IBTEX No. 134 of 2025 October 29, 2025

Currency Watch			
USD	EUR	GBP	JPY
88.27	102.77	116.99	0.58

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INTERNATIONAL NEWS

ASEAN, China Update Free Trade Accord to Counter Impact of US Tariffs

In the wake of hefty tariffs levied by the United States that have bruised global supply chains, China and the Association of Southeast Asian Nations (ASEAN) have solidified their own free trade pact aimed at deepening cooperation and reducing reliance on the American export market.

Signed on the sidelines of the 47th ASEAN Summit in Kuala Lumpur by China's commerce minister Wang Wentao and Malaysia's investment, trade and industry minister Tengku Zafrul Azizin in a ceremony attended by Chinese Premier Li Qiang and Malaysian Prime Minister Anwar Ibrahim on Tuesday, the plan upgrades an existing framework in an effort dubbed the China-ASEAN Free Trade Area 3.0 Upgrade Protocol.

With U.S.-bound exports from China dwindling due to tariff strain and uncertainty about how a potential trade agreement will shake out, regional trade between Asian nations has blossomed.

China and ASEAN—the trade bloc which includes Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Brunei and Vietnam—have been each other's biggest trading partners for five years in a row, and the bilateral exchange of goods is only growing.

During the first three quarters of 2025, China's trade with ASEAN amounted to about $785 billion, up 9 percent from the same period last year, according to China's State Council. Bilateral trade reached $771 billion last year, ASEAN government statistics showed.

Premier Li on Tuesday delivered an address at the ASEAN Summit urging China and ASEAN to join forces to resist or fend off "external disruptions"—a thinly veiled dig at fluctuating U.S. trade protocols that have upended supply chains and the regular flow of commerce.

The protocol agreed upon this week strengthens the existing 2026-2030 Plan of Action to Implement the ASEAN-China Comprehensive Strategic Partnership, Li said. By uniting through his framework, the nations will better be able to defend their rights and interests, increase trade, make strategic collaborative investments and integrate industries, he added, according to China's official state media outlet, Xinhua.

The trade element of the plan is well underway. Currently under construction, Malaysia's East Coast Rail Link is expected to highly enhance regional connectedness by bridging the distance between key cities and linking up existing railways along the corridor, which includes the 10-mile Genting Tunnel.

Meanwhile, Indonesia's Jakarta-Bandung High-Speed Railway and the China-Laos Railway are already facilitating the movement of goods under China's Beld and Road Initiative, which the country's government said had reduced the cost of transportation and logistics.

The next phase of collaborative investment will be sky-bound. An air cargo partnership between ASEAN and China known as the Zhengzhou-Kuala Lumpur "Air Silk Road" will reportedly streamline cross-border logistics and e-commerce between China and Malaysia.

"ASEAN must seize this opportunity. This is why I encourage our logistics companies, especially local airlines and ground handling companies, to be more proactive in connecting with partners in the ASEAN region, consolidating more ASEAN products for export to China," Malaysian Transport Minister Anthony Loke Siew Fook said, according to a memo from China's State Council.

Outside of trade, China and ASEAN plan to work together to expand industrial supply chains for automotives, including electric vehicles and batteries, technology and green energy.

China and ASEAN have a history of working together in such capacities, as both are members of the world's biggest trade bloc, known as the Regional Comprehensive Economic Partnership (RCEP), which spans about 30 percent of global gross domestic product. While the ASEAN Summit was taking place earlier this week, Malaysia also hosted its first RCEP Summit in five years.

China's talks with ASEAN this week ended with a signed memorandum, but negotiations with the U.S. are continuing to heat up in anticipation of a sit-down between President Donald Trump and Chinese President Xi Jinping.

Trade officials from both sides met over the weekend to establish a framework for the deal, which is expected to be finalized by Trump and Xi on Thursday. In it, according to the Wall Street Journal, is a potential commitment by the U.S. to roll back certain tariffs if China addresses the export of fentanyl and chemical precursors to the U.S. market.

Sources familiar with the state of negotiations told the outlet that China's government is expected to enact more controls over the manufacturing and sale of such compounds, and in return, Washington plans to walk back up to 10 percent of the 20 percent tariff currently in place due to fentanyl. China's tariff rate, currently the highest of any U.S. trade partner at 55 percent, would come down to 45 percent—lower than Brazil and India.

Treasury Secretary Scott Bessent has repeatedly expressed confidence that ratification of a trade deal through an amicable tete-a-tete between Trump and Xi will help avoid the imposition of 100 percent tariffs threatened by the American president earlier this month over China's export controls.

"I believe that we have the framework for the two leaders to have a very productive meeting for both sides," Bessent said on "Meet the Press" on Sunday. Even should a productive deal be reached with China, the bulk of Trump's tariffs, imposed using the International Emergency Economic Powers Act (IEEPA) could be unraveled in the coming weeks. On Nov. 5, the Supreme Court will hear oral arguments in the case against the president and his tariff regime. On Tuesday, the seven small businesses—led by toy company Learning Resources—announced that they had chosen a lawyer to represent them in court next week.

Neal Katyal of international law firm Millbank LLP was appointed to the role following a coin flip and "a few days of discussion between the parties," CEO of Learning Resources Rick Woldenberg said. "We are honored to be represented by Neal at this important moment in the case, and are putting all our energy into preparing for the hearing in Nov. 5th."

Katyal served as an acting solicitor general for the Obama administration and earlier this year worked on another challenge to Trump's tariffs led by wine and spirits distributor V.O.S. Selections. That case was later combined with the Learning Resources case.

Source: sourcingjournal.com– Oct 28, 2025

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From China to Cambodia: Panther Denim's Big Leap in Manufacturing

Is there ever a perfect moment to dive into a $100 million-plus investment?

That was the pressing question facing Chinese denim giant Panther Denim as it searched for the ideal location for its second manufacturing hub.

