TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
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Currency Watch			
USD	EUR	GBP	JPY
88.61	102.00	116.27	0.58

NATIONAL NEWS	
No	**Topics**
1	PM Modi to meet exporters; to discuss ways to increase India's competitiveness in global trade
2	Press Release: Ministry of Commerce & Industry
3	Indian manufacturing sector conditions continue to strengthen in Oct
4	India, New Zealand to work on FTA conclusion as fourth negotiating round begins
5	Budget FY27. Garments, textiles manufacturers seek tax breaks, export support
6	India's exporters tap new markets to offset losses from US tariffs
7	India, EU negotiators start talks to resolve outstanding FTA issues
8	Cotton yarn steady in north India on India-US trade deal optimism

INTERNATIONAL NEWS

US-China trade truce not to revive container shipping market: Xeneta

The recent US-China trade truce will not halt the decline in ocean container freight rates in 2026, according to Xeneta, which said the agreement is a 12-month truce rather than a long-term trade deal, leaving carriers and shippers in uncertain positions.

Average spot rates from China to US West Coast on October 31 were down by 59 per cent year on year (YoY) at $2,147 per 40-ft container unit (FEU). Spot rates into the US East Coast were down by 48 per cent YoY at $3,044 per FEU.

Declining spot rates coincide with falling volumes on Trans-Pacific trades, with latest figures showing container shipping demand from China to the United States down by 13 per cent YoY in August.

"The US-China truce is a positive development, but it will not suddenly breathe life into weakening ocean container shipping demand on Trans-Pacific trades," Emily Stausboll, senior shipping analyst at the Norway-based ocean and air freight rate benchmarking and market analytics platform, said in a company release.

"Tariffs are still high despite the truce and US shippers will use the first half of 2026 to draw down inventories built up through frontloading imports earlier in the year to protect supply chains in the wake of the escalating trade war," she noted.

"Xeneta expects global average spot rates to fall up to 25 per cent for the full year 2026 and long-term rates to drop up to 10 per cent against this backdrop of subdued demand between the world's two most powerful trading nations," she said.

The Xeneta forecast for 2026 puts global average long-term rates 20 per cent below levels in December 2023, prior to escalation of conflict in the Red Sea.

“The US-China truce sees the removal of port fees for ships calling at both sides of the Pacific. This is welcome news for carriers, with some being hit with multi-million-dollar port fees, but they are still heading towards potentially loss-making territory if long term contract rates drop significantly below pre-Red Sea Crisis levels at the end of 2023,” Stausboll said.

“Carriers have already repositioned vessels across global shipping services to deal with the threat of the port fees and this disruption is now seemingly all for nothing,” she added.

Source: fibre2fashion.com– Nov 04, 2025

HOME

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Dutch goods trade rises in H1 2025 despite weaker fuel exports: CBS

In the first half (H1) of 2025, Netherlands international trade in goods increased compared with the same period in 2024, according to Statistics Netherlands (CBS) latest figures on Dutch international trade. The total export value rose by 1.9 per cent year-over-year (YoY), encompassing both re-exports to other countries and exports of goods produced within the Netherlands.

The total value of goods imported was 2 per cent higher than it was in the first half (H1) of 2024, CBS said in a press release.

In each month of Q1 2025, more goods were traded than in the same month of 2024. In April and May, trade was down from last year, but in June it was higher once again.

Imports and exports of mineral fuel declined in H1 2025: the import value was 11 per cent lower, while the export value was 15 per cent lower. In other product categories, exports were higher than the previous year or were down by less than those of mineral fuels.

There has been geopolitical turbulence around the world in recent months, and trade with certain neighbouring countries seems to have suffered particularly in the first half of 2025. The value of imports from Belgium and the United Kingdom was down, for instance, as was the value of exports to Belgium and France, added the release.

Exports to the Netherlands' key trading partner, Germany, saw an increase, while imports from China rose 5 per cent YoY in the first half (H1) of 2025. Exports to the United States climbed 11 per cent, with the most notable growth occurring in February, March, and April.

Source: fibre2fashion.com– Nov 04, 2025

HOME

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UK store sales rise 1.1% in Oct, outpacing online for 2nd month

UK retailers have entered the Golden Quarter on shaky ground as high inflation and weak consumer confidence continued to weigh on sales as store sales showed some resilience in October, rising 1.1 per cent and outperforming online for a second consecutive month, according to BDO's latest High Street Sales Tracker (HSST). Total like-for-like retail sales across discretionary categories (fashion, homewares, and lifestyle) were broadly flat, dipping 0.02 per cent and ending a four-month streak of growth.

Weekly data for the four weeks to October 26, revealed an uneven month: sales fell in the first and final weeks but strengthened mid-month, suggesting intermittent consumer confidence. The final week, coinciding with the start of school half-term holidays, saw declines across in-store and online channels as families feeling the pinch prioritised spending on experiences and travel over retail purchases, BDO said in a press release.

