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Currency Watch			
USD	EUR	GBP	JPY
88.60	102.82	116.50	0.57

NATIONAL NEWS	
No	**Topics**
1	Next round of talks on proposed trade pact with Chile likely in Dec
2	RBI's moratorium on loan repayments could help exporters take a breath amid uncertainties
3	RBI rolls out relief measures for tariff-affected exporters: How they could get relief
4	Panel suggests reforms to make life easy for small enterprises
5	Trump backs 500% tariffs on Russia trade partners: What it means for India
6	BTA talks: India proposes UK-style totalisation agreement with US
7	Tax and tariff disruptions reshape supply chains as strategic engines: PwC
8	Export subsidies will help but we should aim to be globally competitive
9	India, EAEU review roadmap for proposed FTA to deepen trade, market access
10	Take Trump at his word, and finalise a trade deal before tariffs hurt
11	Will India-US trade deal shake up Asia’s apparel export dynamics?
12	India, Canada strengthen economic partnership
13	MoU signed to digitise logistics ecosystem in India's Andhra Pradesh

INTERNATIONAL NEWS

UK apparel trade shows sharp recovery in September

The UK's apparel imports surged 16.73 per cent year on year (YoY) to £1.703 billion (~$2.237 billion) in September 2025, up from £1.459 billion in September 2024, according to the Office for National Statistics (ONS).

Imports also rose 2.34 per cent month on month from £1.664 billion in August 2025, indicating firming demand ahead of the autumn-winter retail season. The uptick reflects retailers' efforts to rebuild inventories after lean restocking cycles earlier in the year.

Textile fabric and fibre imports also posted marginal gains. Fabric imports stood at £451 million (~$592.58 million), 2.03 per cent higher than £442 million in September 2024, while fibre imports inched up to £26 million (~$34.16 million) from £25 million a year earlier.

Month on month, fabric imports rose from £441 million, and fibre imports from £24 million. These modest increases point to stabilising manufacturing activity and early preparation for 2026 sourcing cycles.

During the third quarter (Q3) of 2025, the UK imported clothing worth £4.932 billion (~$6.480 billion), up 15.12 per cent from £4.284 billion in Q3 2024 and 21.68 per cent higher than £4.053 billion in Q2 2025.

Fabric imports during Q3 were valued at £1.407 billion (~$1.848 billion), while textile fibre imports totalled £83 million (~$109.06 million), compared with £1.369 billion and £88 million, respectively, in Q3 2024.

In Q2 2025, fabric and fibre imports had reached £1.389 billion and £97 million, respectively. Quarterly growth suggests stronger order placements by UK brands following improved retail sell-through over the summer.

The rebound in 2025 marks a notable turnaround for the UK's apparel trade after two consecutive years of decline. For the full year 2024, clothing imports fell 7.06 per cent to £14.612 billion (~$18.394 billion), reflecting subdued consumer sentiment amid inflationary pressure and cautious retail spending.

Textile fabric imports dropped 4.35 per cent to £5.341 billion, while fibre imports declined to £378 million. The decline in 2024 mirrored the broader slowdown in discretionary categories as households prioritised essentials.

In 2023, clothing imports totalled £15.702 billion (~$20.33 billion), down sharply by 25.94 per cent from £21.203 billion in 2022, as post-pandemic disruptions and inventory corrections weighed on trade. Fabric imports slipped to £5.547 billion from £6.357 billion, while fibre imports fell to £413 million from £562 million. Retailers at the time were reducing overstock accumulated during the pandemic recovery, dampening import flows.

The latest data underscores a revival in UK apparel demand, supported by stabilising inflation, improved consumer confidence, and active pre-season stocking by retailers. Increased imports from Turkiye, Bangladesh, and China—Britain's leading sourcing destinations—highlight a sustained reliance on global supply chains and a cautiously optimistic outlook for the country's textile and apparel market in the months ahead. Higher sourcing from Turkiye reflects shorter lead times and flexibility, while Bangladesh and China continue to dominate on cost competitiveness and product variety.

Source: fibre2fashion.com– Nov 17, 2025

HOME

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NCTO, AAFA Laud Washington for Trade Agreements With Guatemala, El Salvador

United States Trade Representative (USTR) Jamieson Greer announced Thursday that the United States has agreed to update its trade frameworks with Guatemala and El Salvador.

The agreements, which have yet to be finalized but are expected to be made official in the coming weeks, will see the U.S. dropping its so-called "reciprocal tariffs" on textile and apparel products inbound from both countries under the U.S.'s Dominican Republic-Central America free trade agreement (CAFTA-DR).

Imports from both countries have been subject to a 10-percent duty for several months, and while President Donald Trump's administration plans to maintain that level on many goods, it will provide concessions for certain products, including textile and apparel items, and for "qualifying exports that cannot be grown, mined or naturally produced in the United States in sufficient quantities," a joint statement on the frameworks noted.

Both Guatemala and El Salvador have agreed to a slew of terms that the Trump administration believes will give the U.S. greater access to the Central American nations' markets and bolster the U.S. economy.

"[These] announcements lay the groundwork for Agreements on Reciprocal Trade to unlock new markets for U.S. exports and lower trade barriers facing American workers and producers," Greer said in a statement.

The leaders of El Salvador and Guatemala's respective governments publicly applauded the agreements.
Nayib Bukele, president of El Salvador, posted the terms of the U.S.'s agreement with the country on X and simply wrote, "Friends."

Bernardo Arévalo, Guatemala's president, posted a video on X noting that the agreement is a result of the strong relationship between its government and the U.S.'s government. In the video, which Sourcing Journal translated from Spanish to English, Arévalo said the move "positions us as a more competitive and more attractive country for investment."

Textile and apparel trade group leaders are taking the agreements as a win.

"We are grateful to President Trump and his trade negotiating teams for this bold step to support U.S. workers and communities whose lives and livelihoods are directly enabled by U.S.-Central American trade," Steve Lamar, president and CEO of the American Apparel and Footwear Association (AAFA), said in a statement. "These actions bolster key U.S. export markets in Central America, reduce costs for American consumers, and reinforce the competitiveness of integrated regional supply chains that rely on U.S. cotton and other textiles."

The National Council of Textile Organizations (NCTO), which has been vocal in calling on the Trump administration to honor CAFTA-DR for the textile industry over the past several months, said the Trump administration's decision will positively influence the industry and U.S. consumers.

Kim Glas, the trade group's president and CEO, called the update "a critical key first step" for all three countries' industries.

"Restoring duty-free textile and apparel qualified goods from the CAFTA-DR region is important to bolster the U.S. textile supply chain [and] can help bring some stability to this critical sector," Glas said in a statement. "The U.S.-Western Hemisphere supply chains stand as a bulwark to China and other Asian countries."

The NCTO said that, because CAFTA-DR aided more than $11 billion worth of trade last year and supported "more than 470,000 U.S. workers in the domestic textile sector alone," the Trump administration needs to continue thinking critically about its merits. Trump's reciprocal tariffs have seen textile and apparel imports from free trade partners dipping while the same imports from Asian nations continue to increase. The administration has repeatedly aired its frustrations with China in particular and has been looking to compete with the Asian nation in multiple industries.

With that in mind, Glas said, Trump and his allies should place further consideration on extending similar agreements to other CAFTA-DR countries that still face reciprocal tariffs.

“NCTO and our industry leaders have long been pushing for the reinstatement of duty-free treatment for qualified textile and apparel goods for our CAFTA-DR partner countries,” Glas said in a statement. “We welcome the administration’s announcements about restoring these benefits for Guatemala and El Salvador and continue to press for a resolution for the other trade partners including Honduras, the Dominican Republic and Costa Rica, while acknowledging that the administration is conducting an extensive review under Section 301 of Nicaragua and their human rights violations under a separate track.”

