment deteriorating and investment plans cut back sharply, according to the latest quarterly Industrial Trends Survey by the Confederation of British Industry (CBI).

The downturn in manufacturing output was broad-based across sub-sectors. Firms expect output to fall again over the quarter to January.

Demand conditions weakened notably. The volume of total new orders fell sharply across the quarter (minus 20 per cent, from minus 17 per cent in July). Both domestic and export orders fell at their fastest rates since the early stages of the COVID-19 pandemic (July 2020).

Levels of total and export order books remained well below their long-run averages, and manufacturers anticipate another drop in new orders over the next three months.

Cost pressures remained elevated, although growth in domestic selling prices has slowed and export prices have fallen, suggesting a squeeze on margins. Manufacturing competitiveness fell in all major markets, a CBI release said.

Manufacturers' investment appetite has deteriorated markedly. Spending plans for the year ahead fell across every category, held back by weak demand, inadequate net returns and shortages of internal finance.

Investment in plant and machinery and buildings looks set to fall particularly sharply. The share of firms investing to expand capacity fell to a level last seen in the recessions of 2009 and the early 1980s. Meanwhile, employment fell at the fastest pace for five years.

The share of firms citing orders or sales as a factor likely to limit output in the next three months rose from July and stands above the long-run average (73 per cent, from 62 per cent in July).

Manufacturers expect stocks of finished goods, raw materials and work in progress to all fall in the three months to January.

Manufacturing competitiveness deteriorated across all major markets in the three months to October. Competitiveness is expected to decline again in the three months to January, particularly in UK markets, followed by European Union (EU) and non-EU markets.

The survey covered 218 manufacturing firms.

Source: fibre2fashion.com– Oct 26, 2025

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EU, Uzbekistan sign EPCA; conclude deal on WTO accession

The European Union (EU) and Uzbekistan recently signed an Enhanced Partnership and Cooperation Agreement (EPCA), elevating both sides to a new level of strategic cooperation following the EU-Central Asia Summit held on April 4 in Samarkand.

The agreement establishes a new legal basis for reinforcing political dialogue and deepening cooperation in many mutually beneficial areas. These include trade and investment, sustainable development and connectivity, intellectual property, research and innovation, education, environment and climate change, as well as rule of law, human rights and civil society. It also strengthens cooperation in foreign and security policy, encompassing conflict prevention and crisis management, risk reduction, cybersecurity, regional stability, disarmament, non-proliferation, arms control and export control.

The agreement opens opportunities for collaboration in new areas such as critical raw materials essential for the green and digital transitions, building on the memorandum of understanding signed between the EU and Uzbekistan in 2024. It also supports enhanced regional connectivity, including through the Global Gateway initiative and the Trans-Caspian Transport Corridor, an official release from the EU said.

Both sides also announced the conclusion of their bilateral negotiations on market access on services and goods—a key milestone in Uzbekistan's ongoing accession process to the World Trade Organisation (WTO).

The deal includes Uzbekistan's commitments on maximum tariff rates for import and export of goods and Uzbekistan's concessions in services. These commitments and concessions will be embodied in the future Protocol of Accession of Uzbekistan to the WTO.

The EU is Uzbekistan's third largest trading partner, accounting for 10.4 per cent of Uzbekistan's trade in 2024, and its second largest export destination—at 7.2 per cent of Uzbekistan's exports.

Source: fibre2fashion.com— Oct 26, 2025

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Japan's textile trade shows strong apparel demand, weak yarn imports

Japan's imports of clothing and accessories rose 2.0 per cent to 1,883,882 million yen (~\$12.33 billion) in the first half of fiscal 2025–26 (April–September), accounting for 3.4 per cent of the nation's total imports valued at 54,877,112 million yen, according to provisional data from Japan's Ministry of Finance. The modest rise reflects steady consumer demand for apparel amid gradual economic stabilisation.

In contrast, imports of textile yarn and fabric fell 3.2 per cent to 571,756 million yen (~\$3.74 billion) during the same period, representing just 1 per cent of total imports. On the export side, textile yarn and fabric shipments slipped 0.9 per cent to 416,502 million yen (~\$2.73 billion), while textile machinery exports grew 8.3 per cent to 137,527 million yen (~\$900 million), contributing 0.3 per cent to Japan's total exports of 53,653,304 million yen. The machinery export growth indicates ongoing international demand for Japanese technology, especially in developing textile hubs.

In September 2025, clothing and accessories imports increased 6.7 per cent year-on-year to 391,067 million yen (~\$2.56 billion), accounting for 4.1 per cent of total imports worth 9,648,320 million yen. Imports of textile yarn and fabric also rose 5.0 per cent to 100,028 million yen (~\$655 million), representing 1 per cent of total imports.

On the export front, Japan's textile yarn and fabric shipments in September 2025 rose 2.8 per cent to 70,562 million yen (~\$462 million), while textile machinery exports grew 0.7 per cent to 21,343 million yen (~\$140 million), contributing 0.2 per cent to Japan's total exports of 9,413,700 million yen.