"Our data makes for rather frightening reading for retailers this Halloween. After several months of positive momentum, October has brought a sharp reminder of how fragile consumer confidence remains. As we predicted last month, shoppers are still haunted by high inflation, particularly on food, while uncertainty about their household finances is keeping a firm grip on discretionary spending. Consumers are being highly selective, and many are prioritising spending on essentials and experiences rather than non-essential goods," said Sophie Michael, head of retail and wholesale at BDO. "The timing of this year's Autumn Budget, just two days before Black Friday, adds another layer of pressure. Retailers are being forced to make critical investment and promotional decisions without a clear view of the fiscal landscape," added Michael.

"After a disappointing October, we expect to see earlier and more prolonged discounting to stimulate demand. But that strategy has its risks. Heavy discounting too soon erodes margins and leaves businesses with a tough start to the new year. Retailers will need to strike a careful balance, using promotions strategically to keep customers engaged while protecting profitability," said Michael.

Source: fibre2fashion.com– Nov 03, 2025

HOME

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Global organic clothing market to grow to $3.5 billion by 2031

Falling under the Consumer Goods and Retail category, the global Organic Clothing market is projected to achieve a market size of $3.5 billion by 2031. The market is forecasted to grow at a CAGR of 10.5 per cent between 2025-31, building on an estimated $1.5 billion valuation in 2024. This highlights significant growth potential throughout the forecast period due to rising industrial adoption and continuous innovation in retail applications.

The Organic Clothing Market is currently experiencing robust expansion, primarily fueled by increasing consumer awareness regarding sustainable fashion and environmental impact. Rising demand for garments that are eco-friendly, chemical-free, and ethically produced is driving adoption across diverse demographics.

Manufacturers are actively innovating, using materials such as organic cotton, bamboo, hemp, and recycled fibers to enhance product comfort, durability, and style. Furthermore, the growing influence of social media, fashion influencers, and 'green lifestyle' trends is rapidly accelerating the acceptance of organic clothing worldwide.

By 2031, the Organic Clothing Market is expected to expand significantly as brands intensify their focus on transparency, supply chain sustainability, and certification standards.

To improve accessibility and consumer engagement, companies are integrating online retail channels, offering customization options, and launching limited edition collections.

Demand is further boosted by the rising interest in slow fashion, eco-conscious gifting, and corporate sustainability initiatives. Continuous innovation in material sourcing, production processes, and eco-friendly packaging is positioning the market for long-term growth and widespread adoption globally.

Source: fashionatingworld.com– Nov 03, 2025

HOME

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EURATEX Director General pitches "New Business Model" at textile conference at Yogyakarta, Indonesia

The global textile and apparel value chain is at a critical juncture, requiring a fundamental shift in its operating philosophy. This was the core message delivered by Dirk Vantyghem, Director General of the European Apparel and Textile Confederation (EURATEX), during his presentation at the recent joint conference by the International Textile Manufacturers Federation (ITMF) and the International Apparel Federation (IAF) in Yogyakarta, Indonesia.

Vantyghem’s address, which outlined EURATEX's perspective, introduced a "new business model" as a vital guide for the industry through its current turbulent period of economic volatility and intense regulatory change.

The five pillars of change

The presentation highlighted five key takeaways that underscore the necessity for this new model, moving beyond traditional production-focused paradigms:

1. Fragile sustainability business case: Despite widespread industry investment in sustainability initiatives, the commercial viability is often undermined by global over-capacities in virgin fibres and garments, driving prices unsustainably low. Vantyghem stressed that a 'smart regulatory framework' is essential, one that is properly controlled and globally implemented to level the playing field.

2. Regulatory harmony is crucial: To avoid inefficiency and competitive distortion, the Director General called for urgent regulatory dialogue and convergence. He pointed to inconsistencies, such as the potential for two parallel Digital Product Passports (DPPs) and different definitions of textile waste, as major roadblocks. The post-conference fringes reportedly saw some positive movement on this front.

3. Fair Trade over Free Trade: While EURATEX remains committed to open markets, the call was strong for trade to be fair and reciprocal. Vantyghem argued that existing free trade agreements must be re-evaluated and re-balanced to ensure a level playing field for European manufacturers.

4. The 'Ecosystem' approach: A recurring theme across the entire conference, noted by Vantyghem, was the overwhelming consensus on the need for an "ecosystem" approach—working in broader partnerships across the value chain. Achieving this, however, requires a significant shift in existing business mentality.

5. Direct dialogue with Consumers: A strong call was made for manufacturers to engage in more direct dialogue and storytelling with the consumer. This strategy aims to reduce dependency on major brands' images and allow companies' efforts in innovation and sustainability to be directly recognised.

A renewed focus for Europe

Sharing the stage with global textile experts, Vantyghem acknowledged that the conference provided a vital perspective on the challenges facing the European industry.

The final message was clear: European manufacturers must respond to global pressures by investing in innovation, high quality, and niche products. While remaining vigilant about threats from global competition and market turbulence, the continent's industry must maintain confidence in its core strengths of advanced technology and high-value production.

Source: fashionatingworld.com– Nov 01, 2025

HOME

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South Korea apparel imports decline by 1.0% during January-September 2025

South Korea's apparel imports declined by 1.0 per cent to $9.1 billion in the January–September 2025 period, reflecting overall weak retail demand and slower consumer spending across the country.