AAFA leaders also called on Trump and Greer to extend the agreements to other free trade partners. Beth Hughes, AAFA vice president of trade and customs policy, said, on top of that, the administration needs to solidify its promises on Guatemala and El Salvador.

“We urge these agreements to be finalized soon so that these gains can quickly take effect and encourage the United States to incorporate similar provisions in forthcoming agreements with our other CAFTA-DR partners,” Hughes said in a statement.

Source: sourcingjournal.com– Nov 14, 2025

HOME

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New tariffs surge accompanies steps to raise trade: WTO report on G20

Trade covered by tariffs in G20 economies increased about four times as much between mid-October 2024 and mid-October 2025 compared to the prior reporting period, marking the largest increase in the history of trade monitoring by the World Trade Organisation (WTO).

At the same time, economies made trade easier by twice as much in value terms over this period, according to the WTO's latest report on trade measures in the G20.

G20 merchandise imports worth $2,599 billion, or 14.3 per cent of their total, were affected mostly by tariffs along with other measures introduced during the period—more than four times the $599 billion recorded in the preceding period.

Adding similar measures on exports, a total of 185 measures affect trade worth about $2,900 billion compared to $829 billion recorded in the previous G20 report.

Over the same period, G20 economies also introduced a large number of new trade-facilitating measures, and mostly refrained from retaliation, favouring dialogue and reducing trade barriers instead, a release from the WTO said citing the report.

G20 economies introduced 184 trade-facilitating measures on goods, covering trade estimated at $2,055 billion—nearly double the $1,070 billion recorded in the last report.

The stockpile of measures affecting imports had been steadily accumulating since the 2008-09 global financial crisis, but its size has now sharply increased: a year ago 12.9 per cent of G20 imports were affected ($2,353 billion or 9.9 per cent of world imports); that share has now jumped to 22.0 per cent ($4,015 billion or 16.9 per cent of world imports).

WTO economists estimate world merchandise trade growth at 2.4 per cent in 2025 and at 0.5 per cent in 2026, with stronger-than-expected trade growth in the first half of 2025 driven by import frontloading, strong demand for artificial intelligence-related products, and continuing trade growth among most WTO members, notably developing economies.

The new G20 report notes increased dialogue among trading partners and efforts to negotiate trade solutions.

During the review period, G20 economies initiated 28.5 trade remedy investigations per month on an average—less than the monthly average of 32.5 recorded in 2024, but close to the 2020 level of 28.6 per month.

The average number of trade remedy terminations was 9.3 per month, marking the third-lowest level since 2016. Trade remedy actions-particularly anti-dumping measures-remain a key trade policy instrument for most G20 economies, accounting for 55.2 per cent of all trade measures on goods recorded in this report.

During the period, G20 economies introduced an increased number of general and economic support measures, many of which were linked to key sectors like environment, energy and agriculture. The report notes a possible shift toward non-financial interventions and the pursuit of broader strategic policy objectives.

Source: fibre2fashion.com– Nov 16, 2025

HOME

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Jordan's trade chamber to partner with Vietnamese garment firms

The Jordan Chamber of Industry has reached an understanding with entities in Vietnam to pursue joint investments in the latter's garment industry, Ihab Qadri, the chamber's representative for the leather and garment sector, recently said.

Vietnamese business delegations will visit the country to explore the latter's apparel sector.

Jordan's King Abdullah II recently met representatives of leading Vietnamese garment companies, sending a clear message that the country is highly committed to expanding investments in the garment industry, particularly in apparel, he was cited as saying by domestic news agency.

The discussions explored opportunities to establish integrated industrial ventures between private companies in both countries.

The meeting was organised in cooperation with the International Finance Corporation (IFC).

The King emphasised Jordan's keenness to strengthen economic and trade relations with Vietnam, highlighting Jordan's investment incentives, especially within garment-focussed industrial zones to expand their access to new markets.

The discussions touched on investment cooperation, leveraging Vietnam's expertise in fabric manufacturing, raw materials, horizontal and vertical integration, global supply chains, expansion opportunities and the legislative environment needed to advance the sector, Qadri added.

Source: fibre2fashion.com– Nov 16, 2025

HOME

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What businesses think about Sri Lanka's move to replace SVAT with RBRS

Sri Lanka has taken a bold leap in its tax landscape by abolishing the long-standing Simplified Value Added Tax (SVAT) scheme and ushering in the new Risk-Based Refund Scheme (RBRS) effective from October 1, 2025.

This move forms part of a sweeping set of tax reforms designed to reportedly align the country's fiscal framework with international best practices and commitments made under the International Monetary Fund (IMF) programme.

The SVAT system, which had been in operation since 2011, was originally crafted as a lifeline for exporters and specific suppliers struggling with crippling cash flow issues and chronic delays in VAT refunds, allowing them to engage in transactions using credit vouchers instead of physical cash payments.

It was a system that lubricated the wheels of export trade, minimising the financial friction between businesses and the Inland Revenue Department (IRD) and giving exporters the breathing space they needed to compete on global markets without being strangled by refund delays.

For over a decade, this scheme was considered a clever workaround, one that kept liquidity intact for exporters and helped stabilise the country's most vital industries.

But 2025 brought an end to that familiar rhythm. As part of its IMF-backed reform agenda, the government scrapped SVAT and rolled out the new Risk-Based Refund Scheme, which promised a modernised, transparent, and efficient digital system for processing refunds.

Yet the rollout was not as smooth as expected, if reports are to be believed.

According to media reports, even before the ink had dried on the official announcement, the country's business community voiced scepticism about the readiness and reliability of the new scheme.

Leading export bodies reportedly sounded alarm bells, warning that dismantling SVAT without a fully operational replacement was an enormous risk that could jeopardise the very lifeblood of the export sector.

Reports quoted industry leaders describing the RBRS transition as a "huge risk" that might unleash severe cash flow crises across key sectors and undercut the government's own export-led growth narrative.

At a press conference earlier, representatives from several major associations — including the Joint Apparel Association Forum (JAAF), Sri Lanka Apparel Exporters Association (SLAEA), Tea Exporters' Association (TEA), and the National Chamber of Exporters (NCE) — had reportedly jointly pleaded with authorities to delay the transition.

Their message was clear: the business community wasn't opposing taxation; it simply wanted a functioning, foolproof system before SVAT was dismantled.

The warnings and repeated rounds of dialogue with policymakers notwithstanding, the government reportedly pressed ahead with its decision, even if reports suggest sectors like the tea industry allegedly faced some issues with the new system.

In the tea industry — one of Sri Lanka's export cornerstones — reports have surfaced of disruptions, with tea auction prices reportedly dropping by nearly Rs. 100 per kilogram as buyers cut back on purchases to avoid paying VAT upfront and holding costly stocks. Officials from the sector have reportedly voiced concern that such shifts could erode competitiveness in international markets.

Meanwhile, there's still limited clarity on how the new system has affected the country's readymade garment industry, a powerhouse that accounts for more than half of Sri Lanka's export earnings and employs hundreds of thousands.

For now, exporters across sectors are watching closely to see whether the ambitious new refund scheme will deliver the efficiency and transparency promised — or become another experiment that creates hiccups for the very industries it is meant to empower.

Source: fibre2fashion.com– Nov 16, 2025

HOME

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Bangladesh: Garment exports to US rise 5% in July-October

Garment exports to the USA, the country's largest single export destination, increased by 5.14 percent to $2.59 billion during July-October, despite facing a 20 percent reciprocal tariff imposed by the US under President Donald Trump's administration.