In fiscal 2024–25, imports of clothing and accessories increased 5.2 per cent to 3,764,657 million yen (~\$26.44 billion), while textile yarn and fabric imports grew 2.7 per cent to 1,174,598 million yen. Exports of textile yarn and fabric rose 6.0 per cent to 850,139 million yen, but textile machinery exports fell 12.6 per cent to 280,408 million yen. The decline was partly attributed to intensified global competition and a shift in sourcing towards lower-cost Asian producers.

In fiscal 2023–24, Japan’s imports of clothing and accessories declined 1.7 per cent to 3,564,850 million yen (~\$23.11 billion), and textile yarn and fabric imports dropped 10.4 per cent to 1,143,805 million yen. Exports of textile yarn and fabric stood at 802,178 million yen, while textile machinery exports totalled 320,947 million yen, marking a period of post-pandemic demand normalisation.

During fiscal 2022–23, imports of clothing and accessories were valued at 3,619,550 million yen (~\$25.05 billion), while textile machinery exports reached 306,781 million yen, reflecting the early stages of recovery in Japan’s textile trade following COVID-19 disruptions.

Overall, the 2025–26 data underscores a mixed performance—stronger apparel imports supported by consumer resilience, contrasted with subdued textile trade, suggesting Japan’s shifting focus towards high-value manufacturing and premium apparel segments.

Source: fibre2fashion.com– Oct 27, 2025

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USA: Cotton Export Business Remains Slow as Prices Settle

Cotton prices continue to back and fill, which is excellent compared to the downtrend of recent months. Any “filling” implies the market found its price bottom. Going into the close, the December contract was up for the day but down 10-12 points for the week. Nevertheless, the 64-cent handle appears to fit the market quite well.

We contend the downtrend has ended. The channel lines, the old lows, and the October expiry lows all held. The truly negative news is over. Yet, we continue to suggest that a jump to higher prices is overwhelmingly not possible in the short run — and, in fact, any move to the upside will be very slow and treacherous.

The market must find demand if it is to move above 70 cents. The cotton industry must overtly reach out to the consumer. Again, it is the consumer that creates the demand for cotton — not the brands and not the retail stores.

The failure of the cotton industry to connect with the consumer is the principal problem facing cotton prices. International competition in the export market is historically very aggressive. Too, U.S. growths are generally higher priced, even with cotton at 64-65 cents. The bulk of the U.S. crop is not moving.

While China does not need U.S. cotton, there is a slight possibility that a China-U.S. trade agreement includes cotton. If that is the case, then the New York ICE contracts could see a 200–300-point increase. The principal reason for China to purchase U.S. cotton is that they can buy it at little more than half the cost of producing cotton in China. This, of course, is the primary reason that some speculate that China will buy from the U.S. Nevertheless, over the past four years, China has found an alternative source of U.S. type growths, namely Brazil.

Despite the government shutdown, the Bureau of Labor released its October CPI estimate. The inflation barometer was up from 2.9% to 3.0% for the month. This was lower than analysts predicted and keeps the path clear for another quarter to half point reduction in the FED interest rate next week.

The market is trading as if it expects a quarter point decline. This will provide indirect support to cotton prices, in that the estimate confirms the overall strength of the U.S. economy and likely that the economy is growing faster than expected. The report did show apparel prices had risen more than expected. Historically, this would suggest direct support for cotton prices. But since cotton is no longer a major fiber in apparel construction, the price increase will not affect cotton.

Merchants and cooperatives suggest export business remains slow. Additionally, mills are again complaining that margins are very thin. This could indicate that cotton demand is further declining. However, there is always a minimal amount of business for immediate delivery. This is indicative of two phenomena: the fact that mills business is slow, and mills are willing to maintain minimum inventories.

Additionally, the slow, but steady, pace of mill purchases suggest mills do not expect any near-term price increase. Likely, they will be able to purchase cotton for 66 cents for at least two more months, notwithstanding an unexpected purchase by China.

Prices will continue to test the very high 63-cent area but will generally trade at 64-65 cents. The lows are in.

Source: fibre2fashion.com– Oct 26, 2025

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How buyers' support helps Philippines deal with tariff pressure

In a global trade arena that is becoming increasingly uncertain for exporters as they struggle to cope with the US-imposed tariffs, some buyers have reportedly extended support to the Philippines' apparel industry to help alleviate the tariff burden.

As per reports, foreign buyers—particularly from the United States—are reportedly stepping in to absorb a substantial portion of the added costs, and in some cases, covering them entirely, in an unusual show of support which is helping the Philippine garment industry to maintain its footing in a highly competitive regional apparel manufacturing landscape.

Media reports citing the Foreign Buyers Association of the Philippines (FOBAP), mention that some longstanding international buyers have agreed to bear part—or even all—of the 19 per cent tariff imposed on Philippine garment exports to the US.

The development is welcomed as a positive move by the industry players and comes in the wake of a new bilateral trade agreement between the Philippines and the United States.