This decline was uneven, as knitted apparel imports rose marginally while non-knitted categories fell. Concurrently, South Korean textile exports of man-made filaments and knitted fabrics dropped, as local producers wrestled with rising costs and stiff competition from major manufacturing hubs like China and Vietnam.

Imports of knitted apparel and clothing accessories (Chapter 61) were valued at $4.06 billion in the first nine months of 2025, a slight increase from $4.02 billion in the corresponding period of 2024. This marginal rise suggests stable demand for lightweight and casual knitwear, a segment strongly supported by South Korea's powerful athleisure and fast-fashion markets.

Imports of non-knitted apparel and clothing accessories (Chapter 62) declined by 1.7 per cent to $5.04 billion from $5.13 billion in January–September 2024. This fall signals weaker orders for formalwear and outerwear, categories impacted by shifting consumer preferences toward versatile, comfortable, and less structured apparel.

Overall, the data highlights a clear divergence in consumer spending: South Koreans are prioritizing comfort and casual wear (knits) while pulling back on purchases of more traditional, tailored garments (non-knits).

Source: fashionatingworld.com– Nov 03, 2025

HOME

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Turkiye's apparel exports fall 6.9% in Jan-Sep amid weak global demand

Turkiye's apparel exports declined by 6.93 per cent year-on-year (YoY) during January–September 2025, totalling $12.325 billion compared to $13.243 billion in the same period of 2024, according to data from the Turkish Statistical Institute and the Ministry of Trade. The slowdown reflects persistent global demand weakness and competitive pressure from low-cost Asian suppliers. Exports also recorded a drop in September 2025, underscoring continued market softness.

Exports of knitted and crocheted clothing and accessories (HS Chapter 61) fell by 5.4 per cent to $7,141.187 million, down from $7,551.274 million in January–September 2024. Non-knitted apparel and accessories (HS Chapter 62) declined by 8.9 per cent, dropping to $5,184.731 million from $5,692.387 million during the same period last year, as per the trade report on the top twenty chapters.

The sharper decline in woven apparel highlights the stronger impact of cost inflation and global retail destocking on higher-value segments, while knitwear showed relatively greater resilience due to sustained demand for basic, affordable categories.

In September 2025, Turkiye's garment exports fell by 4.33 per cent to $1,511.197 million. Exports of knitted and crocheted clothing and accessories decreased by 4.4 per cent to $877.439 million, compared to $917.976 million in September 2024. Non-knitted apparel and accessories declined by 4.2 per cent, falling from $593.221 million in September 2024 to $568.203 million in September 2025. Seasonal slowdown, weaker EU orders, and elevated production costs contributed to the monthly decline.

Among the top twenty chapters in Turkiye's imports, non-knitted apparel and accessories (HS Chapter 62) rose by 19.1 per cent to $1,701.813 million in the first nine months of 2025, compared to $1,429.368 million in the same period last year.

In September 2025, these imports increased by 15.2 per cent to $221.187 million from $191.983 million. The import rise suggests increased reliance on sourcing finished garments from nearby manufacturing hubs and re-export models adopted by Turkish firms.

In 2024, Turkiye's apparel exports fell by 4.47 per cent to $17.494 billion, compared to $18.314 billion in 2023. Shipments of knitted and crocheted clothing and accessories (HS Chapter 61) dropped by 1.6 per cent to $10,109.110 million, down from $10,277.566 million in 2023.

Non-knitted apparel and accessories (HS Chapter 62) declined by 8.1 per cent, falling to $7,385.592 million from $8,037.378 million in 2023. The sharper fall in woven goods underscores structural competitiveness challenges, such as rising labour and energy costs, a strong lira, and increasing competition from South Asia and North Africa.

In 2023, Turkiye's apparel exports declined by 5.86 per cent to $18.321 billion, compared to $19.463 billion in 2022, following $18.294 billion in 2021. The multi-year downward trend signals sustained pressure from global demand volatility and shifting sourcing strategies among major Western retailers seeking lower-cost and nearshoring alternatives.

Source: fibre2fashion.com– Nov 04, 2025

HOME

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Vietnam's manufacturing growth hits 15-month high as PMI climbs to 54

Vietnam's manufacturing sector strengthened at the start of the final quarter of 2025, as the latest S&P Global Vietnam manufacturing purchasing managers' index (PMI) rose sharply to 54.5 in October from 50.4 in September. The improvement—the strongest since July 2024—reflected growth across all five sub-components: output, new orders, employment, suppliers' delivery times, and stocks of purchases.

The sector reported notable gains in output and new orders, while employment expanded for the first time in over a year. Purchasing activity increased, signalling renewed growth in inventories, and business confidence climbed to a 16-month high. At the same time, inflationary pressures intensified, with both input and output prices rising more steeply than in September, S&P said in a press release.

New orders surged for the second month running, driven by improving domestic demand and a slight rebound in new export business—the first in a year. This led manufacturers to boost production at the fastest pace since July 2024, marking six consecutive months of output growth.

Business confidence strengthened to its highest level in 16 months as firms anticipated continued growth in new orders and planned production capacity expansions. In response to rising workloads, manufacturers expanded their workforce for the first time in over a year. Backlogs of work rose at the quickest pace in more than three and a half years, partly due to adverse weather and flooding disrupting operations.

