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Currency Watch			
USD	EUR	GBP	JPY
88.50	102.58	116.37	0.57

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INTERNATIONAL NEWS

Global cotton prices soften in the past month as key benchmarks slip

Global cotton prices trended flat to lower over the past month, with key benchmarks signalling subdued sentiment across major markets, as per Cotton Incorporated.

December NY/ICE futures, which briefly attempted a recovery in late October after falling below 66 cents per lb in September, failed to reclaim that level and have since slipped to 62 cents. The March contract, which carried a premium of up to three cents per lb earlier, has eased to around 64 cents recently.

The A Index traded within a narrow 74–78 cents per lb band, reflecting steady international demand. China's CC Index 3128B remained firm at around 94 cents per lb in international terms and close to 14,750 RMB per ton domestically, supported by a stable RMB near 7.12 RMB per USD, according to the Cotton Incorporated's Monthly Economic Letter - Cotton Market Fundamentals & Price Outlook, November 2025.

In South Asia, price movements were mixed. India's Shankar-6 spot cotton fell from 78 to 74 cents per lb, translating to a decline from ₹54,800 to ₹51,700 per candy, amid a rupee hovering at ₹88 per USD. Pakistan's spot market was comparatively stable, with prices holding near 68 cents per lb or 15,600 PKR per maund, supported by a steady exchange rate around 281 PKR per USD.

These muted price shifts indicate continued global softness, shaped by weak textile demand, currency stability in key producing countries and cautious buying across major consuming regions.

Source: fibre2fashion.com– Nov 19, 2025

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Cotton shipments surge as Brazil heads for historic 2025 high

Brazil's cotton exports continued to accelerate through October, reaching the highest volume ever recorded for the month and the second-largest shipment total of 2025, trailing only January. Strong processing progress, steady flow of domestic surplus and more attractive export prices compared with the local spot market have all supported outbound sales, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

In the year to the first week of November, Brazil shipped 2.326 million tons, already surpassing the full-year totals of previous years except 2024, when exports reached 2.77 million tons. At the current pace, the 2025 tally is poised to exceed last year's level and set a new record, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Secretariat of Foreign Trade at the Ministry of Economy (SECEX/ME) data shows exports of 293.93 thousand tons in October—up 64.4 per cent from September and 4.6 per cent higher year on year. Over the past 12 months, shipments reached 2.82 million tons, with 2.17 million tons exported between January and October alone. In the last three months, volumes totalled 550.2 thousand tons.

During the first week of November, shipments hit 154.85 thousand tons. With a daily average of 30.97 thousand tons, November exports may approach 600 thousand tons, marking the highest monthly figure in the Secex historical series.

Liquidity remained weak in early November in the domestic market, leading to periods of price stability. However, domestic cotton values eventually dipped, pressured by lower international prices and export parity. The CEPEA/ESALQ Index (payment in eight days) fell by 1.12 per cent between October 31 and November 17, closing at BRL 3.4469 per pound on November 17.

Source: fibre2fashion.com— Nov 19, 2025

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China's T&A Export Split: Fabric shipments climb 2.1, as garment orders drop 2.5%

China's textile and apparel (T&A) sector is showcasing a decisive shift, with overall exports down just 0.3% in the first three quarters of 2025. This near-flat aggregate hides a fundamental divergence: upstream textile (fabric, yarn) exports rose 2.1%, while the finished apparel exports declined 2.5%.

Engineering resilience against the sourcing shift

The growth in textile exports underscores China's strategy to move up the value chain. As garment manufacturing (the labor-intensive segment) is steadily offshored to countries like Vietnam and Bangladesh—part of the "China Plus One" diversification—Chinese factories are consolidating their global dominance in high-performance, capital-intensive fabric and yarn production.

This structural split is intentional. China remains the indispensable global supplier of sophisticated, value-added inputs, even to its competitors. For instance, while US apparel imports from China fell sharply 9% in Jan-Aug, exports of certain categories of technical textiles and advanced synthetic fibers continue to climb, showcasing market strength in engineering over mere assembly.

BRI market expansion and automation

Companies are relying on two key strategies to maintain long-term financial stability: market diversification and technological upgrade. Exports to key markets like the EU and Japan have shown resilience, increasing by 4.5% and 1.1% respectively (Jan-Aug data).