On July 22, 2025, the two countries signed a trade deal, which drew both praise and criticism. Following a high-profile meeting at the White House between Philippine President Ferdinand Marcos Jr. and US President Donald Trump, the agreement was announced as a diplomatic and economic milestone.

Under the terms, tariffs on goods exported from the US to the Philippines have been eliminated. However, exports from the Philippines to the US—including garments—remained subject to a 19 per cent tariff.

The Marcos administration reportedly defended the agreement, stating it helped avert more severe tariff actions and preserved the critical market access to the United States—one of the top destinations for Philippine-made apparel items.

While the move faced backlash at home for not being able to achieve the desired tariff relief, industry insiders are focused on how buyers respond on the ground.

Robert Young, president of the FOBAP, reportedly noted that the willingness of the buyers to absorb the additional cost reflects the strength of the long-standing business relationships.

“Some of our major buyers have even volunteered to shoulder up to 100 per cent of the 19 per cent tariff in the first year. This shows how important business relationships are,” Young reportedly opined, interacting with the media.

This support is particularly significant given the cost challenges faced by the Philippines’ garment industry.

As per some estimates, ‘Made in Philippines’ apparel items are usually 10 per cent to 15 per cent more expensive than those from the regional competitors like Vietnam, Bangladesh, and Sri Lanka. The added tariff only widened this gap, posing a serious threat to the sector’s competitiveness.

Young emphasised that such voluntary commitments from the buyers are therefore critical for sustaining the export orders. “Without this show of solidarity, the Philippine garment sector would be in a much more difficult position,” he reportedly added.

By helping to offset the tariff burden, foreign buyers are ensuring that Philippine suppliers remain viable partners in their global supply chains. While the long-term impact of the trade agreement between the Philippines and the US remains to be seen, the immediate response from the buyers has provided a much-needed buffer for the industry for sure, and, as the global apparel market continues to evolve, this example of buyer-driven cost-sharing may offer a model for others facing a similar situation.

Source: fibre2fashion.com– Oct 27, 2025

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US and Vietnam agree on framework to boost trade and market access

According to a joint statement from the White House on October 26, the Framework for an Agreement on Reciprocal, Fair, and Balanced Trade aims to strengthen the economic ties between the two countries, giving exporters from both sides unprecedented access to each other's markets. The new framework builds on the US-Vietnam Bilateral Trade Agreement, which was signed in 2000 and came into force in 2001.

The joint statement highlighted key terms of the agreement, saying Vietnam will grant preferential market access to all US industrial and agricultural exports, while the US will maintain tariffs on Vietnamese goods at 20 per cent and designate certain products for a zero per cent reciprocal rate.

Furthermore, the US and Vietnam will work constructively to address both countries' interests in non-tariff barriers that affect bilateral trade in priority areas.

Vietnam has agreed to tackle several trade barriers, including accepting vehicles built to US safety and emissions standards, easing import licensing for US medical devices, simplifying regulatory approvals for US pharmaceuticals, fully upholding its obligations under international intellectual property treaties, and addressing US concerns over conformity assessment procedures.

The two countries have also pledged to remove and prevent barriers to US agricultural products in Vietnam, including recognising US regulatory oversight and currently agreed certificates.

They will finalise commitments on digital trade, services, and investment, and cooperate on intellectual property, labour, environment, customs and trade facilitation, good regulatory practices, and state-owned enterprise issues.

The joint statement said the US and Vietnam are committed to boosting supply chain resilience, tackling duty evasion, and collaborating on export controls.

It also noted recent commercial deals between US and Vietnamese companies in agriculture, aerospace, and energy. Vietnam Airlines will purchase 50 Boeing aircraft worth over \$8 billion, while Vietnamese firms have signed 20 MoUs to buy US agricultural products valued at more than \$2.9 billion.

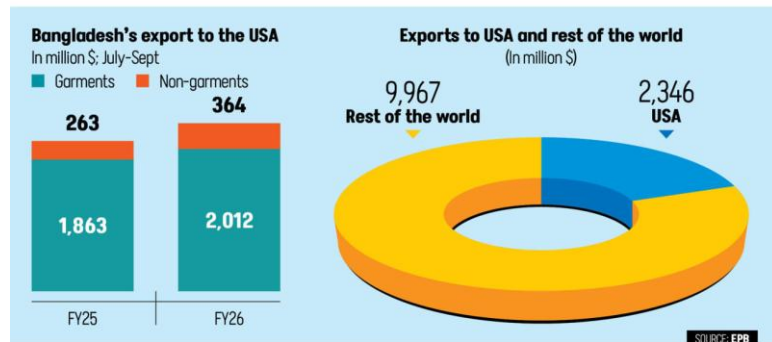
In the coming weeks, the two countries will finalise the trade agreement, prepare it for signature, and complete domestic formalities before it enters into force.

Source: vir.com.vn– Oct 27, 2025

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Bangladesh: Exports to US rise 10% in July-Sept. Will it continue?