Flood-related disruptions also led to longer supplier delivery times—the most pronounced since July. Despite supply challenges, firms increased purchasing activity for the fourth consecutive month, leading to the first rise in pre-production inventories in over two years. Stocks of finished goods, however, declined slightly as companies fulfilled strong order volumes.

Input cost inflation accelerated sharply in October, with about 27 per cent of surveyed firms citing higher raw material prices and supply shortages. Output prices also rose more steeply, hitting a 40-month high, as producers passed on increased costs to customers.

Overall, the October survey results suggest that Vietnam's manufacturing sector entered the fourth quarter (Q4) 2025 with robust growth momentum and rising optimism, though escalating cost pressures and weather-related disruptions remain key risks to watch.

"The Vietnamese manufacturing sector moved up a gear in October, seeing much stronger increases in output and new orders during the month. Positively, the strength of the expansions were sufficient to enable firms to take on extra staff and build inventories of inputs," said Andrew Harker, economics director at S&P Global Market Intelligence. "Whether these growth rates can be sustained in the months ahead remains to be seen, but there is clearly some positive momentum in the sector at present."

"Inflationary pressures built again, however, and are now relatively elevated. For now, customers are happy to look through price increases and commit to new orders, but this may start to wane should rates of inflation pick up further," added Harker.

Source: fibre2fashion.com– Nov 04, 2025

HOME

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Vietnamese govt approves draft law on e-com

The Vietnamese government recently approved the contents of the draft law on e-commerce.

The draft law comprises seven chapters and 55 articles, defining the rights and responsibilities of entities like e-merchants, online business individuals, e-commerce platforms, logistics, payment, advertising services providers and foreign organisations and enterprises with cross-border activities in the country.

It proposes 10 prohibited acts for online businesses. These include using e-commerce to illegally raise capital; committing fraud or deceiving customers; and providing false or misleading information during administrative procedures or when supplying data to state authorities, according to domestic media reports.

The Ministry of Industry and Trade is responsible for the contents of the draft law, as well as the contents of the reports on acceptance and explanation of opinions of the National Assembly's Standing Committee and government members on the law.

Source: fibre2fashion.com– Nov 03, 2025

HOME

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Bangladesh Dockworkers Intensify Strike Over Foreign Terminal Leases

Dockworkers at Bangladesh's Chattogram Port escalated a strike Saturday in protest of the interim government's plans to lease terminal operating licenses to foreign companies.

The labor action, which started in September, reportedly swelled up to roughly 200 dockworkers at the port over the weekend.

The port wasn't the only area seeing labor disruption, with a hunger strike taking place in front of Chattogram's press club on Saturday. Leaders of Chattogram's United Front of Workers and Employees (SKOP), which collectively represents 90 percent of the unionized labor force in Bangladesh, demanded that the interim government scrap the terminal-leasing plan.

SKOP leaders said that if the government did not immediately cancel the leases, they would announce tougher measures, including total work stoppages and port blockades.

Bangladesh's government has plans to hand over the management of multiple hubs, including Chattogram's largest terminal, New Mooring Container Terminal (NCT), to foreign operators by December. The government has still never overtly specified which companies would be involved in the project.

UAE-based DP World has long been tied to New Mooring Container Terminal, with the marine terminal operator having expressed prior interest in investing in the gateway.

A.P. Moller-Maersk's APM Terminals subsidiary has been a major part of the development of Laldia Char Terminal at Chattogram Port, which began construction in May. APM is contributing part of a wider $800 million foreign direct investment in Laldia, which will build out three container jetties across 32 acres of land.

"Foreign expert operators would increase the foreign investment and enhance the efficiency," Chattogram Port Authority chairman S.M. Moniruzzaman told French news agency Agence France-Presse (AFP).

The port operator isn't the only entity that believes in the benefits of having global terminal giants like DP World and APM Terminals in charge.

"We need a globally reputed operator to increase the port's capacity," Kabir Ahmed, president of the Bangladesh Freight Forwarders Association, told AFP. "It will enhance cargo handling, boost revenue and strengthen the country's reputation."

Chattogram isn't the only port anticipating new management at one of its hubs.

Terminal Investment Limited, the terminal operating wing of Mediterranean Shipping Company (MSC) is expected to take over the Pangaon Inland Container Terminal, which is part of the Port of Dhaka. MSC has offered $400 million to modernize and operate the terminal, which has been largely underused in recent years due to delays and customs bottlenecks.

In October, Mohammad Yousuf, the senior secretary of Bangladesh's Ministry of Shipping. said the New Mooring and Pangaon terminals would be leased to a foreign operator for 25 years, while Laldia would be run by a foreign firm for 30 years.

The first protest rally at Chattogram took place on Sept. 22, in which SKOP leaders called out the expected DP World and APM leases as a "betrayal to the nation."

The organizations urged the government to scrap the reported agreements and prioritize local capacity building instead. They warned that leasing out the terminals could threaten national interests and jeopardize thousands of jobs.

Disruptions at the oft-congested Chattogram Port, also known as Chittagong Port, pose concerns to the wider global apparel supply chain, given that the market is the second-largest exporter of garments behind China. More than 92 percent of the total export and import cargo in and out of Bangladesh goes through the port.