Moreover, the Belt and Road Initiative (BRI) markets are a critical focus, providing new avenues for high-volume sales of textile products. The heavy investment in digitalized and automated production lines ensures China retains its cost-of-production advantage for advanced materials, solidifying its role as the world's "fabric engineer".

Source: fashionatingworld.com– Nov 18, 2025

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A Punishing Paradox: Is Made in America unravelling the US textile industry?

The Make America Great Again (MAGA) initiative aimed at breathing new life into US manufacturing, but its impact on the textile and apparel sector has created a stark paradox. While the industry is innovating and shifting towards high-tech production, the very trade policies intended to protect it are simultaneously a source of significant pain and decline.

The shift from threads to tech

The US textile industry is no longer competing in the global race for low-cost apparel. Instead, it has undergone a quiet revolution, focusing on high-tech and industrial textiles. These specialized products, such as those used in medical equipment and protective clothing, are where the industry is finding its footing and generating value. Data shows a moderate rise in the value of US yarn and fabric manufacturing, reaching \$24 billion in 2023.

This turn is crucial, as the industry recognizes it can't fight on a level playing field with foreign competitors on price alone. It's a move to reclaim relevance by focusing on what the US does best: innovation and advanced manufacturing.

The tariff backlash

While the Made in America push was intended to shield domestic companies, many in the industry argue that the tariffs have backfired, creating a 'lose-lose' situation. As one textile company CEO lamented, the tariffs are "hurting small exporters" and have led to "stalled investments" and even discussions of moving operations abroad. This sentiment is echoed by major fashion companies, with one reporting an estimated "gross incremental cost of approximately \$250 million to \$300 million" from the tariffs.

This is not just anecdotal; it is a direct consequence of a trade policy that is seen as "a policy misstep that goes against the US national interests." The tariffs disrupt established global supply chains, increasing costs for American companies that rely on imports to produce their goods. The result is a cycle where, as a Bloomberg report highlighted, US textile exporters are now finding themselves punished by the very policies designed to help them.

The Human Cost: Productivity up, employment down

The promise of job creation under the MAGA initiative has also been a complex and often contradictory story. The data reveals a troubling trend: while the industry is becoming more productive, total employment continues its long-term decline.

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Source: fashionatingworld.com– Nov 17, 2025

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Engineering Cotton for Maximum Sustainability and Efficiencies

Consumers might think of cotton as a soft, natural fashion and lifestyle product, but Cotton Incorporated views it as a scientific challenge.

At Cotton Incorporated's Research and Development Center in North Carolina's Research Triangle Park, the team works with production-scale equipment to develop innovative and sustainable cotton yarns, fabric structures and finishing techniques that can be scaled up by brands. In fact, since the 1980s, Cotton Incorporated's R&D team has developed almost 8,000 fabrics.

In the panel "Cotton: Engineered by Nature" at Sourcing Journal's LA Sustainability Summit, Yvonne Johnson, senior director of product development at Cotton Incorporated, explained how these innovations make cotton and its blends more biodegradable, durable and efficient, with sustainability the major throughline. "The big push really has been, how can we do things with less water, energy and chemicals? In other words, we want to do less harm."

One focus of Johnson's team has been enhancing cotton's natural properties so they can match—and even rival—synthetic fibers, especially for activewear and outerwear categories. Cotton Incorporated's development of water-repellent and abrasion-resistant technologies, including Storm Cotton for water resistance and Tough Cotton for durability, help reduce waste and extend product lifespan. Such technologies have already made their way into consumer products at Duluth Trading, Kohl's and Walmart.

For activewear, the team's TransDry moisture management technology reduces cotton's high absorbency, rendering it hydrophobic—or "water hating"—and thus boosting moisture wicking. "We engineered fabric structures where we combined TransDry cotton with regular cotton, so now it's really great for activewear you can wear to the gym," said Johnson, noting that Under Armor utilizes the technology.

Circularity is also key, with innovations like quilted fabrics made from 100 percent recycled cotton fibers or sourced from post-consumer denim and T-shirts. These materials not only incorporate recycled input materials but are constructed using entirely cotton-based elements like sewing threads,

making them fully biodegradable at the end of their lifecycle. “You have to think about that,” said Johnson. “If you’re sewing something that’s got a polyester core, what are you going to do with it at end of life?”