Merchandise shipments to the United States rose by more than 10 percent year-on-year in the July-September quarter of the fiscal year 2025-26, defying concerns that the Trump tariffs would slow the country's trade with its largest export market.



Bangladesh earned \$2.3 billion from exports to the US in the first quarter of FY26, up from \$2.1 billion in the same period a year earlier, according to the Export Promotion Bureau (EPB).

Of this, ready-made garments accounted for \$2.12 billion, compared with \$1.87 billion last year.

The American market made up more than a fifth of Bangladesh's total garment exports, driven by strong demand from Western retailers stocking up ahead of the Christmas season.

This growth comes despite imposition of addition tariffs imposed by the Trump administration, which have made Bangladeshi goods more expensive than those from duty-free competitors.

The US had earlier reduced its reciprocal tariff rate for Bangladesh to 20 percent from the initial 37 percent after Bangladesh agreed to increase imports from the US to help narrow the annual trade gap of over \$6.2 billion. The new rate came into effect in August.

"There is no possibility of export decline from Bangladesh to the US due to the new tariffs, as we mainly export low-value apparel products for hypermarkets," said Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

"The price increase from the tariff will be minimal and unlikely to affect demand," he added.

Hatem said as prices for high-end products rise with the new rates, more US consumers may turn to affordable options, boosting sales of Bangladeshi goods.

Many competitors do not have the capacity to produce low-cost garments, leaving Bangladesh well placed to meet demand in the coming months, he added.

Mohammad Abdur Razzaque, chairman of local think tank Research and Policy Integration for Development, said exports to the US have risen in the first quarter, with garment shipments up by more than 13 percent.

"The feared impact of the Trump-era tariffs has not materialised yet," Razzaque said, while noting it was still early to judge, as the tariffs only took effect in August.

He pointed to three factors supporting exports. Those include reduced American imports from China, concerns over India's supply reliability, and adjustments in Vietnam's China-dependent supply chain.

The real test, Razzaque said, will come in the next quarter. "By December or January next year, we will have a clearer view of how the US market is responding."

Razzaque said that without the tariffs, garment export growth could have reached 12 to 15 percent, helped by a global rebound in demand.

Bangladesh lost its preferential access to the US market in 2013 after the suspension of the Generalised System of Preferences over labour and safety issues. Since then, the garment industry has made major improvements in workplace safety and environmental standards, including setting up the highest number of green factories in the world.

Even so, apparel products remain excluded from the GSP scheme, a policy many in the sector describe as "unfair and outdated".

Riad Mahmud, managing director of N Poly, which exports non-leather shoes to the US, said orders have risen recently not because of new demand but due to strategic sourcing by buyers.

"We are now receiving orders we previously missed," he said, citing mid-range brands such as Fila and Decathlon.

Mahmud said tariffs on Chinese footwear have prompted US buyers to look for new suppliers, creating opportunities for Bangladeshi exporters. But he believes sustaining this growth would depend on meeting compliance standards such as Nirapon, which many factories struggle to afford.

Shawkat Haider, executive director of Beximco Pharmaceuticals, said pharmaceutical exports to the US are also growing despite concerns about the new tariff rates.

"Following the Trump tariffs, there were fears that our exports would decline. Some even projected a \$1.2 billion drop. But the reality is quite the opposite; exports are increasing," he said.

Haider said the US has become Beximco's largest export destination.

The tariffs, he said, mainly target branded originator drugs from multinational companies, while generic medicines, which make up most of Bangladesh's pharmaceutical exports, are unaffected.

"Trump's policies have not had any negative impact on generics so far," he said, adding that Bangladesh was emerging as a strong alternative to China and India in the global pharmaceutical supply chain.

Source: thedailystar.net– Oct 27, 2025

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IMF projects Indian economy to grow at 6.6% in 2025-26, outpacing China

The International Monetary Fund (IMF) has predicted that India will continue to be one of the fastest-growing 'emerging market and developing economies' in 2025-26, growing at a rate of 6.6 per cent, according to the World Economic Outlook (WEO) report.

This upward revision is attributed to strong economic performance in the first quarter, which has more than offset the effects of increased US tariffs on Indian goods.

India is set to outpace China, which is expected to grow at 4.8 per cent. The IMF released its revised projections following the effects of US tariffs across various economies and the subsequent deals made between countries amid growing uncertainty.

However, the IMF has lowered its 2026 projection to 6.2 per cent, citing a potential fading of first-quarter momentum.

With the effects of tariffs lower than expected, the IMF projects global growth at 3.2 per cent in 2025, while slowing to 3.1 per cent in the following year. These projections, however, are still lower than the pre-policy-shift forecasts.

Inflation is projected to continue to decline globally, though with variation across countries: above target in the United States--with risks tilted to the upside--and subdued elsewhere, the IMF's report mentioned.

Advanced economies are expected to grow at an average rate of 1.6 per cent, whereas emerging economies are set to grow at 4.2 per cent, with the 2026 projection predicting a 0.2 per cent slowdown.