Later this year, the company will begin trial pilots at first fully-owned factory outside of China near Phnom Penh, the capital of Cambodia. Designed with a focus on renewable energy, recycling and a closed-loop waste system, Panther plans to increase capacity to similar levels as its China factory—3 million yards of PFD and 5 million yards of denim per month—by the end of 2026.

After a short-lived joint venture with a partner in Vietnam, Panther set out to establish a fully owned and operated facility that would allow total control over its supply chain from fiber to final fabric. With competitors manufacturing across multiple countries and clients actively diversifying their sourcing strategies, the company recognized that delaying expansion could lead to greater challenges down the road. However, the company couldn't have predicted taking that leap during a period of global trade upheaval ignited by President Trump.

Panther continued with its investment despite tariffs on Cambodian exports to the U.S. rising to 49 percent earlier this year. "Honestly speaking, everyone probably had panic days," said Tim Huesemann, sales director at Panther Denim. The temperature has cooled, he added, as recent negotiations brought the rate down to 19 percent.

"Our biggest external pressure is geopolitical risk, which has created market instability and made it harder for buyers to make long-term decisions. However, we believe our expansion in Cambodia will help mitigate this risk by offering a more diversified and resilient sourcing option for brands," he said.

Situated in a fully operating industry zone close to the Vietnam border, the new automated facility is designed to serve as a one-stop solution for brands seeking China-level quality from an alternative manufacturing hub. "We have to be honest," Huesemann said. "Right now, everyone is pulling out of China as much as they can. We acknowledge this move by offering a different CO [country of origin].”

Clients are requesting a “strong cost option collection” out of Cambodia. “They want something very cost-competitive,” Huesemann said. He noted that while innovation remains important, it may take a backseat as brands adapt to newly imposed tariffs. “That’s the sad story of innovation.”

Innovation—from new fibers to sustainable dyes—will continue to come from China and be duplicated in Cambodia. Solar energy will power the entire operation. Huesemann added the same staff will oversee processes in both sites.

“We believe we will be in a good position to serve different markets from both locations,” he said, adding that some markets are fine with producing in China. Approximately two-thirds of Panther’s export business comes from the U.S. However, Huesemann said the share is “much less” when considering total sales, which include the company’s substantial domestic business in China.

Huesemann emphasized that Panther is not shifting business from China to build up Cambodia. “We are increasing our capacity all over because we see the demand for our product, but we also hear the demand to have a second CO,” he said.

Panther sees significant growth potential in Cambodia, particularly as Vietnam reaches capacity and brands begin to shift focus away from Bangladesh. “Cambodia is somehow underrated in terms of fabric. We will be the first mill operating in Cambodia, so this will help local garment makers source local fabrics,” he said.

Additionally, brands that manufacture garments in neighboring Vietnam can obtain fabrics faster and save on transportation costs.

Panther’s expansion marks a rare moment in the industry. While its not uncommon for companies to establish new garment factories, new mills are more challenging. With nearly 40 years of experience, Huesemann says the company is uniquely positioned to leverage its deep industry knowledge in a completely new setup powered by the latest technology.

"I'm very honored to be part of the Panther family, and to be able to show our strength from another location," he said, adding that Cambodia and new colleagues to exchange ideas with will bring a new spirit to the company overall. "We dive into Chinese techniques a lot of times, and now we can dive into the Cambodian way. And I think it will be very interesting to see something new."

Source: sourcingjournal.com– Oct 28, 2025

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China's railway freight volume climbs 3.4% in Jan–Sept 2025

China's national railways transported about 3.03 billion tonnes of cargo in the first nine months of 2025, marking a 3.4 per cent year-over-year (YoY) increase, according to the China State Railway Group Co Ltd. The company said transport of essential goods was prioritised, supported by 'green channels' for coal, smelting materials, and grain.

From January to September, coal shipments reached 1.553 billion tonnes, including 1.056 billion tonnes of thermal coal for power generation.

The transport of smelting materials and grain rose 9.4 per cent and 10.8 per cent YoY, respectively, reflecting sustained demand and efficient logistics across key sectors, said Chinese media reports.

Source: fibre2fashion.com– Oct 29, 2025

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EU proposes measures for EUDR implementation

The European Commission has proposed targeted measures and simplifications for the implementation of the EU Deforestation Regulation (EUDR) to reduce the administrative burden on certain companies and ensure the smooth function of the new IT system.

These proposed changes are currently being discussed by the European Parliament and the Council, but the key measures include:

The Commission's proposal focuses on streamlining requirements for actors further down the supply chain and for smaller primary producers.

Only the first operator placing a product on the EU market would be obliged to submit a Due Diligence Statement (DDS) into the EUDR IT system. This means downstream operators and traders (like retailers or manufacturers who process the product further) would no longer need to submit a separate DDS, significantly simplifying the process for them. They would still need to collect and pass on the reference numbers.

Micro and small primary operators from countries classified as low-risk would only need to submit a simple, one-off declaration into the IT system, replacing the need for regular, full DDS submissions. This primarily benefits small EU farmers and foresters. To ensure the EUDR Information System can handle the anticipated load and to allow companies more time to prepare, the Commission proposed transitional periods. For large and medium enterprises, the application date remains December 30, 2025. However, they will benefit from a six-month grace period for checks and enforcement, meaning enforcement measures would not begin until June 30, 2026.

For micro and small enterprises, the application date is postponed by one year, with obligations applying from December 30, 2026 (instead of the previously set June 30, 2026). These targeted adjustments are designed to maintain the core objective of the EUDR—to keep products linked to deforestation off the EU market—while making compliance more manageable and efficient.

Source: fashionatingworld.com– Oct 27, 2025

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Sri Lanka reports modest growth in apparel exports during September 2025: JAAF

Sri Lanka's apparel exports saw modest year-over-year growth in September 2025, as per a report by the Joint Apparel Association Forum (JAAF). This rise was driven by stronger sales in the European Union (EU) and other markets, which compensated for declines in shipments to the United States (US) and the United Kingdom (UK).