The R&D team is also working on incorporating cotton into other areas traditionally dominated by synthetics—particularly warp knits and seamless apparel. Warp knits, which are typically 100 percent synthetic, are being reimagined with cotton applications for categories like activewear pants. Similarly, seamless apparel (which evolved from hosiery and relies heavily on synthetics) is another cotton frontier. “We are seeing a lot of opportunity there,” Johnson said.

Cotton also “plays well” with other natural fibers, such as linen and wool, offering breathability and insulative properties when made with double-layer constructions and three-dimensional pockets in the fabric to reduce air permeability. Cotton Incorporated’s R&D team has been working for years on a natural, cotton/wool fleece-like alternative that isn’t just biodegradable, but naturally flame retardant as well.

Other ways Cotton Incorporated has been reducing the industry’s reliance on water, chemicals and energy is to develop fabrics made from cotton in its natural, undyed state. “Cotton in its natural, cream-colored state is so beautiful,” said Johnson, adding that the company uses natural, protein-based enzymes to clean waxes and dirt off the cotton without chemicals.

Lastly, technology like digital sampling is another way to mitigate cotton’s impact during the production phase. Cotton Incorporated offers “digital twins” of their physical fabric swatches, enabling designers to prototype digital garments before committing to physical production. “Being a textile designer, tactility is still so important, but it helps reduce how many physical prototypes you make,” she said.

Source: fibre2fashion.com– Nov 16, 2025

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China retail sales up 4.3%, industry maintains strong 2025 momentum

China's retail and industrial indicators for the first 10 months of 2025 signalled steady economic recovery, with consumption and high-tech manufacturing showing notable strength, according to data released by the National Bureau of Statistics (NBS).

Retail sales of consumer goods rose 4.3 per cent year on year (YoY) to ¥41.2169 trillion (~\$5.82 trillion). Online retail sales reached ¥12,791.6 billion, up 9.6 per cent, with physical goods contributing ¥10,398.4 billion, accounting for 25.2 per cent of total retail sales.

In October alone, retail sales grew 2.9 per cent YoY to ¥4,629.1 billion. Urban retail sales rose 2.7 per cent, while rural consumption expanded 4.1 per cent, the National Bureau of Statistics (NBS) said in a release.

Industrial activity also gained traction. The total value added of industrial enterprises above the designated size increased 4.9 per cent YoY in October and 0.17 per cent month on month (MoM).

For January–October, industrial value added grew 6.1 per cent YoY. Industrial enterprises earned profits of ¥5,373.2 billion in the first nine months, up 3.2 per cent YoY.

October's Manufacturing Purchasing Managers' Index stood at 49 per cent, while the Production and Operation Expectation Index reached 52.8 per cent, indicating continued optimism among manufacturers despite short-term pressures.

Source: fibre2fashion.com– Nov 19, 2025

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ICE cotton rebounds after six-session slide on US data optimism

ICE cotton futures closed higher yesterday, breaking a six-session losing streak as expectations around upcoming US data lifted market confidence. The release of several US reports had been delayed due to the historically long shutdown. Market tone improved as traders repositioned ahead of the delivery period.

ICE March 2026 cotton futures settled at 64.39 cents per pound, up 0.33 cents. The contract had earlier lost 171 points over the previous five sessions. Despite the rise, near-month ICE cotton contracts still made new intraday lows. Other contracts closed higher by between 4 and 32 points.

A mildly weaker US dollar made dollar-priced cotton slightly more attractive for overseas buyers.

The move was viewed as a relief bounce ahead of Friday's first-notice day for the December contract. Market sentiment lifted slightly as traders repositioned before the delivery period and awaited delayed US government data.

Total volume reached 67,329 contracts versus 66,768 the previous day, with December accounting for almost 25 per cent due to heavy liquidation. ICE deliverable No.2 certified stocks rose to 20,344 bales on November 17, up from 19,244 bales the day before, indicating continued warehouse inflows.

Market analysts said December CFDs were very active and that the resumption of data releases was offering some relief to the market, even without fundamentally bullish signals.

Last week's US government reopening ended the longest shutdown in US history, allowing key reports to resume and restoring some clarity for traders.

USDA's weekly crop progress showed the US cotton harvest at 71 per cent, compared with 76 per cent last year and a five-year average of 72 per cent. The slower harvest pace kept some focus on field conditions but did not significantly alter overall supply expectations.