"Chittagong Port is the main driving force of the country's economy," said SKOP central leader Anwar Hossain during the Saturday hunger strike. "The NCT, built entirely with domestic funding and equipped with modern technology, is currently the most successful container terminal in the country. Yet, the government's decision to hand it over to the foreign company DP World is against national interests and suicidal. This decision will not be accepted under any circumstances."

The Chattogram Port Authority recently implemented new service charges that hiked average prices by roughly 40 percent, driving the major ocean carriers to tag on surcharges of their own.

The country's apparel exporters were unhappy with the move, with one former vice president of the Bangladesh Garment Manufacturers and Exporters Association speculating that the new charges were designed to make port operations look more profitable before the foreign operators took over the lease.

Beyond the expected lease agreements in December, the Chattogram Port Authority is also expected to award the operation of two other container terminals under the port's Bay Terminal project to DP World and other lead investor and developer PSA Singapore at a later time. Those terminals are expected to be operational by 2030.

PSA Singapore, which operates the Port of Singapore and 66 port terminals worldwide, had the largest market share of global port throughout in 2024, at 7.2 percent, according to Drewry.

Source: sourcingjournal.com– Nov 03, 2025

HOME

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NATIONAL NEWS

PM Modi to meet exporters; to discuss ways to increase India's competitiveness in global trade

New Delhi: Prime Minister Narendra Modi will meet exporters or certain labour-intensive sectors on Monday to discuss measures to enhance the country's competitiveness in the global trade, according to exporters.

Representatives from sectors including apparel, leather, gems and jewellery, handicrafts, engineering, and seafood will participate in the meeting, they said.

Heads of export promotion councils of these sectors would attend the meeting.

The meeting assumes significance as labour intensive sectors are facing challenges due to a steep 50 per cent tariffs imposed by the US on Indian goods, barring few sectors. Tariffs or import duties play a key role in competitiveness of goods and services.

India and the US are negotiating a bilateral trade agreement.

India's share in the global trade is about 2 per cent (1.6 per cent in global goods exports and 3.3 per cent in services).

India's exports grew 6.74 per cent to USD 36.38 billion in September, while imports jumped 16.6 per cent, widening the trade deficit to USD 31.15 billion.

Cumulatively, during April-September this year, exports increased by 3.02 per cent to USD 220.12 billion despite global challenges, while imports rose 4.53 per cent to USD 375.11 billion, leaving a trade deficit of USD 154.99 billion.

Source: economictimes.com– Nov 03, 2025

HOME

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Press Release: Ministry of Commerce & Industry

- India–EU FTA Discussions Intensify as EU Negotiators Arrive in New Delhi
- Union Minister of State for Commerce & Industry, Shri Jitin Prasada, Visits Romania for the 19th India–Romania Joint Committee for Economic Cooperation Meeting
- India and New Zealand Begin Fourth Round of Free Trade Agreement Negotiations

Source: pib.gov.in– Nov 03, 2025

HOME

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Indian manufacturing sector conditions continue to strengthen in Oct

Manufacturing sector conditions in India continued to strengthen in October, buoyed by reforms in goods and services tax (GST), productivity gains and tech investment, according to purchasing managers' index (PMI) data.

The seasonally adjusted HSBC India manufacturing PMI was up from 57.7 in September to 59.2 in October, indicating a quicker improvement in the health of the sector.

A faster increase in new orders boosted growth of output and buying levels, and the latter drove a near-record expansion in input inventories.

Meanwhile, external sales rose at the slowest pace in ten months.

There was a modest and softer increase in input costs, but the rate of charge inflation matched September's near 12-year high.

New orders increased further at the start of the third fiscal quarter, with the pace of expansion being sharp and stronger than that recorded in September.

Similarly, growth of output quickened from the previous month. Matching that seen in August, the rate of expansion was the joint-best in five years, according to a release from S&P Global, which compiled the PMI data.

October data showed that the pick-up in sales growth mainly stemmed from the domestic market, as new export orders increased at a softer rate. The latest improvement in international demand for Indian goods was marked, though the least pronounced in the calendar year-to-date.

Manufacturers continued to purchase additional raw materials and semi-finished items in October, reportedly to supplement production and add to their inventories. Buying levels expanded at the fastest pace since May 2023.

One factor that supported input purchasing growth was a notable softening of cost inflation. The latest rise in overall expenses was modest, the weakest in eight months and well below the long-run series average.

Despite receding cost pressures, the rate of charge inflation matched that registered in September and was, therefore, the joint-highest in 12 years.

Survey participants indicated that demand strength was the key factor behind the current hike in output prices.

Job creation entered its twentieth consecutive month in October. The rate of expansion was moderate and broadly similar to September.

Capacity pressures among Indian manufacturers remained mild, as signalled by another slight rise in outstanding business volumes. Demand strength was the main determinant of rising backlogs, according to monitored companies.

Suppliers were generally able to dispatch inputs in a timely manner. Average delivery times shortened to a moderate extent in October, and one that was the most pronounced in four months.

Holdings of raw materials and semi-finished items increased at the second-fastest rate since data collection began in March 2005 (behind May 2023). Survey members indicated that demand buoyancy encouraged them to lift stocks.