While the monthly figures were lower than those for August, exports for September 2025 reached increased by 1.58 per cent to $403.01 million, compared to $396.73 million in September 2024. Exports to the US declined by 4.71 per cent while those to the UK lowered by 15.06 per cent.

Meanwhile exports to the EU increased by 10.75 per cent with shipments to other destinations rising by 19.49 per cent

Total apparel exports from January to September 2025 increased by 6.83 per cent to $3,798.25 million as against $3,555.54 million recorded during the same period in 2024.

Exports to the US grew by 1.73 per cent to $1,461.02 million. The EU (excluding the UK) recorded strong growth of 14.24 per cent, reaching $1,173.21 million. Exports to the UK rose by 2.31 per cent to $533.73 million while exports to other markets expanded by 10.45% to $630.29 million.

Demand in some traditional markets remains inconsistent, Sri Lankan exporters have shown ‘remarkable adaptability through efficiency, innovation, and market diversification, notes. JAAF. The positive cumulative growth highlights the strength and competitiveness of Sri Lanka’s apparel sector even amid global headwinds, states the association

The JAAF reaffirmed its commitment to collaborating with the Government of Sri Lanka and other industry stakeholders to align policies, support small and medium manufacturers, and maintain the industry's status as a reliable, ethical, and future-ready sourcing destination.

Source: fashionatingworld.com– Oct 26, 2025

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New Zealand's apparel imports up 3.77% in Jan-Sept 2025

New Zealand's apparel imports grew 3.77 per cent year on year to NZ$1,558.44 million (~$894 million) in the first nine months of 2025, according to Stats NZ, the country's official statistics agency. This marks a moderate uptick compared with the 2.81 per cent rise recorded up to August 2025, reflecting a gradual recovery in apparel trade driven by improved consumer confidence, steady retail sales, and restocking by fashion retailers after subdued demand earlier in the year.

Cumulative imports for January–September 2025 under Chapters 61 and 62—covering knitted/crocheted and woven apparel, respectively—were higher than the NZ$1,478.36 million imported during the same period of 2024.

Within this total, imports under Chapter 61 grew 4.1 per cent to NZ$809.49 million (~$466 million), while Chapter 62 rose 3.4 per cent to NZ$723.12 million (~$416 million). The stronger growth in knitted apparel reflects the shift towards comfortable, casual, and athleisure wear, which continues to dominate consumer spending patterns post-pandemic.

Imports of textile fabrics (Chapter 60) continued to expand at a faster pace, climbing 3.2 per cent to NZ$25.83 million, compared with NZ$25.04 million in 2024.

The category's steady growth underscores ongoing demand for knitted and woven fabrics used in domestic apparel manufacturing and retail supply chains. Local garment makers have been increasingly sourcing specialty and performance fabrics to meet evolving fashion trends and sustainability expectations.

In September 2025, monthly apparel imports totalled NZ$190.13 million, up 4.3 per cent year on year from NZ$182.16 million in September 2024. Imports under Chapter 61 rose 9.3 per cent to NZ$99.80 million, while Chapter 62 slipped 1.7 per cent to NZ$90.33 million.

Textile fabric imports under Chapter 60 climbed 28.6 per cent to NZ$4.83 million, buoyed by higher demand for knitted materials. The September surge likely reflects pre-holiday inventory building by retailers and replenishment of spring–summer collections ahead of the peak shopping season.

Despite modest value growth, total import volumes for HS 60–62 fell by nearly 5.6 per cent compared with last year, indicating a rise in average import prices. Analysts attribute this trend to higher sourcing costs, currency fluctuations, and a greater share of premium-quality apparel imports from major suppliers such as China, Bangladesh, Vietnam, India, and Australia. Inflationary pressures in key sourcing markets, higher freight rates, and a weaker New Zealand dollar also contributed to elevated landed costs.

With imports already exceeding NZ$1.55 billion in the first nine months, New Zealand's apparel trade is expected to match or slightly surpass 2024's full-year level of NZ$2.02 billion, reflecting stable consumer demand heading into the final quarter. Retailers are cautiously optimistic that seasonal promotions and steady economic conditions will sustain apparel inflows through the year-end.

Source: fibre2fashion.com– Oct 29, 2025

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ITMA ASIA + CITME 2025 returns to Singapore after 20 years

The region's leading textile machinery exhibition ITMA ASIA + CITME, Singapore 2025 opens today at the Singapore Expo. The ceremony was officiated by Mr Alvin Tan, Minister of State, Ministry of Trade & Industry and Ministry of National Development, Republic of Singapore.

The four-day exhibition has attracted the participation of major textile machinery brands from around the world. Over 840 exhibitors from 30 countries and regions are showcasing their latest technologies and solutions to trade visitors from Asia's leading textile and garment manufacturing hubs.

Occupying over 70,000 square metres of gross space, the exhibition features 19 product sectors, covering the entire textile and garment manufacturing value chain. Spotlighting solutions that advance sustainability, digitalisation and productivity, exhibits range from spinning, weaving and knitting to garment making, textile processing to automation, recycling and other products and services.

Owned by CEMATEX (the European Committee of Textile Machinery Manufacturers), ITMA ASIA returns to Singapore after 20 years. It was first held at the Singapore Expo in 2001 and repeated in 2005. Combined with CITME, a textile machinery exhibition owned by the China Textile Machinery Association (CTMA) and The Sub-Council of Textile Industry, CCPIT TEX since 2008, the combined exhibition is staged outside of China for the first time.

"This Singapore edition marks a new milestone for ITMA ASIA + CITME. By bringing the latest machinery and digital solutions closer to growth markets across South and Southeast Asia and the Middle East, our aim is to offer a trusted platform for mill owners to source cutting-edge technologies that support operational modernisation and long-term competitiveness, particularly in advancing sustainability," said Mr Alex Zucchi, President of CEMATEX.

Mr Gu Ping, President of CTMA added, "Amid a new wave of digital revolution, the global textile and textile machinery sectors now stand at the forefront of strategic transformation. As a premier platform on textile machinery, the exhibition not only showcases end-to-end solutions but acts as a bridge for efficient business collaboration across the supply chain."