US equities continued easing from recent all-time highs, marking the most noticeable pullback since the strong rally that began in April.

Overall sentiment improved slightly with the rebound, but traders remained cautious as the delivery period approaches and fundamentals remain mixed.

This morning (Indian Standard Time), ICE cotton for December 2025 was trading at 62.68 cents per pound (up 0.11 cent), cash cotton at 62.39 cents (up 0.33 cent), the March 2026 contract at 63.38 cents (down 0.01 cent), the May 2026 contract at 65.59 cents (up 0.02 cent), the July 2026 contract at 66.71 cents (up 0.09 cent), and the October 2026 contract at 67.48 cents (up 0.15 cent). A few contracts remained at their previous closing levels, with no trading recorded so far today.

Source: fibre2fashion.com– Nov 19, 2025

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NATIONAL NEWS

There will be good news on India-US trade pact once deal is fair, equitable: Goyal

Commerce and Industry Minister Piyush Goyal said there will be “good news” on the ongoing negotiations for the proposed India-US bilateral trade agreement (BTA) once the deal is “fair, equitable and balanced”.

In the first tranche of the deal, India is focused on a substantial rollback of the US’ 50 per cent reciprocal and penal tariffs on Indian goods in exchange for which Washington seeks greater market access in a few specific sectors.

“Negotiation is a process. And India as a nation has to secure the interest of stakeholders, businesses and balance it with our sensitivities, with our farmers, with the fishermen, with the small industry.

And when we find the right balance, you rest assured we will get outcomes,” Goyal said, speaking at an event organised by the Indo-America Chamber of Commerce (IACC) on Tuesday. When the deal becomes fair, equitable and balanced, “you will hear the good news,” he added.

New Delhi has already submitted its offers to Washington specifying the additional market access it was ready to grant to American products in lieu of the roll back of the additional tariffs on Indian goods, but negotiations were on to refine the list further, a source tracking the matter told businessline.

The Minister said that that there was no reason to be worried as there wasn’t any hiatus in the relationship. “Parivaar mein kabhee kabhee thodee bohot nok-jhok toh hotee rahatee hai (at times, there is a bit of bickering within the family),” he said, adding that the US-India relationship continued to be very important.

Elaborating on the major LPG agreement between the two countries, Goyal said that it was a pact to import over a long period of time, every year 2.2 million tonnes of LPG.

“As part of the BTA, the US has been interested in greater market access for both dairy and agricultural products, including items such as soya and corn that are mostly of the GM variety in the country. It is difficult for India to give market access in these areas. But Delhi is willing to open up in other sectors where sensitivities are low. The deal will be struck once both sides agree on the package,” the source said.

Reciprocal tariff

India was hit with reciprocal tariffs of 25 per cent by the Trump administration on August 2, which was only slightly higher than the tariffs of 19-20 per cent on competing countries such as Vietnam, Bangladesh and Indonesia. However, on August 27, additional tariffs of 25 per cent were imposed on Indian goods as penalty for India’s purchase of Russian oil, which increased the total tariffs to 50 per cent.

This rendered many labour-intensive exports from India, including that of textiles, leather products, gems & jewellery, and engineering goods, uncompetitive in the American market. “India wants to convince the US to bring down tariffs to levels below that of competing countries so that Indian exporters gain an edge in the American market,” the source said.

Earlier this month, US President Donald Trump had said that tariffs were very high on India because of its Russian oil imports, but the US will be bringing the tariffs down as Delhi had substantially reduced its imports. When asked when would he bring down the tariffs, he said, “at some point of time”.

White House economic adviser Kevin Hassett, too, said on Monday that the US was close to finalising a landmark trade agreement with India. He added that trade talks with India had become complicated due to India’s interactions with Russia.

Although India’s oil purchase from Russia declined after the US imposed sanctions on Russian oil companies Rosneft and Lukoil last month, Delhi has no intention of agreeing to stop purchases from Moscow for both diplomatic and economic reasons.

Source: thehindubusinessline.com– Nov 18, 2025

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India's trade deficit hits record \$41.68 billion in October as exports fall and gold imports surge

India's trade deficit widened to a record \$41.68 billion in October 2025 as exports contracted 11.8 per cent (year-on-year) to \$34.38 billion during the month, hit by US tariffs.