The USA accounted for 19.92 percent of Bangladesh's total garment exports during this period, according to data from the Export Promotion Bureau (EPB) compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Local exporters face a 35.5 percent duty on shipments to the USA, which includes the 20 percent reciprocal tariff and the previous 15.5 percent Most Favoured Nation (MFN) tariff.

Bangladesh's 20 percent reciprocal tariff rate gave local exporters a competitive advantage over other garment-exporting nations, which face slightly higher tariffs.

Ramzul Seraj, managing director of Elite Group, said that although his company's shipments to the USA were slow in August and October, the inflow of work orders from US-bound retailers and brands started increasing in November.

"The uncertainty is over now, as the tariff rate for Bangladesh is fixed lower compared with a few other countries. I hope the inflow of work orders from US buyers will also increase in the near future," Seraj told The Daily Star over the phone.

Former BGMEA president Anwar-Ul-Alam Chowdhury (Parvez) said exports picked up slightly in October as US buyers received previously held-up work orders from Bangladesh due to reciprocal tariff negotiations.

He added that exports of garments to the USA depend on many factors, as sales of garment items to the US have also declined slightly.

Moreover, the lowering of tariffs by the Trump administration on Malaysia, Thailand, and Cambodia could affect Bangladesh's shipments to the American market in the near future.

Apart from the USA, the European Union (EU) remains Bangladesh's largest export destination for RMG, accounting for 48.17 percent of total exports in this category. Export earnings from the EU stood at $6.26 billion, registering year-on-year growth of 0.46 percent.

Exports to Canada and the United Kingdom also showed positive momentum. Exports to Canada reached $442.27 million, up 10.84 percent year-on-year, giving the country a 3.4 percent share of Bangladeshi garment exports.

Apparel exports to the UK were $1.53 billion, growing 2.72 percent year-on-year, with an 11.81 percent share.

While traditional markets maintained stable demand, RMG exports to non-traditional (emerging) markets fell by 2.69 percent during the period.

The knitwear segment grew modestly by 0.42 percent, showing stable performance, while the woven segment performed better with a 2.66 percent increase in exports.

Overall, RMG exports from Bangladesh reached $12.99 billion from July to October of FY 2025-26, up 1.40 percent compared to the same period of the previous fiscal year.

Source: thedailystar.net– Nov 16, 2025

HOME

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Bangladesh outpaces China in RMG export growth to EU

Bangladesh has outpaced China in apparel export growth to the European Union (EU) in the first nine months of 2025, as demand for competitively priced Bangladeshi garments continues to strengthen in the bloc.

From January to September, Bangladesh's garment exports to the EU rose 13.17 percent year-on-year to €15.26 billion, up from €13.48 billion a year earlier, Eurostat data show.

The country retained its position as the second-largest apparel supplier to the EU after China, which posted a 9.86 percent value growth, reaching €19.77 billion during the period.

However, in terms of volume, China still has the top position. In the first nine months, China posted a 17 percent rise in volume, compared to Bangladesh's 15.55 percent growth.

However, Bangladesh offered a much more competitive unit price than the East Asian superpower. Eurostat data show that China experienced a 6.10 percent decline in unit prices, while Bangladesh posted a 2.06 percent decrease. This indicates that the South Asian country gained EU market share through a combination of competitive pricing and sustained buyer interest.

Among other major suppliers, India exported €3.76 billion worth of apparel to the EU, up 10.62 percent in value and 16.01 percent in volume, while unit prices declined by 4.65 percent. Pakistan's exports rose 13.77 percent to €2.90 billion, driven by a 15.90 percent rise in volume and a 1.83 percent drop in prices.

Cambodia showed particularly strong performance with exports totalling €3.37 billion, a 22.51 percent rise in value and 39.65 percent in volume, while unit prices fell by 12.27 percent as the country shifted more aggressively toward the EU market amid weaker demand in the United States.

Turkey, however, recorded a downturn, with EU imports of Turkish apparel shrinking 9.80 percent to €6.42 billion.

Overall, the EU imported €68.47 billion worth of apparel between January and September, up 7.14 percent year-on-year. The growth was largely driven by a 13.80 percent increase in volume, even as average prices fell by 5.86 percent per kilogramme, indicating stronger demand but heightened price competition.

Inamul Haq Khan, senior vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the export performance aligns with earlier work orders placed by European buyers ahead of the Christmas season. However, he cautioned that the coming months may not see extraordinary growth.

"The trend of placing work orders for the near future is in a tight position now, although the situation was supposed to improve," he said.

Khan also noted that US President Donald Trump's reciprocal tariffs have added pressure to the global apparel supply chain.

Bangladesh has maintained its position as the EU's second-largest apparel supplier for several years due to its cost competitiveness. It has already overtaken China in key product categories such as trousers and denim. In terms of volume, Bangladesh has long been the top garment supplier to the European bloc.

Source: thedailystar.net– Nov 16, 2025

HOME

****

Bangladesh plans to boost apparel exports to Japan

The Japanese apparel market is considered one of the largest and most sophisticated in the world, characterised by its strong emphasis on innovation, design, and uncompromising quality standards, even as forecasts predict continued growth.

For apparel-producing countries, Japan's expanding market presents an attractive opportunity, and Bangladesh, one of the world's leading garment exporters, is increasingly seeking to strengthen its foothold in this market.

Bangladesh apparel makers are turning their focus towards Japan at a strategic time. With negotiations for a Bangladesh–Japan Economic Partnership Agreement (EPA) already underway and expected to conclude by the end of 2025, both nations are seeking to deepen their trade and investment ties. The EPA aims to create a framework that would lower tariffs, simplify trade procedures, and facilitate greater market access for Bangladeshi products.

For Bangladesh, the economy of which relies heavily on readymade garments, the EPA represents an opportunity to expand exports and diversify beyond its traditional export strongholds of the United States and the European Union.

Industry leaders believe that with the EPA, rising Japanese interest in the China Plus One sourcing strategy, and Bangladesh's increasing focus on quality and sustainability, the country now stands at a pivotal moment to increase its apparel exports to Japan.

Even though China remains Japan's largest supplier of apparel, its dominance has been gradually eroding. Estimates suggest that China's share in Japan's apparel imports dropped from over 55 per cent in 2022 to about 46.88 per cent in early 2025.

Interestingly, this decline has not been accompanied by a fall in Japan's total apparel imports, indicating that Japanese retailers are not cutting back on demand but are instead diversifying their sourcing networks.

The growing interest in the ‘China Plus One’ strategy—under which Japanese companies seek to reduce dependence on China by sourcing from alternative locations—has positioned Bangladesh as a viable and competitive option for sure even if Bangladesh’s apparel exports to Japan have also shown consistent growth over the past few years, reflecting both the shifting dynamics in Japanese sourcing and Bangladesh’s increasing competitiveness.

As per some estimates, Bangladesh’s exports rose from $944.82 million in the fiscal 2020–21 to $1.41 billion in 2024–25, while industry observers noted that this upward trajectory highlights a strong foundation for further expansion, particularly as Bangladeshi manufacturers invest in quality and value-added production to meet Japanese standards.

The Japanese fashion market is often described as one of the most challenging in the world, with consumers who value craftsmanship, attention to detail, and durability over mass-produced, low-cost alternatives.