IMF also predicts that Spain is going to be the fastest-growing 'advanced economy', growing at a rate of 2.9 per cent. The United States is also set to grow at 1.9 per cent, down from 2.4 per cent in 2024.

Meanwhile, the forecast predicts Brazil's growth at 2.4 per cent, Canada at 1.2 per cent, Japan at 1.1 per cent while ASEAN-5 countries

The October WEO IMF predictions are up relative to their April forecasts, but continue to be on a downward revision relative to the pre-tariff policies.

Despite India's rapid growth, the IMF predicts global growth will slow from 3.3 per cent in 2024 to 3.2 per cent in 2026.

The IMF also predicts that 'prolonged uncertainty, more protectionism, and labour supply shocks' could reduce growth. While "fiscal vulnerabilities, potential financial market corrections, and erosion of institutions could threaten stability."

The IMF urged policymakers to restore confidence through credible, transparent, and sustainable policies, with trade diplomacy to be paired with macroeconomic adjustment.

"Fiscal buffers should be rebuilt. Central bank independence should be preserved. Efforts on structural reforms should be redoubled", the IMF said.

Earlier in October, the IMF announced its revisions to forecasts, projecting an upward growth to 6.6 per cent. That revision was largely due to India's strong growth momentum in the first quarter of FY26, when the economy grew at 7.8 per cent.

The upward revision is mainly due to the carryover effect from a strong first quarter, rather than any offsetting effect from recent US tariffs.

In 2024-25, the Indian economy grew by 6.5 per cent in real terms. The government has maintained the GDP forecast at 6.3-6.8 per cent for 2025-26, even amid US tariff uncertainty, affirming confidence in the country's robust domestic consumption.

Source: business-standard.com– Oct 25, 2025

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India-EU talks intensify; Piyush Goyal to visit Brussels

Commerce and Industry Minister Piyush Goyal will visit Brussels on October 27 to 28 to hold high-level discussions with his counterpart in the European Union (EU) to provide “strategic direction and political impetus” to the ongoing negotiations on a free trade agreement between India and the European Union.

At the same time, a delegation of the European Parliament Trade Committee will be in New Delhi on October 27 to 29 to enhance “mutual understanding amid intensive trade negotiations between the EU and India”.

According to the Ministry of Commerce and Industry, Mr. Goyal’s visit to Brussels and meeting with Maroš Šefčovič, Executive Vice-President and European Commissioner for Trade of the European Union comes at a “crucial stage” in the FTA negotiations.

“Building on the momentum generated by the 14th round of negotiations held earlier this month, the Minister’s visit aims to provide strategic direction and political impetus to the talks,” the Ministry said in a release.

The Hindu, on October 16, reported that while discussions were ongoing between India and the EU, the next formal round of negotiations had not yet been finalised as the issues holding up the deal required continuous communication rather than waiting for a formal round.

These issues included market access, regulatory cooperation and agricultural sensitivities.

“Discussions are expected to cover key areas of the proposed FTA, including market access, non-tariff measures, and regulatory cooperation,” the release added. “The visit will also serve to review progress achieved so far and to identify areas requiring further convergence.”

Mr. Goyal will hold a bilateral meeting with Mr. Šefčovič, which will be followed by a working dinner. This will not be considered a formal round of negotiations, but a continuation of discussions.

European team in India

The delegation of the Trade Committee will include seven members of the European Parliament, according a press release issued by the European Parliament.

“The main objective of this visit is to contribute to increasing our mutual understanding amid intensive trade negotiations between the EU and India,” the co-heads of delegation Cristina Maestre and Brando Benifei said in a joint statement. “The mission is timely taking place just a few months ahead of the deadline to conclude negotiations for a Free Trade Agreement by the end of 2025.”

During their visit to India, the delegation will meet a variety of stakeholders in order to receive “first-hand information on the opportunities and challenges posed by these trade negotiations”, the release said.

“INTA Members are set to hold various meetings at both ministerial and parliamentary level,” it added. “Members will meet with the Federation of European Business in India and with the Confederation of Indian Industry.”

The release further said that other meetings will be organised with civil society working on sustainability issues and with workers and employers’ representatives and organisations working on labour rights.

Source: thehindu.com– Oct 27, 2025

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EU Parliamentary delegation to visit India ahead of trade pact deadline

A delegation of the EU Parliamentary committee on international trade will be in India next week to discuss trade, economic and investment relations ahead of the year-end deadline for finalising the India-EU free trade agreement negotiations. The seven-member team will be in India from October 27 and will be led by Cristina Maestre, the committee's standing rapporteur for India, and Brando Benifei, the committee coordinator.

“The main objective of this visit is to contribute to increasing our mutual understanding amid intensive trade negotiations between the EU and India,” the two co-chairs said in a statement. The mission is timely taking place just a few months ahead of the deadline to conclude negotiations for a Free Trade Agreement (FTA) by the end of 2025, they added. “We look forward to discussing the issues at stake as both sides have a mutual interest in reaching a meaningful bilateral agreement and in protecting the rules-based multilateral trade order,” they said.