Imports rose 16.63 per cent to \$76.06 billion in October 2025, primarily due to gold imports surging 199.22 per cent to \$14.72 billion, per quick estimates shared by the Commerce Department on Monday.

Exports to the US declined for the second consecutive month, falling 8.7 per cent to \$ 6.3 billion in October 2025, as the impact of the 50 per cent US tariffs imposed in August kicked in.

Global demand weakens

India's exports to other major destinations, too, declined, including to the UAE, the UK, the Netherlands, Germany and Bangladesh, amidst continued global turmoil. The only exception was China, India's fourth-largest export destination, where exports increased by 42.35 per cent to \$1.62 billion.

Commerce Secretary Rajesh Agrawal said the sharp rise in trade deficit to \$41.68 billion in October 2025 from \$26.23 billion in October 2024 was primarily due to an increase in imports of gold and silver. Silver imports rose to \$2.72 billion during the month, compared with \$0.43 billion in October 2024.

"Whatever suppression in demand and imports that we have seen in the last six months due to high prices had probably led to pent up demand which resulted in a surge in imports during Diwali and the festival season," he explained.

Policy support ahead

Agrawal expressed hope that the ₹25,000 crore export promotion mission, cleared by the Union Cabinet last week for a period of six years, coupled with relief measures announced by the RBI, will help boost exports in the months to come.

In April-October 2025, exports increased marginally by 0.63 per cent to \$254.25 billion, while imports increased by 6.37 per cent to \$451.08 billion. The trade deficit was \$196.82 billion, compared to \$171.40 billion during April-October 2024. India's trade deficit widened to a record \$41.68 billion in October 2025 as exports contracted 11.8 per cent (year-on-year) to \$34.38 billion during the month, hit by US tariffs.

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Source: thehindubusinessline.com– Nov 17, 2025

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Central Government has rescinded the Quality Control Order (QCO) requirement for Viscose Staple Fibre (VSF) with immediate effect

In a major step to address raw material accessibility and foster growth in the textile industry, the Central Government has rescinded the Quality Control Order (QCO) requirement for Viscose Staple Fibre (VSF) with immediate effect, following due consultation with the Bureau of Indian Standards (BIS) and key industry stakeholders.

This decision directly responds to persistent industry concerns about supply constraints and higher costs, and demonstrates the government's commitment to improving ease of business for textile manufacturers, exporters, and MSMEs.

This policy move comes at a crucial time as India's textile sector pursues the ambitious Vision 2030—aiming to boost domestic consumption and meet the target of \$100 billion in exports while growing the total textiles and apparel market to \$350 billion. Removal of the QCO on VSF is expected to ensure seamless access to quality raw material, enhance global competitiveness, and drive industry-led growth to support these national objectives.

The Ministry will continue to engage with stakeholders, prioritizing evidence-based policies to sustain momentum for domestic manufacturing, exports, and job creation—paving the way for India's emergence as a leading global textile hub.

Source: pib.gov.in– Nov 18, 2025

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Press Release: Ministry of Commerce & Industry

- Union Minister of Commerce and Industry, Shri Piyush Goyal launches Trade Intelligence and Analytics Portal
- India–US partnership is strong, stable and expanding across strategic and economic sectors: Union Minister of Commerce and Industry Shri Piyush Goyal
- Union Minister of Commerce & Industry Shri Piyush Goyal highlights manufacturing, skilling, investment and technology as four pillars of India's Vision of a developed nation by 2047

Source: pib.gov.in– Nov 18, 2025

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Ministry of Textiles Approves 17 New Applicants under PLI Scheme for Textiles

The Ministry of Textiles has approved 17 new applicants under the Production Linked Incentive (PLI) Scheme for Textiles in Round 3 of selection. This significant step is set to further accelerate investment, boost domestic manufacturing, and enhance India's global competitiveness in the Man-Made Fibre (MMF) Apparel, MMF Fabrics, and Technical Textiles sectors.

The newly approved applicants have committed a total investment of ₹2,374 crore. The proposed projects are expected to achieve projected sales of over ₹12,893 crore and generate employment for about 22,646 persons in the coming years.

The PLI Scheme for Textiles was notified on September 24, 2021, with an approved outlay of ₹10,683 crore to promote the production of MMF apparel and fabrics, and products of Technical Textiles. The Scheme aims to enable the textile industry to achieve the necessary size and scale, become globally competitive, and create substantial employment opportunities. Under the first two rounds of selections, a total of 74 applicants have been approved under the Scheme.