This presents both a challenge and an opportunity for Bangladeshi exporters. “Japan’s fashion market is unique in the sense that gaining Japanese buyers’ trust is not that easy,” said one apparel manufacturer, adding, “The market is driven by a sophisticated consumer base that values craftsmanship, and the emphasis on quality is extremely high. Long-term communication and consistent efforts are essential to building trust and successfully entering the Japanese market.”

To cater to such expectations, many Bangladeshi garment factories are enhancing compliance, upgrading technology, and focusing on sustainability—factors that align well with Japan’s growing preference for ethical and environmentally responsible production.

Japanese buyers, known for long-term partnerships once trust is established, often prioritise reliability and transparency across the supply chain and recognising this, Bangladeshi entities are working to strengthen their reputation through improved product standards, timely delivery, and investments in eco-friendly production processes.

Industry insiders believe that the combination of Japan’s sourcing diversification, the upcoming Economic Partnership Agreement, and Bangladesh’s improving manufacturing capabilities will open new growth opportunities in the lucrative Japanese market.

While challenges remain in meeting Japan’s stringent quality benchmarks and cultural expectations, the potential rewards are significant, and by demonstrating reliability, consistency, and commitment to sustainability, Bangladesh can position itself as a key partner in Japan’s apparel supply chain, claimed the industry insiders, to wind up on a positive note.

Source: fibre2fashion.com– Nov 13, 2025

HOME

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NATIONAL NEWS

Next round of talks on proposed trade pact with Chile likely in Dec

The next round of negotiations between India and Chile on the proposed free trade agreement is expected to be held in December here, an official said.

The pact with the the South American nation may help India access critical minerals, which are key inputs for electronics, auto, and solar sectors.

India and Chile concluded the third round of negotiations for a Comprehensive Economic Partnership Agreement (CEPA) in Santiago. The four-day talks concluded on October 30. India is seeking preferential treatment for critical minerals in Chile under the pact.

India's growing trade engagement with Chile reflects its strategic focus on building stronger partnerships with the Latin American region through mutually beneficial and comprehensive economic cooperation frameworks, the official said.

India and Chile implemented a preferential trade agreement (PTA) in 2006 and are now negotiating to widen its scope for a comprehensive economic partnership agreement.

CEPA aims to build upon the existing PTA between the two nations and seeks to encompass a broader range of sectors, including digital services, investment promotion and cooperation, MSMEs (micro, small and medium enterprises), and critical minerals.

The bilateral trade between India and Chile is modest. In 2024-25, India's exports to Chile were down 2.46 per cent to just USD 1.15 billion. Imports, however, grew 72 per cent to USD 2.60 billion.

The largest Indian exports to Chile are auto and pharma. The biggest imports from Chile are minerals worth around USD 1.58 billion. Other products imported from Chile are copper and chemicals.

Chile is the fifth-largest trading partner of India in the LAC (Latin American countries) region.

India's exports to Chile are diversified and constitute motor vehicles/cars, drug formulations, chemicals, iron and steel products, man-made yarn, fabrics, cotton fabrics, made-ups, RMG (ready-made garments), auto components, electric machinery and equipment, leather goods, rubber products, aluminium and its products, and ceramics.

Source: thehindubusinessline.com– Nov 16, 2025

HOME

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RBI's moratorium on loan repayments could help exporters take a breath amid uncertainties

The Reserve Bank of India is stepping up to assist exporters with a key moratorium on loan repayments. This timely intervention is designed to give businesses the flexibility they need to adapt to the shifting tides of global commerce and pursue fresh avenues for growth.

The Reserve Bank of India's extraordinary measures to support exporters, including a moratorium for the first time since Covid on loan repayments, is seen as a pre-emptive move to provide breathing space to the sector that has to find new markets and adjust to new trade realities.

Though there is no visible stress in the sector currently, the central bank's measures are timely because they give a much-needed cushion both to banks and customers amid continuing global trade disruptions triggered by US tariffs, said bankers.

"Trade talks between India and the US have entered an uncertain territory. From expecting an agreement within weeks to months, we are now not sure on what shape and when an agreement will be reached," said a senior executive at a large private sector bank. "These measures (as per RBI) give exporters breathing space to diversify markets, reset some relationships and adjust their businesses without worrying about repayments."

Bankers are figuring out how the new RBI measures could be extended to their customers and what immediate impact those would have on the customers' balance sheets. Banks are currently not seeing signs of stress in loan repayments, but are expecting some of that to appear if the US-India logjam continues.

A Lifeline Measure, applicable to loans due between Sept 1 and Dec 31 this year, will give some time to traders to diversify markets, feel observers

On Friday evening, the RBI announced a moratorium on all term loans to be paid by exporters that are due between September 1 and December 31, 2025. This leeway has been granted to exporters having an outstanding export credit facility from an RBI-regulated entity as of August 31. To qualify for the scheme, the accounts must be "standard", or not in default.

Interest would continue to be charged during this moratorium period, but on a simple interest basis, without compounding, the RBI said. As many as 20 sectors from fisheries to footwear and textiles to nuclear reactors have been listed as the ones to be getting the regulatory benefit.

The RBI said these measures were aimed at mitigating the burden of debt servicing brought about by trade disruptions and ensuring continuity of viable businesses. Though banks are not feeling the stress of US tariffs immediately, the pressure is slowly reflecting on the intermediaries of the export ecosystem, said Sanjay Agarwal, senior director at Care Ratings.

"Exporters will ultimately have to bear the costs but there is a large ecosystem of intermediaries which may already be feeling the heat. The impact of the US tariff is varied with sectors like shrimp which have a better bargaining power likely to hold on longer compared to say a more competitive textile and apparel sector," Agarwal said.

Source: economictimes.com– Nov 17, 2025

HOME

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RBI rolls out relief measures for tariff-affected exporters: How they could get relief

To ease debt repayment pressures on certain exporters hit by trade tensions with the US, which has imposed elevated tariffs of 50 per cent on Indian shipments, the Reserve Bank of India (RBI) has announced a set of relief measures.

These include a four-month moratorium on loans and interest payments from September 1, 2025 to December 31, 2025, an extension of export credit tenure to 450 days, and relaxed asset classification norms which would ease payment burden.

The RBI's relief package comes soon after the government approved a six-year Export Promotion Mission with an outlay of Rs 25,060 crore. Together, the measures are expected to provide liquidity support to exporters and help them manage any short-term cash flow disruptions that may arise from delayed orders and payments.

* Moratorium on debt repayments: The RBI said that its regulated entities — commercial banks, non-banking financial companies and all-India financial institutions — should grant a moratorium on or deferment of payment of all term loans and recovery of interest on working capital loans falling due between September 1, 2025, and December 31, 2025.

During the moratorium period, interest will continue to accrue but on a simple interest basis. The accrued interest during the moratorium will be converted into a funded interest term loan, which can be repaid between March 31, 2026 and September 30, 2026.

In case of working capital facilities, the RBI said that regulated entities can recalculate "drawing power" by reducing the margins during the moratorium period.

* Relaxation in export credit repayment: The RBI said that all regulated entities eligible to undertake export financing business may permit an enhanced credit period of up to 450 days (from 270 days earlier) for pre-shipment and post-shipment export credit disbursed till March 31, 2026.

For packing credit facilities that have already been availed by exporters by August 31, 2025, where dispatch of goods could not take place, lenders may allow liquidation of such facilities from any legitimate alternate sources, including domestic sale proceeds of such goods or substitution of contract with proceeds of another export order. Packing credit refers to a loan for financing purchase, processing, manufacturing, or packing of goods before shipment, and can be used for working capital.

* Relaxed asset classification norms: The RBI said that the moratorium period should be excluded by lenders while calculating the number of days past due (DPD) for asset classification under the applicable Income Recognition, Asset Classification and Provisioning (IRACP) norms.