Negotiating teams from India and the EU met in Brussels earlier this month to sort out lingering problems in areas such as automobiles, alcoholic beverages, services and quality standards, sources said. Prime Minister Narendra Modi and EU President Ursula von der Leyen set a year-end deadline for wrapping up the trade negotiations. India's bilateral trade in goods with the European Union's bilateral trade in goods reached €120 billion in 2024, surpassing that of China and the US, per EU figures.

The visiting European Parliament members will engage with a variety of stakeholders, to receive “first-hand information” on the opportunities and challenges posed by these trade negotiations. INTA Members are set to hold various meetings at both ministerial and parliamentary level.

They will also meet the Federation of European Business in India and with the Confederation of Indian Industry. “Other meetings will be organised with civil society working on sustainability issues and with workers and employers' representatives and organisations working on labour rights,” the EU statement said.

Source: thehindubusinessline.com– Oct 24, 2025

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Trump tariffs deliver shock ‘wake-up call’ to a world denim hub

One of the world’s poorest countries is reeling from the impact of US President Donald Trump’s tariff regime, which has crippled its key textile industry and exacerbated already high unemployment.

That’s how the historic pivot in US trade policy is unfolding in Lesotho, the landlocked, southern African mountain kingdom whose denim manufacturing has been a rare economic bright spot.

Trump initially put 50% levies on imports from Lesotho, the highest in the world. Despite a cut to 15% in August, those duties still outstrip those on competitors like Kenya, and some factories have eliminated jobs as orders dried up.

“We are still in negotiations with the US government on a further reduction, maybe to 10% or to zero — where we were before,” Prime Minister Sam Matekane said in an interview with Bloomberg Television’s Wall Street Week. “The introduction of the tariffs have put us in a disadvantaged position” because businesses can relocate to countries where levies are lower, he said.

Textiles is the biggest industry in Lesotho, a country of about 2.3 million people. Those businesses employ 12,000 people and indirectly support 40,000 jobs, supplying US retailers such as Walmart Inc., JC Penney and Levi Strauss & Co.

Before the new tariffs, most of the country’s exports to the US — its second-biggest trade partner — entered duty-free under the now-defunct African Growth and Opportunity Act.

Before Trump took office, Lesotho’s central bank forecast modest expansion this year and next for textile and clothing manufacturing. The new outlook: contractions of 9.9% and 13.3%.

Trump’s tariffs are based on countries’ trade balance with the US, and Lesotho imported less than \$3 million in goods from the US last year, compared with exports of more than \$235 million.

Teboho Kobeli, the founder of Lesotho-based Afri-Expo Textiles, said the tariffs came as a major shock, comparable with the coronavirus pandemic. At the very least, Trump's targeting of the country serves as a "wake-up call" and an opportunity to change the way the economy operates. Unemployment was 30% last year, the most recent data show, ranking among the world's highest.

"I would say 'Thank you, President Trump, for making Lesotho known,'" he said. "For the president of a powerful country like the US to mention Lesotho in his Congress is, you know, a powerful marketing tool."

Source: economictimes.com– Oct 27, 2025

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India's cotton arrivals to peak by mid-November; CCI to step in

India's cotton arrivals are expected to increase next week, reaching their peak by mid-November. Farmers are likely to bring seed cotton in bulk once the government's trading company, the Cotton Corporation of India (CCI), begins procurement at the minimum support price (MSP) in full swing. This year's cotton crop has been delayed due to late monsoon rains and late sowing. Maharashtra, a major cotton-producing state, is still experiencing rainfall.

Cotton acreage in the country stands at 110.03 lakh hectares in the current season, down from 112.97 lakh hectares a year ago, according to the Ministry of Agriculture. The area was 123.71 lakh hectares in 2023–24 and averaged 129.50 lakh hectares over the past five years.

According to market traders, daily cotton arrivals were between 50,000 and 60,000 bales of 170 kg before Diwali. Cotton arrivals typically begin in north India in mid-September, but this year they started in the last week of September. Farmers in north India—including Punjab, Haryana, and Rajasthan—delayed sowing to avoid damage from late rains in previous years.

Satish Sharma, a trader from Bathinda (Punjab), told Fibre2Fashion, “Farmers faced severe damage from late rains in previous years. Therefore, they preferred sowing in the later phase this year, which caused a slight delay in arrivals. Despite precautions, late rain has damaged some crops in Haryana.” He added that the region is currently receiving around 10,000–12,000 bales of cotton daily, which may rise to 20,000–22,000 bales in the next two weeks. “However, this is insignificant nationally, as north India contributes a relatively small portion to the country's total cotton production,” he added.

Gujarat and Maharashtra, which together account for over 50 per cent of India's total cotton output, are yet to see arrivals pick up. Maharashtra continues to experience sporadic rains, delaying cotton picking. Chetal Bhojani, a trader from Morbi (Gujarat), told F2F, “Farmers will bring seed cotton in bulk when CCI starts procurement across all centres. Currently, they are selling only to meet financial needs. Seed cotton prices remain lower than the MSP.”