Recently, the Ministry has notified major amendments to the Scheme to further enhance industry participation. The online application portal has been reopened for acceptance of new applications till December 31, 2025. Interested companies can apply for participation in the Scheme at <https://pli.texmin.gov.in/>.

Source: pib.gov.in– Nov 18, 2025

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A soon-to-arrive FTA with Pacific economy takes India's smart trade strategy ahead

India and New Zealand are nearing a free trade agreement, signaling India's renewed engagement with high-standard economies. This pact, though not volume-driven, diversifies India's export base beyond China and the US, focusing on regulatory alignment and high-value sectors like pharmaceuticals and IT services.

The announcement that negotiations for the proposed India–New Zealand free trade agreement are “almost completed...may take a few more weeks” last week arrives at a significant geopolitical moment for India.

After years of cautious trade diplomacy, punctuated by India's withdrawal from Regional Comprehensive Economic Partnership (RCEP) in November 2019 and the slow recalibration of its FTA strategy, the near-closure of talks with a Pacific economy carries significance far beyond the relatively small size of bilateral trade.

Commerce and Industry Minister Piyush Goyal's recent trip to Auckland, followed by New Zealand Trade Minister Todd McClay's visit to Delhi last week, signals that India is ready to reopen a chapter that has been stuck since 2015.

It is a sign that India is re-engaging with a category of partners it has long kept at arm's length -- small, open, high-standard economies known for demanding deep commitments on tariffs, transparency and services.

Yet this FTA is not about volumes. It is about direction.

A diversification strategy in slow motion

Speaking to ET online, trade expert Ajay Srivastava of the Global Trade Research Initiative frames it succinctly. Asked how an India–New Zealand agreement fits into India's diversification map, he responds:

“An India–New Zealand FTA supports India's push to diversify beyond the US and China by adding a stable, complementary, high-value partner in the Indo-Pacific. New Zealand offers predictable regulatory systems,

modest demand for pharmaceuticals, machinery and IT services, and a gateway to the wider Pacific.”

This is the heart of the matter. India’s export basket is concentrated in a few geographies. Countries like New Zealand, small but high-value, help create shock absorbers.

As Srivastava notes, “Few such small but high-quality markets help reduce over-concentration and builds resilience into export portfolios.”

In other words: New Zealand doesn’t change the export game. It rounds it out.

The timing matters. India’s trade deficit widened to a record \$41.7 billion last month as exports dropped sharply, driven by an 8.6% fall in shipments to the US -- India’s largest market -- after President Trump’s 50% tariffs on Indian goods for the second month in a row, according to official data.

Labour-intensive sectors like textiles, leather, footwear and gems have taken a direct hit.

As Bloomberg reported, New Delhi is responding on multiple fronts: more than \$5 billion in support for exporters, a rupee that has eased 3.5% this year, ongoing negotiations for a tariff-cutting deal with the US, reduced Russian oil purchases, and its first long-term LPG supply contract with America to rebalance trade flows.

Against this backdrop, adding a stable partner like New Zealand fits into a diversification strategy -- gradual, incremental, but necessary.

A relationship growing quietly

Despite the absence of an FTA, bilateral trade has expanded at a surprising clip, up 49% recently. Srivastava attributes this to “stronger demand for Indian pharmaceuticals, textiles, industrial goods and refined fuels, plus a rebound in services like education and aviation training.”

The numbers tell a similar story. India exported USD 538.3 million worth of goods to New Zealand last year -- textiles, medicines, refined petrol, machinery, automobiles, electronics -- while importing USD 335.1 million, mostly agricultural goods, minerals, wool and scrap metals.

Services are even more lopsided. New Zealand exports USD 456.5 million worth of services to India, much of it education, tourism and aviation training, while India sends USD 214.1 million, led by IT, telecom, healthcare and financial services.

The potential, Srivastava warns, remains limited unless both sides crack open connectivity, visas and targeted access. Still, he sees room to grow:

“The partnership can realistically scale to USD 2-3 billion in five years if both sides improve connectivity, ease visas and enable targeted market access.”

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Source: economictimes.com– Nov 18, 2025

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US tariffs hit key labour-intensive exports from India in Oct

India's exports of key labour-intensive items such as garments, leather products, engineering goods, gems & jewellery and chemicals, took a hit in October as 50 per cent US tariffs, imposed in August-end, made Indian products less competitive in the American market.