DPD refers to the number of days a loan or credit card payment is past its due date, indicating potential defaults. The grant of moratorium will not be treated as an event of restructuring and will not result in asset classification downgrade. The RBI directed Credit Information Companies (CICs) to ensure that actions taken by lenders should not adversely impact borrowers' credit history.

* Provisioning: The RBI said banks will have to make a general provision of 5 per cent against the accounts which were in default but classified as "standard" as on August 31, 2025, and where trade relief measures have been extended, by December 31, 2025.

* Amendment in FEMA regulations: The RBI also tweaked the Foreign Exchange Management Act (FEMA) regulation on realisation and repatriation of proceeds of export of goods, software, services and advance payment against exports. The exporters will now have 15 months instead of nine months for realisation and repatriation of full export value of goods, software, services exported from India. The time period for shipment of goods has been increased from one year to three years from the date of receipt of advance payment.

Why measures were introduced

The RBI's relief measures come in the wake of the US imposing steep 50 per cent tariffs — the highest on any country globally — on Indian exports effective August 27. Higher tariffs, primarily on account of the penalty duty of 25 per cent for purchasing Russian oil, has impacted bilateral trade, with India's shipments to the US falling 12 per cent in September.

Trade disruptions have led to delayed payments and an increase in operational costs, tightening liquidity conditions for domestic exporters. Many exporters are facing challenges in servicing their debt, which has raised concerns over potential defaults.

How exporters are likely to benefit

The RBI's relief measures are expected to ease short-term liquidity pressures and help exporters meet any payment obligations.

The regulator said that its trade relief measures are aimed at "mitigating the burden of debt servicing brought about by trade disruptions caused by global headwinds and to ensure the continuity of viable businesses".

"The proposed regulatory measures coupled with the credit guarantee scheme for exporters announced by Government of India could provide liquidity relief to exporters and help them ride out the near-term pressure on cashflows because of deferment of orders or payments," said Anil Gupta, Senior Vice President & Co Group Head – Financial Sector Ratings, ICRA Ltd.

The RBI's move comes even as India and the US are negotiating a bilateral trade agreement. Earlier this week, US President Donald Trump said the US will bring down tariffs on India, and that Washington is "pretty close" to reaching a "fair trade deal" with New Delhi.

Sectors and articles such as organic chemicals, plastic, rubber, leather, carpets, apparel and clothing accessories, footwear, articles of iron or steel, nuclear reactors, boilers, electrical machinery and equipment and parts, aluminium, furniture, bedding, mattresses, mattress supports and cushions are eligible for the RBI's trade relief measures.

On Friday, the RBI said that the trade relief package has come into effect immediately. This means that the measures are already in place.

Impact on banks

According to ICRA Ltd's Gupta, there is a need to monitor the extent of moratorium or deferment availed by exporters. "A large quantum of borrowers availing either of relief measures could potentially increase the uncertainty on asset quality for the lenders," he said.

A five percent provisioning on such loans, where lenders have given a relief to exporters, could also result in an increase in provisions, but unlikely to have a material impact on near-term profitability, he said.

Source: indianexpress.com– Nov 16, 2025

HOME

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Panel suggests reforms to make life easy for small enterprises

NEW DELHI: The high-level committee headed by NITI Aayog member Rajiv Gauba has recommended at least 17 reforms, aimed at easing regulatory and financial pressure on Micro, Small and Medium Enterprises (MSMEs).

The key recommendations cover credit access, compliance under the Companies Act, tax procedures, payment dispute resolution and CSR donations.

The measures expected to significantly improve the business environment for small enterprises. The panel has provided the timelines for implementing the reforms, which are being examined by ministries and departments.

For improving access to credit, the panel has proposed expanding the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to include manufacturing medium enterprises.

It has also urged extending credit guarantee cover to receivables on the Trade Receivables Discounting System (TReDS) to ensure faster payments.

To deal with the problem of MSMEs struggling to operate, for govt entities delaying payment of arbitration award or challenging such orders, the committee has recommended strengthening the provision of mandatory pre-appeal deposit of 75% arbitral award value under the MSME Development Act.

It has said the law should be amended to mandate pre-deposit enforcement through actual deposit and authorise partial release of payment of at least 50% due to micro and small enterprise suppliers after six months. Appointment of a sole arbitrator has also been suggested to accelerate dispute resolution.

The panel has recommended exemption of all micro and small companies from the mandatory Corporate Social Responsibility (CSR) obligations under the Companies Act. It has suggested amendments of the provision, which currently lays down the applicability criteria for CSR obligations based on net worth, turnover and net profit thresholds.

The committee has also recommended reducing the number of mandatory board meetings of MSMEs from two per year to one per year. Similarly, the panel has favoured removing the mandate for auditor appointment for companies with turnover of less than Rs 1 crore.

It has also recommended raising the tax audit exemption limit for companies, with more than 5% cash receipts to Rs 2 crore from Rs 1 crore.

Source: timesofindia.com– Nov 17, 2025

HOME

****

Trump backs 500% tariffs on Russia trade partners: What it means for India

US President Donald Trump has strongly supported a new bill aimed at imposing sanctions on countries that maintain trade ties with Russia, marking a significant escalation in Washington's efforts to squeeze Moscow's economic lifelines. The move is proposed to curb Russia's funding capabilities and thereby put an end to the ongoing conflict in Ukraine.

What's the latest

Before leaving Florida on Sunday (local time) to return to the White House, Trump said that he would be "okay" with Senate legislation to sanction countries conducting business with Russia.

"The Republicans are putting in legislation that is very tough, sanctioning, etcetera, on any country doing business with Russia. We may add Iran to the list, I suggested that," Trump said while speaking to reporters. "Any country doing business with Russia will be very heavily sanctioned."

Why it matters for India

According to Bloomberg, the new bill would allow Trump to impose tariffs of up to 500 per cent on imports from countries that have trade ties with Russia. The move is likely to impact India and China the most, given that they are two of Moscow's biggest trading partners.

According to the Centre for Research on Energy and Clean Air (CREA), India remained the second-largest buyer of Russian fossil fuels in October, importing a total of €3.1 billion. Crude oil dominated India's purchases at 81 per cent (€2.5 billion), followed by coal at 11 per cent (€351 million) and oil products at 7 per cent (€222 million).

India stands only second to China, which imported €5.8 billion worth of energy from Russia in October. Crude oil made up 63 per cent (€3.7 billion) of China's purchases, followed by coal and pipeline gas, among others.

Trump's previous actions against India

While Trump had earlier said he would discuss with the European Union the possibility of working on a bill targeting countries that trade with Russia, his latest remarks mark his strongest statement yet on imposing such sanctions.

The Trump administration has already imposed a 50 per cent tariff on imports from India, including a 25 per cent penalty for buying Russian crude, starting August 27. While the two countries claim to maintain friendly ties and are engaging in trade talks, no new deal has been reached so far.

Trump's efforts to stop Russia's escalation in Ukraine will also add to his claimed list of "stopping wars". After helping reach a peace deal between Hamas and Israel last month, Trump claimed that he had stopped eight wars.

What is India's stance?

According to media reports, while the state-run refiners were cutting their reliance on Russian crude, private players stepped up procurement in September. Data from CREA states that while private refiners' imports constituted over two-thirds of India's total imports, state-owned refineries almost doubled their volumes month-on-month in October.

India's overall imports of Russian crude rose by 11 per cent month-on-month in October, despite Trump's claim that Prime Minister Narendra Modi had assured him India would stop purchasing oil from Russia. However, the Centre dismissed those remarks, reiterating that its top priority is to protect domestic consumer interests.