Finished goods inventories likewise rose, but here the pace of accumulation was only marginal as firms often fulfilled sales from warehoused products.

Regarding the outlook, manufacturers attributed positive expectations to GST reforms, expanded capacities and marketing efforts. They also predicted demand resilience and hope that pending contracts will be approved.

Source: fibre2fashion.com– Nov 03, 2025

HOME

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India, New Zealand to work on FTA conclusion as fourth negotiating round begins

Commerce & Industry Minister Piyush Goyal will be in New Zealand on November 4-7 to push the on-going bilateral free trade agreement (FTA) negotiations towards conclusion even as some issues related to market access for dairy and agriculture and greater mobility for professionals are yet to be fully ironed out, sources said.

"The fourth round (November 3-7, 2025) of negotiations for the India-New Zealand FTA commenced today in Auckland, New Zealand marking another step forward in advancing a balanced, comprehensive, and mutually beneficial partnership between the two nations," per an official statement issued by the Commerce Department on Monday.

Goyal is scheduled to join the Indian delegation on Tuesday and will meet top representatives from the government and industry during his visit, a source tracking the matter told businessline.

The FTA was re-launched on March 16, 2025 in a meeting between Goyal and his New Zealand counterpart Todd McClay in Delhi. New Zealand Prime Minister Christopher Luxon, who led the business delegation to India in March, backed Goyal's plans of concluding the talks early.

"After India and Australia successfully concluded their limited free trade deal in goods, New Zealand realised that it was possible to do a win-win deal with the country despite the sensitivities in dairy," a source tracking the matter said.

The two countries first started talks on an FTA way back in 2010 but after ten years of negotiations the discussions were suspended due to continued disagreements on a handful of issues, most prominently market access for New Zealand's dairy sector.

As the dairy sector supports millions of farmers in India, New Delhi is not keen to lower barriers. However, dairy is the top export item for New Zealand and thus its area of primary interest.

"While New Zealand understands that it cannot have uninhibited access to India's dairy sector, it wants some gains at least in areas where it is not in direct competition with Indian industry such as certain high-end products. It is also keen on maximizing its gains in the agriculture sector. India is moving cautiously in both dairy and agriculture," the source said.

Negotiations in this round are focusing on key areas, including trade in goods, trade in services, and Rules of Origin (ROO), the statement pointed out. "Both sides are working constructively to build on the progress achieved in earlier rounds, to reach convergence on outstanding issues and move towards the early conclusion of the FTA," it noted.

The India-New Zealand FTA must target a ten-fold growth in bilateral trade in ten years time, Goyal said at an economic forum in March. Bilateral trade in goods between the two in FY 2025 increased to $1.3 billion posting a 49 per cent growth over the previous fiscal, government figures point out.

Since India's gains from an FTA in the goods sector will be limited as New Zealand already has relatively low tariffs, advantages could accrue in services, especially related to movement of professionals. "India is hoping to maximise its gains in the are of movement of workers through easing of visa norms. Both sides have to come to a common understanding on the matter," the source said.

Source: thehindubusinessline.com– Nov 03, 2025

HOME

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Budget FY27. Garments, textiles manufacturers seek tax breaks, export support

The garments and textiles industry, reeling under the effect of US import tariffs, has asked the government for a slew of measures, including tax concessions for new units, depreciation allowance, interest subvention and rationalisation of key schemes in recent pre-budget consultations.

"Representatives of the textiles and garments industry, including exporters, met the Textiles Secretary recently to give submissions on expectations from budget 2026-27. With the US tariffs giving a sharp blow to the Indian industry, the government was urged to provide both tax and non-tax relief in budget 2026-27 as well as during the ongoing fiscal," a source tracking the matter told businessline.

The textile and garments sector is crucial for India as the sector provides employment to over 45 million people and its current size, at $174 billion, is projected to reach $350 billion by 2030, per government estimates.

US additional tariffs of 50 per cent imposed on the sector in August has, however, hit manufacturers hard as tariffs on competing countries such as Vietnam and Bangladesh is much lower at 19-20 per cent.

Exports of textiles, garments, and made-ups fell 37 per cent, from $944 million in May 2025 to $597 million in September 2025, per numbers put together by research body GTRI.

"Garments alone declined 44 percent, home textiles 16 percent, and yarn and fabrics 41 percent. Within garments, knitted apparel was down 39 percent, woven apparel 50 percent, and girls' suits 66 percent," the report noted.

In its representation, the industry made a strong pitch for resumption of the interest equalisation scheme, on pre- and post-shipment rupee export credit, which expired after December 31 2024, has now expired.

"The reintroduction of this scheme is essential for supporting the MSME segment of the apparel export industry. The apparel sector, being labour-intensive and largely composed of micro and small enterprises, relies heavily on government support to compete with cost-efficient countries such as Bangladesh. Additionally, the industry is facing ongoing global recessionary pressures and stiff competition from nations enjoying lower input costs and preferential market access," according to the Apparel Export Promotion Council (AEPC).

The US is India's largest export market for the sector, accounting for 28.97 per cent of textile and apparel exports of $ 37.7 billion in 2024-25.

The industry also recommended that the concessional tax rate of 15 per cent (under Section 115BAB of the Income Tax Act) be introduced again to support the sustained growth of new manufacturing companies within the Indian apparel industry and enhance their competitive edge in the international market.