For regional textile machinery buyers in the region, ITMA ASIA + CITME, Singapore 2025 provides a strategic platform to source for cost-effective technologies that boost operational performance while ensuring compliance with sustainability standards and regulations.

Exhibiting countries

CEMATEX countries and China, both of which have robust textile machinery sectors, have strong presence on the show floor. Their exhibitors take up almost 70% of the exhibit space. A total of 281 exhibitors from the nine CEMATEX countries booked over 38% of the net exhibit space. From among CEMATEX countries, Italy fields the largest contingent of 98 exhibitors, followed by Germany and Switzerland. Chinese exhibitors totalling 310 book 30% of the exhibit space. From the rest of the world, India tops the list with 87 exhibitors.

Top product sectors

Of the 19 product sectors, finishing is the largest sector with 184 exhibitors; it occupies 22% of the exhibit space. The second biggest sector is spinning (167 exhibitors with 19% of exhibit space).Other prominent sectors are knitting (99 exhibitors, 15% of exhibit space), weaving (80 exhibitors, 11% of exhibit space) and printing (56 exhibitors, 10% of exhibit space). According to the show owners, many of the exhibits will spotlight solutions in circularity, resource efficiency, waterless processing, and renewable energy integration as the goal is to help Asian manufacturers move beyond volume-driven growth to embrace sustainable, impact-driven competitiveness.

ITMA ASIA + CITME, Singapore 2025 is organised by ITMA Services and co-organised by Beijing Textile Machinery International Exhibition Company. Held alongside the exhibition is the ITMA Sustainability Forum: Accelerating the Green Transition. Taking place on 30 October, it is a half-day forum presented by CEMATEX with Singapore Fashion Council as the Programme Partner.

Source: fibre2fashion.com– Oct 28, 2025

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ICE cotton futures rise on weaker US dollar, trade deal hopes

ICE cotton futures continued to rise yesterday amid a weaker US dollar and optimism over a possible trade deal. However, trade tensions persisted, and with the US government shutdown entering its fourth consecutive week, the release of key reports, including the USDA's World Agricultural Supply and Demand Estimates (WASDE), has been delayed, slowing information flow.

ICE December cotton futures settled at 64.56 cents per pound, up 0.36 cent. The contract has recorded a cumulative gain of 82 points over the last three trading sessions. Other contracts also settled higher, ranging between 5 and 36 points in the previous session.

Total trading volume on ICE was reported at 52,963 contracts, indicating active market participation. Cleared contracts on the previous Friday stood at 31,106, reflecting moderate settlement activity before the weekend. The average daily volume for the previous week was 34,799 contracts, showing an increase in the current week's trading levels.

ICE data showed that, as of October 24, 2025, the deliverable No. 2 cotton contract inventory stood at 17,552 bales, unchanged from the previous day's level.

The US dollar weakened against both the euro and the Australian dollar on Monday, as optimism over a potential trade deal boosted risk appetite and reduced demand for the greenback. A weaker dollar makes dollar-denominated cotton cheaper for holders of other currencies, providing additional export competitiveness for US cotton.

Market participants noted that optimism over a potential trade deal involving agricultural commodities is lending renewed support to cotton futures. Analysts said that all indicators point to a trade deal that includes agriculture, which would be a major positive for cotton demand.

However, ongoing trade tensions between major economies continue to weigh on the broader demand outlook for cotton despite the improving sentiment.

On the Chicago Board of Trade (CBOT), soybean futures rose to a four-month high on Monday, as traders anticipated that China might soon resume purchasing US farm products.

Meanwhile, the ongoing US government shutdown, now in its fourth week, has delayed the release of several key economic and agricultural reports, including the USDA's WASDE, further slowing cotton market information flow.

As of this morning (Indian Standard Time – IST), ICE December 2025 cotton was trading at 64.73 cents per pound (up 0.17 cent), cash cotton at 62.06 cents (up 0.36 cent), the March 2026 contract at 66.18 cents (up 0.11 cent), the May 2026 contract at 67.43 cents (up 0.13 cent), the July 2026 contract at 68.55 cents (up 0.10 cent), and the October 2026 contract at 68.31 cents (up 0.21 cent). A few contracts remained unchanged from their previous closing levels, with no trades recorded so far today.

Source: fibre2fashion.com– Oct 28, 2025

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Vietnam's FDI soars to 5-year high of $28.54 bn in Jan-Sep 2025

Vietnam's foreign direct investment (FDI) surged to $28.54 billion in January to September 2025, marking a 15.2 per cent year-over-year (YoY) increase—the highest in five years—according to the General Statistics Office (GSO) under the Ministry of Finance. The figure includes newly registered, adjusted, and contributed capital, underscoring the continued confidence of foreign investors, particularly small and medium-sized enterprises.

During the nine-month period, 2,926 new projects were licensed, up 17.4 per cent from a year earlier, though newly registered capital dipped 8.6 per cent to $12.39 billion. Disbursed FDI stood at $18.8 billion, also the highest in five years, reflecting investors' sustained trust in Vietnam's economic prospects and business environment.

Nguyen Anh Tuan, deputy director general of the Foreign Investment Agency, highlighted the importance of strengthening linkages between the foreign-invested and domestic private sectors. He added that the implementation of Resolution 50 on foreign investment orientation would continue to prioritise efficiency and quality, targeting double-digit growth between 2026 and 2030, according to Vietnam's media reports.

Ho Chi Minh City led the nation in FDI inflows, followed by Bac Ninh and Hanoi. The southern city, along with Binh Duong and Ba Ria–Vung Tau, recorded $4.4 billion in new and adjusted capital—96.4 per cent of last year's level and 118 per cent of its annual target. City chairman Nguyen Van Duoc said large-scale projects such as the IFC International Transshipment Port and the coastal Smart City would spur new waves of development and reinforce Ho Chi Minh City's ambition to become an international financial hub. In the north, Bac Ninh province attracted over $4.7 billion, accounting for 16.8 per cent of total FDI, followed by Hanoi with $3.8 billion. Provincial chairman Vuong Quoc Tuan said the focus remains on fostering innovation, streamlining administrative processes, and building sustainable supply chains.