On Friday, seed cotton was priced between ₹1,450 and ₹1,615 per maund of 20 kg, while CCI's MSP stands at ₹1,615 per maund. Higher moisture levels and slow demand have depressed open-market prices. Bhojani noted that seed cotton had moisture levels of 30–40 per cent before Diwali, while cotton seed was sold with about 25 per cent moisture. Ginned cotton traded at 10–11 per cent moisture before the festival. Although traders were buying cotton with certain moisture content, it further reduced both seed and ginned cotton prices. After Diwali, new seed cotton is expected to attract better demand due to lower moisture content.

Traders said cotton arrivals are set to increase in the coming week and could surpass 1 lakh bales within the next two weeks. However, peak arrivals of around 2 lakh bales per day are expected only once CCI begins full-scale procurement. The government agency has started symbolic purchases, which could send a positive signal to the market and keep prices steady. Still, market prices are likely to find real support only when large-scale procurement begins.

Last season, the government agency purchased about one-third of the total crop as market prices remained below the MSP. A similar scenario is expected this year. Cotton prices may improve slightly but are likely to stay under the MSP. Consequently, CCI's procurement could again reach around 100 lakh bales, similar to last year.

Trade sources said CCI has yet to start large-scale procurement despite sufficient arrivals, as it aims to limit purchases. Extensive buying would place a heavy financial burden on the government. The corporation may begin procurement state by state once arrivals intensify across major producing regions.

Source: fibre2fashion.com– Oct 25, 2025

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New CBIC norm eases compliance for importers and customs officials alike

New Delhi: The Central Board of Indirect Taxes and Customs (CBIC) has consolidated 31 separate customs duty notifications into a single comprehensive document, improving compliance clarity for importers and customs officers.

The new notification, effective November 1, retains existing benefits and duty exemptions, organising them into a unified, structured format. Importers, exporters and customs brokers will now need only one notification instead of consulting multiple notifications.

This development, while technical in nature, is expected to improve the ease of doing business by streamlining customs procedures and avoiding duplication or conflicting serial references for businesses.

The notification has omitted, substituted and amended certain obsolete serial numbers for clarity and uniformity.

It carries updated effective agriculture infrastructure development cess (AIDC) rates and tariff references for goods such as tyres, gold, motor vehicles, measuring instruments, toys and aircraft components.

The notification has also revised the definition of 'nominated agency' and added three banks - Yes Bank, Indian Overseas Bank and Union Bank of India - and Handicraft and Handlooms Exports Corporation of India Ltd, MSTC Ltd and Diamond India Ltd as eligible entities for duty-free imports of gold, silver and platinum.

"This is a trade-friendly measure," CBIC said in frequently asked questions (FAQs) posted on its website Saturday. "Instead of referring to 31 separate notifications, the exemptions/concessional rates contained in these 31 notifications are now available in this single notification."

Source: economictimes.com – Oct 25, 2025

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Indonesia imposes safeguard import duties on 27 cotton yarn HS codes

The Indonesian Trade Security Committee (KPPI) recently announced the imposition of safeguard import duties (BMTP) on 27 harmonised system (HS) codes of cotton yarn.

The measure followed a KPPI investigation into specific HS-coded yarn imports initiated at the request of the Indonesian Textile Association (API). The probe found a surge in imports had caused serious losses to the domestic industry.

"The domestic industry that produces cotton yarn has suffered serious losses due to the surge in imports of similar products," said KPPI chairperson Julia Gustaria Silalahi in a statement.

Losses were substantiated by several key indicators, including a decline in production and domestic sales volume, capacity utilisation, productivity and labour, as well as financial performance, according to Indonesian media reports.

The BMTP on the 27 imported goods will be effective for three years—from October 30, 2025, to October 29, 2028. The safeguard duty rate will be applied on a degressive schedule across the three-year period.

During the initial period, from October 30, 2025, to October 29, 2026, the BMTP is fixed at Rp 7,500 per kilogram. In the subsequent second year, spanning October 30, 2026, to October 29, 2027, the duty is adjusted to Rp 7,388 per kilogram.

For the third year, from October 30, 2027, to October 29, 2028, the BMTP is set at Rp 7,277 per kilogram.

Source: fibre2fashion.com – Oct 27, 2025

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GST reset and festive boost drive new growth path for India's apparel market

India's apparel industry has entered a crucial transition phase this festive season, with the Goods and Services Tax (GST) revisions influencing buying patterns and reshaping pricing strategies across brands. While the increase to 18 per cent on garments priced above Rs 2,500 has softened premium sales momentum, the concurrent reduction to 5 per cent for products below this threshold has driven strong traction in the value and mid-premium segments.

According to CRISIL Ratings, organised apparel retail is projected to grow 13-14 per cent in FY25, powered by GST rationalisation and festive demand recovery. The revised tax slabs are expected to lift overall industry margins by around 200 basis points, as lower input costs for cotton, yarn, and synthetic fibres - now uniformly taxed at 5 per cent - improve profitability.