India, however, has been stepping up efforts to diversify its energy sources. Minister of Petroleum and Natural Gas Hardeep Singh Puri on Monday announced that India is opening up further to the US market.

In an X post on Monday, he said, "One of the largest and the world's fastest-growing LPG markets opens up to the United States. In our endeavour to provide secure, affordable supplies of LPG to the people of India, we have been diversifying our LPG sourcing.

"In a significant development, Indian PSU oil companies have successfully concluded a 1-year deal for imports of around 2.2 MTPA LPG, close to 10 per cent of our annual imports, for the contract year 2026, to be sourced from the US Gulf Coast, the first structured contract of US LPG for the Indian market," he said.

Source: business-standard.com– Nov 17, 2025

HOME

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BTA talks: India proposes UK-style totalisation agreement with US

India has proposed signing a social security totalisation agreement with the United States (US) on the lines of the Double Contributions Convention (DCC) agreement it concluded with the United Kingdom (UK) earlier this year, official sources told Business Standard.

The DCC agreement, signed on July 24 as part of the Comprehensive and Economic Trade Agreement (CETA), exempts Indian workers and their employers from paying UK social security contributions for up to three years when on temporary assignments.

Around 75,000 workers and over 900 companies are expected to benefit, resulting in savings of more than ₹4,000 crore as a result of the agreement.

The proposal to the US has been made as part of the ongoing talks for a Bilateral Trade Agreement (BTA) between both sides.

"India and the UK signed a DCC deal earlier this year which allows Indian workers to pay social security contributions solely in their own country for a period of three years. We remain hopeful of a similar agreement with the US and have proposed one in our ongoing talks. Discussions too, have also happened on the matter," the official said.

A totalisation agreement coordinates between the social security systems of the signatories and ensures that citizens from these countries avoid paying into the social security system of another country if they are already contributing to their home country's system. The aim is to avoid double contribution, so that workers do not end up paying into the social security systems of both countries for the same work.

India has long been trying to convince the US authorities to sign such a deal, which could help bring back contributions made by Indians while working in the US even though they were not allowed to avail of that country's social security benefits.

"We value our ongoing engagement with the Government of India on trade and investment matters and look forward to continuing to advance a productive and balanced trade relationship between our two countries. We refer you to the US trade representative (USTR) for specifics on trade negotiations," a spokesperson in the US embassy said in response to a detailed query sent by Business Standard.

According to a Harvard Journal on legislation report in 2016, temporary Indian workers in the US contributed nearly $3 billion annually to the American Social Security system. Indian professionals on temporary work visas are required to pay under the Federal Insurance Contributions Act (FICA) — a payroll tax in the US that funds social security and medicare. It is paid by both employees and employers, with a total rate of 7.65 per cent for each.

"Over the past decade, Indian nationals working in the United States have contributed over $ 27.6 billion to the US Social Security system," the report had said.

For a worker to qualify to avail the US social security benefits, it must have contributed for at least 40 quarters, or 10 years. However, most H-1B and L-1 Indian workers return to India within two to five years — unless their visas are extended, thus becoming ineligible to claim any benefits. As a result, their contributions are 'forfeited' in the US, with no mechanism in place to recover them.

According to a report by the Indian Council for Research on International Economic Relations (ICRIER), the US authorities have argued that the Employees Provident Fund (EPF) scheme, which is the main social security scheme in India, does not cover half of the working population in the country and for this reason, cannot be regarded as adequate for the purposes of entering into a bilateral totalisation agreement.

For this purpose, the central government earlier this year undertook a national social security data-pooling exercise to assess the 'true' extent of social protection coverage in India. As a result, the International Labour Organization (ILO) in July estimated that social security coverage in India has increased from 19 per cent in 2015 to 64.3 per cent in 2025.

Source: business-standard.com– Nov 16, 2025

HOME

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Tax and tariff disruptions reshape supply chains as strategic engines: PwC

Supply chains are evolving from operational backbones to strategic growth enablers for organisations, though they remain underleveraged and struggle for recognition at the executive level, a report by PwC India said. The survey highlighted that recent developments in the trade and tariff landscape represent both a stress test and a strategic inflection point for supply chains.

"Geopolitical uncertainty and shifting tariffs are driving a need for adaptive and compliant supply chains... While short-term disruptions are inevitable, they also offer a critical opportunity to assess value chains and incorporate greater agility, sustainability, and foresight," the PwC survey said.

The PwC report provides an eight-step framework for global trade strategy, centred on diversification, localisation, and digital trade intelligence, which companies can leverage to thrive despite tariff and taxation pressures.

A survey of 156 respondents, including chief executive officers and senior supply chain leaders, found that despite their critical role, 32 per cent of respondents believe supply chains remain underleveraged in strategic contexts and that more ground must be covered to secure a seat at the table.

"The day is fast approaching when a healthcare company will partner a mobility provider and a technology firm to deliver personalised care at scale, enabled by a supply chain that integrates patient data, logistics, and artificial intelligence-driven diagnostics," said Arnab Basu, partner and leader, clients and industries, PwC India.

While 16 per cent of survey participants said they were well prepared for supply chain disruptions and could thrive in such situations, 35 per cent still perceive their supply chains as fragile and vulnerable.

The PwC report noted that although AI and generative AI (GenAI) have the potential to revolutionise supply chains, only 13 per cent of organisations have implemented AI use cases that deliver tangible value.

For GenAI, the figure is just 1 per cent. Companies are primarily using AI to monitor supply chain risks and manage stakeholder communication.

The survey also highlighted the growing adoption of digital twin technology — creating virtual replicas of physical supply chains to visualise “what-if” scenarios — with 58 per cent of business leaders planning to invest in it over the next one to two years.

Supply chains today face multiple challenges, including disruptions from geopolitical conflicts, natural disasters, pandemics, and cybersecurity risks, all of which affect efficiency through delays and increased costs.

As attention on supply chain sustainability grows, a global PwC survey found that 50 per cent of business leaders expect environmental, social and governance compliance to have a high impact on their business by 2030.

The report also observed that the journey of supply chains from the backroom to the boardroom is well underway. “As supply chains evolve into regenerative, alliance-driven systems blending sustainability, technology, and customer-centricity, they are poised to become the core engines of reinvention, resilience, and trust for every enterprise,” the PwC report said.

Source: business-standard.com– Nov 16, 2025

HOME

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Export subsidies will help but we should aim to be globally competitive

Last week, the government approved the Export Promotion Mission (EPM) package of ₹25,060 crore and the Credit Guarantee Scheme for Exporters (CGSE) of ₹20,000 crore. Naturally, the exporters have welcomed the schemes because some subsidies and loans will come their way.

However, I am not too enthused by such schemes because similar announcements earlier have not helped us achieve even a compounded aggregate growth rate (CAGR) of 3 per cent in exports or increase our share of global merchandise exports beyond 1.8 per cent in the past 11 years.

The schemes are well intentioned and look impressive on paper. However, past experience shows that the government makes big announcements but actual allocations or disbursements turn out to be much lower. For example, the scheme for Remission of Duties and Taxes on Export Products (RoDTEP) that was touted as a ₹50,000 crore package. The actual allocations and disbursements are less than a third of that amount.

The EPM aims to consolidate schemes like the Interest Equalisation Scheme (IES) and Market Access Initiative (MAI). Hopefully that will reduce the complexities in administering the scheme. The scheme has two components — the 'Niryat Protsahan' that will help the exporters get easy credit at affordable rates and the 'Niryat Disha' that will help marketing efforts.