Source: fibre2fashion.com– Oct 28, 2025

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36 apparel factories in Bangladesh earn LEED certifications in 2025

A record 36 apparel factories in Bangladesh have earned international environmental compliance certifications this year, surpassing the previous high of 30 certifications awarded in 2022.

Twenty two factories have received the highest-level ‘LEED platinum’ certification this year, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The LEED certifications are awarded by the US Green Building Council (USGBC) under its globally-recognised Leadership in Energy and Environmental Design (LEED) system.

Bangladesh now has a total of 268 LEED-certified garment factories. Among these, 114 are platinum factories, 135 gold, 15 silver and four certified factories, domestic media outlets reported.

Sixty eight of the world’s top 100 highest-rated LEED-certified factories are located in Bangladesh.

Source: fibre2fashion.com– Oct 28, 2025

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Pakistan & Bangladesh agree to strengthen bilateral cooperation

Following the 9th Joint Economic Commission (JEC) meeting between Pakistan and Bangladesh yesterday in Dhaka, both nations agreed to strengthen bilateral and regional cooperation across key sectors like trade, agriculture, information technology, energy and connectivity.

The meeting was the first in two decades.

Finance adviser Salehuddin Ahmed led the Bangladesh delegation, while the Pakistani side was headed by Petroleum Minister Ali Pervaiz Malik.

Ahmed said designated focal points will be set up in ministries, including those of civil aviation and maritime affairs, to follow up on aviation, shipping and logistics cooperation.

"These are mainly MoUs that have been signed, and the respective ministries will now take them forward," he was quoted as saying by domestic media reports.

The current trade volume between the two countries is below $1 billion.

Both sides expressed optimism that the revived JEC platform would help unlock new opportunities and deepen bilateral and regional economic ties in the coming years.

Source: fibre2fashion.com– Oct 28, 2025

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NATIONAL NEWS

DGFT allows self-declaration of origin under India–EFTA trade pact

The commerce ministry's arm DGFT on Tuesday said it has amended a provision to facilitate domestic exporters to obtain the Certificate of Origin (CoO) under the India-EFTA free trade agreement, through self-declaration.

The pact was implemented on October 1.

A certificate of origin is a key document required for exports to those countries with which India has trade agreements.

An exporter has to submit the certificate at the landing port of the importing country. The document is important to claim duty concessions under free trade agreements. This certificate is essential to prove where the goods come from.

A paragraph of the Handbook of Procedures 2023 "has been amended to facilitate exporters to obtain the CoO under the India-EFTA Trade and Economic Partnership Agreement (TEPA) through self-declaration, in addition to the existing system of issuance of CoO by the authorised agencies," the Directorate General of Foreign Trade (DGFT) said in a public notice.

Source: thehindubusinessline.com– Oct 28, 2025

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India plans cost roadmap to regain textile edge over Bangladesh, Vietnam, China

New Delhi: India is preparing a comprehensive cost roadmap for the textiles sector to align it with global benchmarks, as the country loses ground to rivals such as Bangladesh, Vietnam and China on price competitiveness. A short-term plan for two years, a medium-term plan for five years and a long-term plan would be part of the roadmap with focus on mapping cost structures across raw materials, compliances and taxation.

Besides expensive raw materials, India's textile sector faces cost disadvantages compared to competitors such as Bangladesh, Vietnam, and China due to high logistics and energy costs.

"The idea is to benchmark India's costs against key global competitors and work on measures to lower the production and export costs and reduce wastage in manufacturing," said an official. India is eyeing $100 billion of textile exports by 2030 from the current level of around $40 billion.

Both Bangladesh and Vietnam have better labour productivity, more flexible labour laws, access to duty free raw materials from many parts of the developed world and duty-free access to Europe. Vietnam also has access to China market duty free while Bangladesh has a wage advantage over India.

Labour productivity in India's competitors is 20-40% higher, industry insiders said. As part of the exercise, the textile ministry will also work on mechanisms to strengthen research and development in fibres, fabrics, technical textiles, sustainable materials and digital traceability.

It has set up a committee to look at ways to integrate innovation into branding and design for global markets and encourage incubation of start-ups and design houses focusing on new-age textiles. "Extensive consultations with industry associations, banks, innovation labs, start-ups and international experts would be done," said the official.

India's textile and apparel exports rose 0.39% year-on-year in the first half of FY26. "Removing Quality Control Orders, labour law rationalisation and a free trade agreement with Europe will help reduce costs in a major way," said Sanjay Jain, chairman, Indian Chamber of Commerce, National Expert Committee on Textiles.

The Economic Survey FY25 said that the costs for the textile industry are likely to rise over the coming years, driven by a global structural shift towards sustainable sourcing.

Source: thehindu.com– Oct 27, 2025

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Industrial growth remains steady at 4% in September, supported by manufacturing sector

The Government on Tuesday reported that growth of factory output, based on Index of Industrial Production (IIP), recorded 4 per cent in September, similar to August print. Growth in the said month was mainly on account of improved performance of manufacturing sector.

The latest National Statistics Office (NSO) data showed that the manufacturing sector's output expanded by 4.8 per cent in September 2025 against 4 per cent in the year-ago month. Mining production contracted by 0.4 per cent against a growth of 0.2 per cent recorded a year ago. Power production rose by 3.1 per cent in September 2025 against 0.5 per cent expansion in the year-ago period.

During the April-September period (H1) of FY26, the country's industrial production grew by 3 per cent compared to 4.1 per cent in the first half of 2024-25.

Within the manufacturing sector, 13 of 23 industry groups recorded positive growth in September 2025 compared with September 2024. As per the use-based classification, the capital goods segment grew 4.7 per cent in September 2025, up from 3.5 per cent in the year-ago period.