To strengthen the liquidity position and global competitiveness of Indian exporters, exporters proposed that an accelerated depreciation allowance of 100 per cent over two years be extended to export-oriented enterprises on eligible capital assets for tax computation purposes.

"As it only advances the timing of the depreciation claims, this measure will not result in any revenue loss to the government while giving exporters a short-term liquidity advantage. It will enable them to reinvest in modernisation, technology upgradation, energy efficiency, and capacity expansion," the source said.

The industry also submitted that duty-free import of trims and accessories under IGCR (import of goods at concessional rates of duty) Rules should not restricted to the ultimate exporter and to physical exports, excluding intermediate suppliers and deemed exports.

"IGCR benefits should be extended to intermediate suppliers and deemed exporters. It is requested that minimum wastage of 10 per cent be allowed under the IGCR Rules for import of trimmings and accessories by issuing an appropriate notification. It is requested that IGCR facility should also be allowed for the imports done under courier mode," the AEPC noted.

Source: thehindubusinessline.com– Nov 04, 2025

HOME

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India's exporters tap new markets to offset losses from US tariffs

India's export diversification strategy, aimed at mitigating the impact of steep 50 per cent tariffs imposed by the US, has begun showing results, according to a report by The Economic Times. At September end, exports of cotton garments increased to the United Arab Emirates (UAE), France, and Japan, even as shipments to the US fell 25 per cent year-on-year.

Overall exports rise; shipments to US decline

India's merchandise exports rose 6.7 per cent year-on-year to $36.38 billion in September. However, exports to the US – its largest trading partner – fell 11.93 per cent to $5.46 billion during the same month. Although the US accounts for 18–20 per cent of India's total merchandise exports, certain sub-sectors remain highly dependent on the American market. Around 60 per cent of carpet exports, 50 per cent of made-ups, 30 per cent of gems and jewellery, and 40 per cent of apparel exports are destined for the US.

Official data for September show that marine product exports to the US declined 26.9 per cent, while those to China, Vietnam, and Thailand surged by over 60 per cent. Similarly, exports of certain gems and jewellery, basmati rice, tea, carpets, and leather goods fell in the US market but registered growth in other destinations.

Bilateral talks under way with US

The US imposed a 25 per cent across-the-board tariff on all Indian-origin goods, which was doubled to 50 per cent from August 25. Both nations are currently negotiating a bilateral trade agreement (BTA) with the goal of boosting bilateral trade to $500 billion by 2030.

Rice exports shift from US to other markets

According to data from the commerce and industry ministry, India's exports of basmati rice and tea to the US fell in September. Although the US is not among the leading destinations for Indian tea, exports to the country declined 22 per cent year-on-year. However, tea exports to the UAE, Iraq, and Germany increased.

Exports of basmati rice to Iran rose six-fold to $41.07 million, offsetting some of the decline in the US market.

Ajay Sahai, director general, Federation of Indian Export Organisations (Fieo), stated that export diversification is healthy for the growth of India's exports.

Carpet exports fall in US but gain in other regions

Exports of handmade carpets to the US dropped 26 per cent, but increased to Canada and Sweden in September. As part of its market diversification drive, the commerce ministry has identified 40 key importing countries across North America, Europe, Asia, Africa, Latin America, and Oceania. Together, these economies account for nearly three-fourths of global textile and apparel demand.

Outreach programmes are being developed to expand 5-6 per cent market share in these countries.

Source: business-standard.com– Nov 04, 2025

HOME

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India, EU negotiators start talks to resolve outstanding FTA issues

Negotiators of India and the EU on Monday commenced talks to resolve outstanding issues in the proposed free trade agreement, as the deadline to conclude the talks nears, the commerce ministry said.

A team of negotiators from the European Union (EU) is here from November 3-7 for negotiations with Indian counterparts on the proposed Free Trade Agreement (FTA).

Deliberations during the week will focus on core areas, including trade in goods, trade in services, rules of origin amongst others, along with technical and institutional matters.

"The engagements aim to resolve key outstanding issues and advance the agreement toward a balanced and equitable framework that benefits both sides," the ministry said in a statement.

This visit follows Union Minister of Commerce and Industry Piyush Goyal's official visit to Brussels (27-28 October, 2025), where he held forward-looking discussions with Maros Sefcovic, European Commissioner for Trade and Economic Security.

"These consultations reaffirm the commitment of both sides to intensify engagement and facilitate a comprehensive trade agreement," it said.

As part of the visit, Sabine Weyand, Director-General for Trade at the European Commission (EU DG Trade), will be in New Delhi on 5-6 November for high-level talks with India's Commerce Secretary Rajesh Aggarwal on key technical and policy issues.

Issues which needs resolutions include steel, auto and EU's carbon tax.

India has also pitched for ensuring redressal of both tariff and non-tariff barriers in the pact, besides creating transparent and predictable regulatory frameworks to boost bilateral trade.

The EU has announced regulations such as CBAM and EUDR (Deforestation Regulation) which have been strongly objected to by India.

Under CBAM, Indian exports of steel, aluminium, and cement to the EU could face tariffs of 20-35 per cent.