The scheme will be implemented through the Directorate General of Foreign Trade (DGFT). Much depends on how the scheme will be designed and implemented. The scheme may interest small exporters who lack financial strength.

The CGSE aims to provide 100 per cent credit guarantee coverage through National Credit Guarantee Trustee Company Limited (NCGTC) to member lending institutions for extending additional collateral-free loans to eligible exporters to help them diversify and expand their markets.

Apparently, the exporters adversely affected by the hike in tariffs by the United States may be able to overcome their temporary difficulties by taking clean term loans. Also, the exporters venturing to explore new markets may hope to get clean term loans. That may help but much depends on how the lenders respond. There is nothing new about credit guarantee to banks.

Our past experience shows that the lenders extend credit based on their appraisal of viability of the project, assessment of the borrower and whether, in their judgment, the money lent will be repaid and not on the basis of availability of credit guarantee.

When any loan is not repaid, the individual officers are held accountable for their lending decisions and therefore risk-aversion of officers at the operating levels is unlikely to go away.

Our poor export performance is not because we do not have enough schemes but because our exports have become less competitive due to scale limitations, higher logistics, documentation and transactions costs, inverted duty rate structure, onerous regulations, pointless litigations, absence from major regional mega trade deals and any meaningful supply chains, higher tariff and non-tariff barriers for imports to protect major domestic producers of raw materials and intermediates etc.

Most competing economies support exporters through ecosystems like seamless cross border movement of goods, trade facilitation and not subsidies alone.

EPM and CGSE may help but we must address the reasons for our poor competitiveness. The government should deregulate and review its protectionist policies and decision to stay away from Regional Comprehensive Economic Partnership (RCEP).

The government should cure the disease and not throw taxpayer's money at the symptoms.

Source: business-standard.com– Nov 16, 2025

HOME

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India, EAEU review roadmap for proposed FTA to deepen trade, market access

India and the five-nation grouping Eurasian Economic Commission have reviewed the roadmap for their proposed free trade agreement in goods with an aim to boost economic ties between the two, according to an official statement on Sunday.

On August 20 this year, India and the Eurasian Economic Union bloc inked terms of reference to start formal negotiations for a proposed free trade agreement.

Commerce Secretary Rajesh Agrawal has visited Moscow last week to hold talks with Minister in charge of Trade of the Eurasian Economic Commission Andrey Slepnev and Russian Deputy Minister of Industry and Trade Mikhail Yurin.

"In the meeting with Minister Slepnev, the Commerce Secretary reviewed the next steps for the India-EAEU FTA in goods. The Terms of Reference signed on 20 August 2025 outline an 18-month work plan aimed at diversifying markets for Indian businesses, including MSMEs, farmers and fishermen," the commerce ministry said on Sunday.

The five members of the Eurasian Economic Union (EAEU) are Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia.

The development is important as India is looking to diversify its export markets due to high tariffs imposed by the US. India and Russia also deliberated upon ways to boost bilateral trade to USD 100 billion by 2030.

In his discussions with Yurin, the commerce secretary discussed ways to enhance trade diversification, supply-chain resilience and cooperation in critical minerals.

"Both sides discussed a time-bound pathway across key sectors such as pharmaceuticals, telecom equipment, machinery, leather, automobiles and chemicals," it said, adding that quarterly regulator-to-regulator engagement was agreed upon to address certification requirements, listings of agricultural and marine businesses, prevention of monopolistic practices and other non-tariff issues.

The dialogue also covered practical measures related to logistics, payments and standards to improve predictability and ease of doing business for firms in both countries.

With a combined GDP of about USD 6.5 trillion, the proposed free trade agreement is expected to expand market access for Indian exporters, support diversification into new sectors and geographies, enhance competitiveness against non-market economies, and deliver significant benefits to micro, small and medium enterprises (MSMEs).

Russia is the top trading partner of India in the bloc, with bilateral trade worth USD 68.72 billion in 2024-25 (exports USD 4.88 billion and imports USD 63.84 billion). The high import numbers are because of crude oil imports.

The bilateral trade with Armenia, Belarus, Kazakhstan, and Kyrgyzstan was USD USD 315.18 million, USD 106.69 million, USD 349.48 million, and USD 56.78 million, respectively, in the last fiscal year.

Source: business-standard.com– Nov 16, 2025

HOME

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Take Trump at his word, and finalise a trade deal before tariffs hurt

American President Donald Trump's commitment to tariffs as a tool of executive power cannot be doubted. During a long career in the public eye, first as a businessman, then a television celebrity, and finally as a politician, he has always demonstrated his belief in trade restrictions and tariff walls. This is perhaps a product of his coming of age in the nervous decade of the 1980s, when Japan appeared to permanently threaten the United States' (US') dominance of the world economy. In 1987, he took out a full-page advertisement in numerous national newspapers, demanding tariffs on Japan; in 1989, he said that the base tariff level on successful economies should be 15 or 20 per cent.

In this context, it's hard to imagine that any legal challenges to his trade policy, even if successful, will throw him off course for very long. It is true that the US Supreme Court has chosen to hear a case saying that the legislative branch, and not the President, retains the power to change trade policy; that this case has been put on an accelerated timeline for disposal; and that the questions that the nine judges, even some appointed by Mr Trump, have asked suggest that they are not particularly sympathetic to the White House's arguments.

Yet judges in democracies are always careful about going up against leaders implementing policies that have received an electoral mandate, as Mr Trump's trade policy did in 2024. Then, even if the court does gather its courage and send these decisions back to the US Congress, the legislators may choose not to defy the President. And, finally, in the remote chance that both the other branches of government come out against him, the chief executive might find ways other than straightforward executive orders to impose tariffs over their head. There are other provisions in the law that he could utilise or twist to his purpose.

Both Mr Trump and his senior officials have launched a defence of his trade policy in recent weeks, through both words and actions. Mr Trump has declared in a social media post that opponents of tariffs are "fools". His commerce secretary, Howard Lutnick, has been more temperate but equally firm, declaring that they are a tool for the President to use to impose "justice" on an unfair world.

Alongside this, actions have been taken to partly ameliorate the direct negative effects of tariffs on consumers. On Friday, the administration released a new executive order that lowered tariffs imposed in August on over a hundred items from beef to coffee to oranges to fertilisers. Going into the festive season, the price of food is a particular concern, and Mr Trump seems eager to address that.

In addition, he has suggested that the many billions being earned from tariffs for the federal government may be sent out to taxpayers in the form of a $2,000 cheque. If this happens before the courts decide, it will seriously complicate America's fiscal mathematics, as striking down the tariff orders would require the companies who paid them to be compensated as well.

Two things are simultaneously clear. One, Mr Trump will not retreat from his baseline belief that some tariff rate — 15 or 20 per cent, at the very least — is fair. Two, he will probably be willing to adjust individual rates, on specific product lines or countries, to minimise economic or geopolitical disruption.

This means that India, in particular, cannot give up on efforts to come to an agreement with the US that reduces the current 50 per cent baseline tariff on its exports. India must take Mr Trump as he is, and give up on changing his mind. Fortunately, the President himself seemed freshly clear on the direction of travel in this relationship when he swore in the new ambassador to India last week. "We're working on a deal with India, a very different one from before," he said. He added later that "at some point, we'll be bringing the tariffs down".

While these are encouraging signs, the next steps have to be taken by Indian negotiators. The President has to be given some sort of obvious win that he can sell to his public at a time when his favoured policy is under pressure.