Rajni Sinha, Chief Economist at Care Ratings said that the improvement in growth of consumer durables is encouraging, given that GST rationalisation, income tax reductions, and easing inflation have created a favourable environment for consumption.

Among other components, the sustained healthy momentum in growth of infrastructure and construction goods, seen at 10.5 per cent in September (Vs 10.4 per cent in August) has supported the overall IIP growth. "While there has been a sustained push from the government for capital expenditure, the pick-up in private capex remains to be monitored," she said.

"The momentum in industrial growth, particularly in manufacturing and construction-related segments, indicates improving domestic demand and rising capacity utilization amid continued policy support coupled with tax rationalization measures such as targeted GST reduction," said PHDCCI's Secretary General and CEO, Ranjeet Mehta.

According to, Aditi Nayar, Chief Economist at ICRA, overall, the combination of GST rate rejig, pent-up demand and the early festive onset appears to have boosted demand in September-October 2025, which is expected to augur well for the growth in manufacturing output in October 2025 as well. “While the GST rationalisation may support demand for regular-use/smaller ticket items post the festive season, the sustenance of the buoyancy in demand for big-ticket items remains to be seen,” she said.

However, Sinha has some word of caution. “We expect global headwinds arising from tariff-related uncertainties to persist. Going forward, the interaction between domestic developments and external factors will play a crucial role in shaping the trajectory of overall industrial activity in the economy,” she said.

Source: thehindubusinessline.com– Oct 28, 2025

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India-EU FTA talks productive, have narrowed gaps, says Commerce Minister Piyush Goyal

New Delhi: Commerce and industry minister Piyush Goyal Tuesday said his talks with the EU have "significantly reduced our outstanding issues" and laid the foundation for a robust and balanced agreement.

The minister was on a visit to Brussels and met European commissioner for trade and economic security MaroS Šefcovic on the proposed India-EU free trade agreement (FTA).

"The efforts of our teams have been truly commendable. I look forward to welcoming my friend MaroS Šefcovic and the EU team again soon, as we work together to bring this dialogue to fruition," Goyal said after concluding his visit, which he described as "intense but productive".

Goyal's visit follows the conclusion of the 14th round of talks between the two sides from October 6 to 10. The negotiating teams of the two sides are making good progress and an EU delegation will visit here next week to further iron out differences for an early conclusion of the proposed FTA.

Addressing the media in Brussels after the talks, Šefcovic said European Commission director general for trade Sabine Weyand will visit New Delhi next week with a view to concluding the technical tariff negotiations.

"I very much appreciate that we engage in full transparency and trust, and we've been able, with this spirit, to also catch up on the more sensitive issues, even though, of course, further work is required, and I am glad to report that we've been able to progress substantially across a number of areas," Šefcovic said while terming the discussions "very constructive".

Goyal said the three-day talks have significantly reduced the outstanding issues. "We look forward to the European Union team coming next week. And I too look forward to meeting my good friend and brother MaroS Šefcovic in the next two or three weeks, very soon to take this to fruition," Goyal said.

He added that a robust and balanced agreement will support businesses in Europe and in India.

"I believe the ongoing India-EU FTA negotiations has given us an opportunity to really create the framework which will help us, in the long run, bring our two economies closer together, integrate them into a relationship which will be a win, win for the European Union and for India," Goyal said.

Goyal to meet exporters today

Commerce and industry minister Piyush Goyal will meet exporters Wednesday as India and US move closer to conclusion of a bilateral trade agreement (BTA).

Impacted by the US' 50% tariffs, exporters are likely to seek a faster rollout of the Export Promotion Mission, measures to ease liquidity and suspension of classification of exporter accounts as non-performing assets (NPAs) for a year to shield their creditworthiness from disruptions.

Source: economictimes.com– Oct 29, 2025

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New markets, new factories, India's apparel industry looks to Africa

In the quiet industrial corridors of Ethiopia's Hawassa Industrial Park, rows of sewing machines with local workers assemble garments destined for global retail shelves, many of them carrying 'Made in Ethiopia' tags, but backed by Indian capital, expertise, and supply chains. This scene captures a profound shift underway in India's apparel export story.

Confronted by rising costs, tariff headwinds, and intensifying competition from regional rivals, a growing number of Indian textile and garment exporters are looking beyond traditional manufacturing hubs and planting roots in East Africa.

From KPR Mills and Raymond to Arvind and Gokaldas Exports, Indian firms are exploring or expanding their African footprint, drawn by lower labor costs, preferential trade agreements, and investor-friendly industrial ecosystems. The move signals a new phase in India's textile evolution one that blends pragmatism with strategic foresight.

Shrinking margins and global trade shifts

For decades, India has been one of the world's largest apparel exporters, supplying to retail giants like H&M, Zara, and Gap. Yet, in recent years, its competitive edge has dulled. The country's labor costs have nearly doubled over the past decade, with average monthly wages in apparel clusters such as Tirupur and Bengaluru reaching $130-$150.

In contrast, Ethiopian workers earn as little as $60 a month a gap that can decisively alter margins in a price-sensitive global market. "Cost efficiency is no longer a matter of operational discipline it's a matter of survival," says an apparel industry executive based in Coimbatore.

Adding to the strain are tariff disadvantages. Bangladesh, India's closest competitor, enjoys duty-free access to the European Union and the US through trade agreements like the EU's GSP+ and the US GSP. Indian exporters, by contrast, face duties as high as 10-28 per cent, which erode competitiveness.

The situation worsened in 2025, when the US imposed a 50 per cent tariff on apparel imports from India, a move that sent shockwaves across the industry. Sivaramakrishnan Ganapathi, Managing Director of Gokaldas Exports was quoted saying in Bloomberg "If these duties stay, we have no choice but to look elsewhere."

Domestic inefficiencies have compounded the challenge. Despite policy efforts, exporters cite slow incentive disbursement, inconsistent power supply, and labor attrition as major bottlenecks. "Factories often take two years to reach even 50 per cent utilization," notes an AEPC member. "By that time, global demand cycles have already shifted."