India has emphasised on the need for preferential treatment for India's key asks, particularly those with respect to labour-intensive sectors.

Engagements between the two sides have increased as they have decided to conclude negotiations by December.

In June 2022, India and the EU bloc resumed negotiations for a comprehensive FTA, an investment protection agreement and a pact on geographical indications after a gap of over eight years. It was stalled in 2013 due to differences on the level of opening up markets.

India's bilateral trade in goods with the EU was USD 136.53 billion in 2024-25 (exports worth USD 75.85 billion and imports worth USD 60.68 billion), making it the largest trading partner for goods.

The EU market accounts for about 17 per cent of India's total exports, and the bloc's exports to India constitute 9 per cent of its total overseas shipments.

Besides significant duty cuts in automobiles and medical devices, the EU wants tax reduction in other products like wine, spirits, meat, poultry, and a strong intellectual property regime.

Indian goods' exports to the EU, such as readymade garments, pharmaceuticals, steel, petroleum products, and electrical machinery, can become more competitive if the pact sails through.

Source: business-standard.com– Nov 04, 2025

HOME

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Cotton yarn steady in north India on India-US trade deal optimism

North India's cotton yarn prices remained stable despite increasing arrivals of the natural fibre. Cotton arrivals have improved in north India and other parts of the country.

However, spinning mills preferred to maintain current rates, leading to no reduction in cotton yarn prices. Market experts noted that mills are attempting to hold prices at existing levels. Cotton yarn demand is expected to improve once summer garment production gains momentum. Traders are also hopeful of lower US tariffs as trade talks continue. If India and the US succeed in reaching a trade agreement, the Indian textile and garment industry will receive a significant boost, and cotton yarn demand will likely rise as well.

In Ludhiana, cotton yarn prices remained stable as demand failed to improve even after Diwali. A trader from the Ludhiana market told Fibre2Fashion, "Slow garment exports remain the main bearish factor for the cotton yarn market. Domestic summer garment demand has yet to pick up, which could drive cotton yarn consumption. The summer season is the major driver for local cotton yarn demand, and payment constraints continue to affect trade."

In Ludhiana, 30 count cotton combed yarn was sold at ₹247-257 (~$2.78-2.89) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹237-247 (~$2.67-2.78) per kg and ₹242-252 (~$2.73-2.84) per kg, respectively; and carded yarn of 30 count was noted at ₹227-232 (~$2.56-2.61) per kg today, according to trade sources.

The Delhi market also witnessed moderate demand for cotton yarn, which helped support prices at previous levels. Trade sources said that spinning mills are trying to maintain current rates. The availability of new-season cotton fibre has improved, easing its prices. However, mills preferred to retain margins rather than boost sales through lower prices.

In Delhi, 30 count combed knitting yarn was traded at ₹250-252 (~$2.82-2.84) per kg (GST extra), 40 counts combed at ₹277-279 (~$3.12-3.14) per kg, 30 count carded at ₹224-226 (~$2.52-2.55) per kg, and 40 count carded at ₹249-252 (~$2.80-2.84) per kg today.

Recycled yarn trade in Panipat remained subdued due to disruptions caused by the Bihar election. Market sources said that supplies slowed as usual during the election period, leading to weak demand for recycled yarn. A shortage of workers was another contributing factor, as many stayed back in their home states to vote. The market is expected to normalise in the second half of the month once elections conclude. While recycled yarn and fibre prices showed some movement, overall demand remained sluggish, although winter clothing demand has started gradually.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹73-76 (~$0.82-0.86) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹55-58 (~$0.62-0.65) per kg, 20s recycled PC yarn (Grey) at ₹97-100 (~$1.09-1.13) per kg and 30s recycled PC yarn (Grey) at ₹127-132 (~$1.43-1.49) per kg. Meanwhile, 10s recycled cotton yarn were traded at ₹107-108 (~$1.21-1.22) per kg and 18s recycled cotton yarn ₹135-136 (~$1.52-1.53) per kg. Cotton comber prices were noted at ₹109-111 (~$1.23-1.25) per kg and recycled polyester fibre (PET bottle fibre) at ₹77-82 (~$0.87-0.92) per kg today.

In north India, cotton prices remained stable amid continued buying from spinning mills. Traders said that demand and supply were balanced. Mills are purchasing cotton in limited volumes, but procurement of seed cotton by the Cotton Corporation of India (CCI) is supporting the market. According to market estimates, CCI is buying around 25–30 per cent of the seed cotton arriving at its centres.

North India recorded cotton arrivals of about 16,000 bales, including 1,000 bales in Punjab, 4,000 in Haryana, 5,000 in upper Rajasthan, and 6,000 in lower Rajasthan. New cotton prices were noted at ₹5,265–5,275 (~$59.31–59.42) per maund of 37.2 kg in Punjab, ₹5,120–5,130 (~$57.67–57.78) in Haryana, ₹5,240–5,270 (~$59.02–59.36) in upper Rajasthan, and ₹50,500–53,000 (~$568.84–597.00) per candy of 356 kg. Seed cotton was sold between ₹6,800–7,400 (~$76.60–83.35) per quintal of 100 kg.

Source: fibre2fashion.com– Nov 03, 2025

HOME

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