Mid-premium segment becomes the sweet spot

With consumers gravitating toward affordable yet stylish clothing, apparel brands are seeing a clear shift toward the Rs 1,500-Rs 2,499 price bracket.

Sidhant Keshwani, founder and CEO of Libas, says the new tax structure has influenced consumer spending patterns but not overall enthusiasm for festive shopping.

“Customers are seeing good quality assortment below Rs 2,500. They're buying smarter—more pieces that feel premium but still sit within the value segment. Brands that managed to absorb part of the GST transition instead of passing it on are clearly seeing an advantage.”

This focus on “affordable premium” fashion is visible across both online and offline channels. CRISIL's analysis echoes the trend, estimating that nearly two-thirds of organised apparel revenues come from fast-fashion and mid-premium segments that now benefit from the lower 5 per cent GST rate.

Virgio bets on value, versatility, and longevity

For digital-first fashion platform Virgio, the GST reset has reinforced its positioning around versatile, sustainable fashion.

Amar Nagaram, co-founder and CEO of Virgio, explains: “The 18 per cent GST on garments above Rs 2,500 has certainly softened momentum for premium and occasionwear. But the appetite for quality hasn’t vanished—it’s shifting toward smarter buying decisions like limited-edition drops and versatile pieces.”

He adds that consumers are now prioritising “cost-per-wear value” and sustainability over impulse festive spending.

“We’re seeing growing interest in the Rs 1,500-Rs 2,499 range, where products still feel premium but stay below the tax threshold. Our circular initiatives are also gaining traction as customers explore resale and second-life fashion to offset rising costs.”

Virgio has implemented a dynamic pricing strategy, with its AI-driven TESLA system forecasting demand to avoid overproduction and protect margins amid the changing tax environment.

Lifestyle India sees balanced growth across segments

While the mid-premium segment is thriving, the premium category has also held its ground, indicating that higher-income consumers remain relatively insulated from tax changes.

Devarajan Iyer, executive director and CEO of Lifestyle India, told ETRetail that the GST reform has had a largely positive impact on the company’s festive performance.

“Our festive buying period began around September 22, and we have seen very strong double-digit growth since then. The GST reduction on products up to Rs 2,500 has spurred consumption. On the premium side, a Rs 400-Rs 500 difference on a Rs 7,000 product doesn’t alter buying behaviour.”

Lifestyle India continues to invest in a tier-2 and tier-3 city expansion, with plans to open 10-14 new stores this fiscal.

“Nearly 60 per cent of our business still comes from metro markets, but the next wave of growth is clearly coming from emerging towns. We’re also seeing steady momentum in online sales, which currently contribute around 6 per cent but are targeted to reach 10 per cent over the next two years,” Iyer adds.

Lifestyle’s 90-95 per cent domestic sourcing and integrated supply chain have allowed it to navigate cost fluctuations efficiently, ensuring stability across product lines.

Spykar focuses on operational efficiency

Denim brand Spykar has also adjusted to the GST shift by rethinking its pricing and channel strategies to maintain velocity without compromising quality.

Spykar Lifestyle's co-founder and CEO Sanjay Vakharia said the company is leveraging analytics to align assortments across its retail and online channels.

“The festive season has shown healthy demand recovery, especially in youth fashion. We have focused on optimising our supply chain and balancing price points to cater to both aspirational and value-conscious shoppers. Efficient sourcing and domestic production are helping us maintain profitability despite the GST changes,” Vakharia explained.

Industry-wide shift: Smart pricing, tier-2 growth, and digital agility

CRISIL’s latest release on organised apparel segment highlights that while the higher GST on premium apparel may temporarily temper growth in the top-tier segment, brands with balanced portfolios across price bands will continue to outperform.

The key differentiators, according to analysts, are - smart product architecture; wider channel mix; and operational agility.

With cotton and man-made fibres taxed uniformly, input costs have become more predictable, giving retailers better control over pricing and inventory management.

Festive demand signals strong momentum ahead

Industry executives agree that the festive season's performance has validated the underlying strength of consumer sentiment. While shoppers are becoming more price-conscious, they are not shying away from purchases that combine design appeal, quality, and versatility.

The extended festive calendar, beginning late September and running through Diwali, has further boosted momentum. Retailers across categories report double-digit growth compared to last year, aided by early promotions, omnichannel strategies, and higher digital engagement.

Outlook: Steady double-digit growth

CRISIL projects that the organised apparel sector's margins will improve to 14-14.5 per cent in FY25 from about 14 per cent last year, driven by lower raw material costs and efficient inventory management.

The overall narrative, therefore, remains constructive: India's apparel market is resetting, not slowing.

With a similar take on its growth, Lifestyle's Iyer shared, "The GST reform has created more balance across categories. As we expand into new geographies and enhance digital presence, we are confident of sustaining double-digit growth over the next few years."

Source: economictimes.com – Oct 27, 2025

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