The pull, East Africa's emerging edge

Against this backdrop, East Africa, especially Ethiopia and Kenya is emerging as an attractive alternative for Indian manufacturers seeking both cost relief and trade advantages.

Governments in the region are aggressively courting foreign investors, offering a combination of tax holidays, customs exemptions, and ready-to-use factory infrastructure. Industrial parks such as Hawassa (Ethiopia) and Athi River (Kenya) have become showcases for this model, promising lower setup costs and quicker turnaround times.

"The 'plug-and-play' approach cuts down capital expenditure by up to 40 per cent," says a senior executive at KPR Mills, which established its African unit to supply European buyers. "The biggest draw, however, is duty-free access to major markets." Under the African Growth and Opportunity Act (AGOA), apparel produced in eligible African countries enters the US market duty-free. Similar trade privileges exist with the European Union under the Everything But Arms (EBA) arrangement.

For Indian exporters, this effectively neutralizes their big disadvantage allowing them to compete head-on with Bangladesh and Vietnam on price and access. Africa also offers another crucial advantage: raw material availability.

The continent produces about 10 per cent of global cotton, much of it underutilized. Coupled with a young and growing labor force, this gives manufacturers the potential to build vertically integrated operations, from spinning to stitching.

India’s footprint expands

A handful of Indian textile majors have already made decisive moves.

KPR Mills, for example, one of Tirupur’s largest exporters, set up a factory in Ethiopia to take advantage of AGOA benefits and reduce labor costs. The company’s leadership has called the move strategic and inevitable in a world driven by trade differentials. Similarly, Raymond Ltd, a household name in Indian textiles, invested nearly Rs 130 crore to establish a jacket manufacturing plant in Ethiopia, tapping into the country’s investor-friendly regime. And Arvind Ltd and Best Corporation have initiated operations or sourcing partnerships in East Africa.

Meanwhile, Gokaldas Exports, facing tariff shocks in its core US markets has explicitly announced its intention to expand production capacity in Africa. “To serve our customers competitively, we need to manufacture where trade access aligns with demand,” Ganapathi said.

This suggests a systematic recalibration rather than a short-term response a sign that Africa may soon become an integral part of India’s apparel export network.

Following China’s footsteps

India’s foray into East Africa isn’t unprecedented. It follows a trail long blazed by China, whose firms began investing in the region over a decade ago as part of Beijing’s ‘Go Global’ strategy. Chinese textile giants like Wuxi No. 1 Cotton Mill and Jiangsu Sunshine Group invested heavily in spinning and weaving operations, supported by large-scale government-backed industrial parks such as Hawassa and Bole Lemi.

The Chinese model is instructive: rather than focusing solely on low-cost labor, Beijing built integrated ecosystems complete with dedicated power lines, water systems, customs offices, and vocational training centers. “They didn’t just build factories; they built value chains,” notes a Delhi-based trade analyst. “India’s approach so far is more transactional to replicate China’s success, it must think long-term.”

That means not just producing garments in Africa, but developing local skills, investing in cotton farming, and creating logistics infrastructure that reduces dependency on imports.

Africa's growing pains

Despite the optimism, operating in Africa comes with challenges. Productivity levels remain low, with factory efficiency often at 40-45%, according to industry reports. "The workforce is eager but inexperienced," says an Indian production manager overseeing a unit in Kenya. "It takes months of training before we reach acceptable productivity levels."

Infrastructure, too, is patchy. Transport bottlenecks and customs delays can stretch lead times to 120-150 days, undermining the agility needed for fast-fashion supply chains. Political instability, particularly in Ethiopia, has also disrupted operations at times. Still, Indian investors remain cautiously optimistic. "These are teething troubles," says a senior textile executive. "The fundamentals cost, access, and demographics are in Africa's favor."

What this means for India's apparel future

Rather than signaling a retreat, the shift to Africa reflects a diversification of India's apparel industry. Analysts expect exporters to adopt a dual-sourcing model keeping high-value, design-led, and quick-turnaround production in India, while shifting bulk and price-sensitive orders to African bases.

This could, in fact, redefine India's role in the global apparel value chain. The country may evolve from being a manufacturing center to a hub for design, innovation, and raw material supply, supporting its offshore factories across Africa and Southeast Asia. At a policy level, the trend underscores the urgency for India to secure Free Trade Agreements with key markets. Negotiations with the UK and the EU including the proposed Comprehensive Economic and Trade Agreement (CETA) are being closely watched.

Click here for more details

Source: fibre2fashion.com– Oct 25, 2025

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Govt eases Certificate of Origin for India-EFTA exports

The Directorate General of Foreign Trade (DGFT) Tuesday said it has amended a provision to facilitate domestic exporters to obtain the Certificate of Origin (CoO) under the India-EFTA free trade agreement, through self-declaration.

The FTA between India and the four-nationEuropean Free Trade Association came into effect October 1. Iceland, Liechtenstein, Norway, and Switzerland are the EFTA members.

A certificate of origin is required for claiming duty concessions under free trade agreements as it proves where the goods originate.

A paragraph of the Handbook of Procedures 2023 "has been amended to facilitate exporters to obtain the CoO under the India-EFTA Trade and Economic Partnership Agreement (TEPA) through self-declaration, in addition to the existing system of issuance of CoO by the authorised agencies," the DGFT said in a public notice.

To simplify the certification process for exporters and enhance trade efficiency, the government earlier this year upgraded its system of issuing electronically generated certificates of origin to help exporters.

Source: economictimes.com – Oct 28, 2025

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Renewed thrust in Indian consumer, retail sector in Q3: Grant Thornton

India's consumer and retail sector demonstrated renewed momentum in the third quarter (Q3) this year, with strategic capital allocation across textiles and e-commerce sectors, according to Grant Thornton Bharat.

Investment flows reflected a shift toward scale-driven transactions and differentiated business models, supported by festive demand and operational efficiencies, the UK-based multinational professional services company said in its Q3 2025 edition of the Consumer and Retail Dealtracker.