While Indian officials have been firm about protecting agriculture and dairy products in particular, the fact is that some concessions in these fields need to be offered to the Americans. It is obvious, from past deals with Australia and ongoing discussions with New Zealand, that there are compromises here that can be worked out. India cannot go to the table with red lines at this point and expect a positive outcome.

Indian negotiators might feel empowered by the fact that economic indicators have not turned downwards so far because of trade tensions. As Ajay Shah has outlined on these pages, the first wave of Mr Trump's tariffs, imposed in April, only reduced India's share in the US' import basket from 3.7 per cent in the beginning of the year to 3.1 per cent in July. This might be considered manageable.

But these numbers do not take into account the effect of the 50 per cent tariffs, which were announced later in the year. Recent news out of specific sectors with US exposure is more concerning. The Economic Times has reported, for example, that toy exporters have found that festive-season orders have fallen by about half since last year. The longer the punitive 50 per cent rate continues, the more disruption there will be in labour-intensive sectors that are exposed to the US trade.

The government's actions are clear. It must move forward quickly on negotiations with the US. It must also be responsive to the demands made by exporters on reducing their compliance and regulatory burden — the recent partial rollback on quality control orders, for example, must be sustained and extended. And, finally, it must open up additional markets for exporters. Attention to the US trade partnership must not prevent a conclusion of the trade deal with the European Union before the beginning of next year.

Source: business-standard.com – Nov 16, 2025

HOME

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Will India-US trade deal shake up Asia's apparel export dynamics?

India and the United States are very close to sealing a long-anticipated trade deal that could reset the pulse of their commercial ties and cool the tariff tensions that have flared in recent months, if the latest media reports are to be believed.

Both governments have hinted that negotiations are in the home stretch, with officials suggesting the final details are being ironed out before the agreement is signed. Once inked, the deal is expected to ease the steep import duties Washington slapped on Indian goods earlier this year and open the door to a more balanced trade equation.

The breakthrough follows months of intense back-and-forth after the US administration, in a surprise move in August, raised tariffs on Indian exports to as high as 50 per cent, which hit several of India's key sectors, including textiles and apparel.

At a recent White House event, President Donald Trump struck an optimistic note. He reportedly underlined that Washington and New Delhi were "getting close" to finalising a fair trade deal.

His comments were mirrored in New Delhi, where a senior government official, interacting with the media, reportedly confirmed that negotiations were "largely complete," adding that "no further rounds are expected."

The signals from both capitals point to an announcement, hopefully soon.

The ripples of the potential deal are already being felt across Asia's export hubs. Countries that count the United States among their top export destinations are watching closely, especially those in the apparel export domain, where India's resurgence could reshape the competitive dynamics.

Bangladesh, which managed to secure a tariff reduction from 35 per cent to 20 per cent after its own rounds of talks with Washington in August, and has reportedly been trying to get further reductions, even as exporters are adopting a wait-and-watch stance.

"If the tariff gap between India and Bangladesh remains limited to around 5 per cent in the US market, it will not have a significant impact on Bangladeshi exports in the short term," claimed an industry insider amidst an apparent consensus among industry players that a gap of around 5 percentage points should be manageable.

However, anything more than that would mean stiff competition.

Some industry voices, nonetheless, are more sanguine. They argue that even if India wins more favourable terms, Bangladesh's apparel exports to the US are unlikely to face any major setback.

"While there is some competition in the knitwear segment, we are ahead of them when it comes to woven garments," claimed another industry player. Nevertheless, for now, the business community is watching keenly as India and the US edge toward what could be one of the most consequential trade resets in recent years.

Whether New Delhi can clinch a deal that helps to significantly boost its export competitiveness—and whether that tilts the scales against regional rivals—remains to be seen. What is certain is that once the ink dries, the reverberations could be felt far beyond Washington and New Delhi, across the factory floors and shipping docks from Dhaka to Ho Chi Minh City.

Source: fibre2fashion.com– Nov 15, 2025

HOME

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India, Canada strengthen economic partnership

India and Canada reaffirmed the strength and continuity of their economic partnership during the 7th ministerial dialogue on trade and investment. India's Commerce and Industry Minister Piyush Goyal and Canada's Minister of Export Promotion, International Trade and Economic Development Maninder Sidhu committed to deepening bilateral cooperation through sustained dialogue, mutual respect, and forward-looking initiatives.

The ministers reaffirmed the strength and continuity of the India–Canada economic partnership and reiterated their commitment to deepening bilateral cooperation through sustained dialogue, mutual respect, and forward-looking initiatives.

The ministers noted robust growth in bilateral trade in goods and services which reached $23.66 billion in 2024, with merchandise trade valued at nearly $8.98 billion, a substantial 10 per cent increase over the previous year. The ministers reaffirmed the strength and resilience of the India–Canada economic partnership and emphasised the importance of continued engagement with the private sector to unlock new opportunities for trade and investment. They welcomed the steady expansion of two-way investment flows, including notable Canadian institutional investment in India and the growing presence of Indian firms in Canada, which together support tens of thousands of jobs in both economies. The ministers committed to maintaining an open, transparent, and predictable investment environment and to exploring avenues for deeper collaboration across priority and emerging sectors.

The ministers also noted strong complementarities between India and Canada across strategic sectors driving sustainable growth and innovation and offering new opportunities for trade. Recognising that these areas would require separate domain-level engagement between relevant stakeholders on both sides, the ministers agreed to encourage long-term supply chain partnerships in critical minerals and clean energy collaboration essential for energy transition, and new-age industrial expansion. They have also agreed to identify and expand investment and trading opportunities in aerospace and dual-use capabilities partnerships, leveraging Canada's established presence in India and the growth of India's aviation sector, the Ministry of Commerce and Industry said in a press release.

Recognising the importance of supply chain resilience the ministers exchanged views on global developments and reflected on lessons from recent disruptions. They underscored the relevance of strengthening resilience in critical sectors, including agriculture, and highlighted the need for diversified and reliable supply chains as essential for supporting long-term economic stability.

The ministers expressed satisfaction with the progress made in strengthening bilateral economic engagement and reaffirmed their shared commitment to elevate the economic partnership to reflect global developments and evolving supply chain and trade dynamics. They emphasised the importance of maintaining momentum in the bilateral dialogue and supporting people-to-people ties, which provide a strong foundation for the partnership.

The ministers agreed to sustained ministerial engagements with the trade and investment community in both Canada and India early next year. They agreed to remain in close communication as they consider next steps and concluded by acknowledging the constructive and forward-looking discussions held in New Delhi.

Source: fibre2fashion.com– Nov 16, 2025

HOME

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MoU signed to digitise logistics ecosystem in India's Andhra Pradesh

The National Industrial Corridor Development Corporation Limited (NICDC), the Logistics Data Services Limited (NLDSL) and the Andhra Pradesh government recently signed a memorandum of understanding (MoU) to digitise the logistics landscape of the South Indian state by leveraging the Unified Logistics Interface Platform (ULIP).

ULIP is a digital gateway that enables industry stakeholders to access logistics-related datasets from various government systems. ULIP has integrated with 44 systems across 11 ministries.

The MoU was signed in the presence of Indian Minister of Commerce and Industry Piyush Goyal and state chief minister N Chandrababu Naidu on the sidelines of the 30th Confederation of Indian Industry (CII) Partnership Summit in Visakhapatnam.

A robust integrated digital platform will be developed and implemented to provide government and private stakeholders in Andhra Pradesh with real-time visibility into the state's logistics operations and performance metrics, a release from the Indian Ministry of Commerce said.

The platform aims at enhancing coordination, improving efficiency and supporting informed decision-making across sectors.

Source: fibre2fashion.com– Nov 17, 2025

HOME

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