The report highlights the return of outbound mergers and acquisitions (M&A), larger private equity rounds and selective public market fundraising. It outlines how investor confidence translated into targeted plays across premium apparel, omni-channel platforms and tech-enabled consumer services.

Deal-making surged sharply, with volumes reaching their second-highest level on record. The only quarter to surpass it was Q1 2025, which saw 140 deals valued at $4 billion. Transaction values in Q3 2025 rose nearly four-fold compared to Q2 2025. When measured against Q3 2024, deal volumes increased by 6 per cent, while values improved by 9 per cent, a release from the company said.

M&A volumes held steady compared to Q2 2025, while values surged significantly, signalling the return of larger transactions. Activity was led by strategic plays in textiles and apparel, and select deals in retail tech and consumer durables. Domestic deals led both volumes and values, with a 79 per cent and 64 per cent share respectively.

Private equity flows strengthened, with stable volumes while values doubling quarter on quarter. Investors backed textiles and apparel, e-commerce and consumer services. The report states that private equity and venture capital activity saw 97 deals worth $1.3 billion in the quarter, more than doubling in value from the prior quarter.

Source: fibre2fashion.com – Oct 28, 2025

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Textile market in Erode sees sluggish sales after festival rush

With the festival season coming to an end, sales at the weekly textile market in the city remained dull this week, as traders pinned hopes on the upcoming winter season to revive business.

The weekly market, which functions from Monday afternoon till Tuesday evening, accommodates over 3,000 temporary textile shops spread across Ashokapuram, Eswaran Kovil Street, Thiruvenkatasamy Street, N.M.S. Compound, and the E.K.M. Abdul Gani Textile Market near Panneerselvam Park. Regular textile shops, meanwhile, continue operations throughout the week.

Traders from across Tamil Nadu and neighbouring States arrive here to buy garments in bulk for their retail customers. The market had witnessed brisk business ahead of Deepavali, with ready-made garments sourced from Erode, Tiruppur, Surat, Pune, Mumbai, and Ahmedabad selling well. Affordable pricing and a wide variety of clothes had attracted a steady stream of customers during the festive period.

However, traders said that sales dropped sharply this week. “Business was very low as people had just spent heavily on festival purchases,” said a trader. Another trader added that demand for winter garments such as coats, jackets, sweaters, and earmuffs is expected to pick up in the coming weeks.

Sales are anticipated to return to normal in November and improve further during Christmas, New Year, and Pongal seasons, traders said.

Source: thehindu.com – Oct 28, 2025

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Cotton yarn steady in south India; demand sluggish post-Diwali

Cotton yarn prices remained steady in south India as spinning mills and stockists struggled with weak demand even after the Diwali festival. Mumbai and Tiruppur markets continued to witness limited buying from the downstream industry.

Market sources said that trading in Mumbai was thin as power loom and auto loom workers had not yet returned from their hometowns after the festival. The market may take at least a week to return to normal trading levels. Tiruppur, however, reopened with regular activity, though demand from the consumer industry remained sluggish. Spinning mills are unable to sell their entire production in the current bearish scenario.

In Mumbai, cotton yarn prices showed no significant movement. Trading activity was limited as the loom sector had not fully resumed operations due to worker shortages. A trader from the Mumbai market told Fibre2Fashion, "Power loom and auto loom workers usually take extended leave during Diwali. Most workers have not yet returned, and fabric production may not normalise before the first week of next month. Cotton yarn demand remains very weak from the loom sector."

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,400-1,440 (~$15.86-16.32) and ₹1,370-1,400 per 5 kg (~$15.52-15.86) (excluding GST), respectively. Other prices include 60 combed warp at ₹320-335 (~$3.63-3.80) per kg, 80 carded weft at ₹1,390-1,420 (~$15.75-16.09) per 4.5 kg, 44/46 carded warp at ₹257-263 (~$2.91-2.98) per kg, 40/41 carded warp at ₹248-253 (~$2.81-2.87) per kg and 40/41 combed warp at ₹268-272 (~$3.04-3.08) per kg, according to trade sources.

The Tiruppur cotton yarn market returned to normal operations, but demand remained weak. Spinning mills are trying to maintain current prices, though they continue to face challenges in selling their full output. Mills are either building up stocks or reducing production.

Trade sources noted that slow demand persists both in domestic and export markets, with Indian cotton yarn receiving only lukewarm response from foreign buyers.

In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹250-257 (~$2.83-2.91) per kg (excluding GST), 34 count combed cotton yarn at ₹261-268 (~$2-96-3.04) per kg, 40 count combed cotton yarn at ₹273-286 (~$3.09-3.24) per kg, 30 count carded cotton yarn at ₹232-237 (~$2.63-2.69) per kg, 34 count carded cotton yarn at ₹237-242 (~$2.69-2.74) per kg and 40 count carded cotton yarn at ₹244-248 (~$2.76-2.81) per kg.

In Gujarat, cotton prices remained largely steady with limited trading activity, as heavy to light rains in cotton-growing regions disrupted arrivals, ginning, and trading operations. Neighbouring Maharashtra also experienced similar rainfall. Traders said that the late monsoon rains could damage the cotton crop at the maturity stage.

Farmers in several parts of the state were unable to bring seed cotton to market due to the wet conditions. Arrivals may be delayed as the crop needs drying before trading. The Cotton Corporation of India (CCI) has not yet started procurement, while farmers are holding their crop since market rates are significantly below the government's minimum support price (MSP).

All-India cotton arrivals were estimated at 60,000–65,000 bales of 170 kg. Gujarat recorded lower arrivals of 10,000–12,000 bales. The benchmark Shankar-6 cotton of the new season was quoted between ₹52,000–52,500 (~$589.15–594.82) per candy of 356 kg, while southern mills were looking to buy cotton at ₹53,000–53,500 (~$600.48–$606.15) per candy. The new season's seed cotton (kapas) traded at ₹1,500–1,520 (~$16.99–$17.22) per maund of 20 kg.

Source: fibre2fashion.com – Oct 28, 2025

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