On the positive side, while Indian exports to the US declined 8.6 per cent in October (year-on-year) to \$6.3 billion from \$6.9 billion in October 2024, posting a fall for the second consecutive month, it was 14.5 per cent higher than exports of \$5.5 billion in September 2025.

Exporters are hoping that India and the US will be able to reach an agreement on the reciprocal tariffs soon, with both sides trying to close negotiations on the first tranche, which would restore demand.

"Although in the April-October period this year, India's exports to the US, posted a growth of 10.15 per cent to \$52.11 billion, the concern is that as soon as the 50 per cent tariffs were imposed in August-end, exports to the country got hit," a Delhi-based exporter said.

Textiles sector

The textiles sector, including readymade garments, was majorly affected in October, with overall exports plunging 12.9 per cent to \$2.66 billion, as buyers held back orders.

"There has been a double digit fall across all categories. The US tariffs are hurting," pointed out Sanjay Jain, former chairman of the Confederation of Indian Textile Industry (CITI).

Overall engineering exports posted a sharp decline of 16.71 per cent to \$9.37 billion, after four months of consecutive growth. "The decline in October was expected, considering that the 50 per cent tariff imposed by the US came into force in the last week of August," per the Engineering Export Promotion Council (EEPC) of India.

With government support, the engineering goods sector has managed to minimise the impact of the US tariffs, it added.

The leather and gems & jewellery sectors, too, posted sharp falls in October of 15.66 per cent to \$314 million and 29.5 per cent to \$2.28 billion. respectively.

“Our US buyers are awaiting the India-US trade deal. There is hope of an early deal or competing countries, such as Vietnam and Indonesia, would get our orders,” a Chennai-based leather exporter said.

Source: thehindubusinessline.com– Nov 18, 2025

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Textile, apparel export see sharp decline in October; government rescinds QCO on viscose fibres

The Cotton Textiles Export Promotion Council Executive Director Siddhartha Rajagopal said yarn exports to China did see a slight improvement, but supplies to other markets slumped

With the U.S. tariffs hitting hard, apparel and textile exports saw a 12.91% slump in October compared with last October.

While textile shipments last month were worth \$1,597 million, apparel exports were \$1,069.42 million, as against \$1,833 million (textiles) and \$1,227 million (apparel) in October 2024.

Exports of jute and carpets dropped 27.27% and 15.8% respectively, and cotton yarn, fabrics, and made-ups went down 13.31%.

“Many buyers in the U.S. who were placing orders with us regularly are still doing so. But, we are supplying at heavy discounts,” said A. Sakthivel, vice chairman of the Apparel Export Promotion Council (AEPC).

The garment exporters got the spring season orders. But the summer orders are slow. Things may improve with a bilateral trade agreement expected soon and the support measures announced by the Indian government, said Mithileshwar Thankur, secretary general of the AEPC.

The Cotton Textiles Export Promotion Council Executive Director Siddhartha Rajagopal said yarn exports to China did see a slight improvement. But supplies to other markets slumped. Fabric movement is also sluggish. Exporters were earlier front-loading the goods, and hence there was a good movement in August-September. They are offering 15% to 25% discount now to the U.S. buyers. “One season is gone. In markets other than the U.S., the competition is high,” he said.

He urged the Central government to look at the textile industry as one integrated value chain and offer financial support to the entire value chain.

Meanwhile, in a notification issued on Tuesday (November 18, 2025), the Union Ministry of Textiles rescinded the order issued on December 29, 2022, thus removing the Quality Control Order on viscose staple fibres.

Removal of the QCO will strengthen the manmade fibre ecosystem and benefit the industry in the long-run. The tariff issue should be resolved to address the current challenges, said Durai Palanisamy, chairman of the Southern India Mills' Association.

Viscose staple fibre and several speciality fibres within this order are critical inputs for several value-added garments and made-ups. Revoking the QCO for viscose fibres and polyester yarn and fibres will address the price and availability concerns raised by the users of these raw materials in the MMF segment. This measure will contribute significantly to raising the competitiveness of the Indian textile and apparel sector, said Ashwin Chandran, chairman of the Confederation of Indian Textile Industry.

The Textile Ministry also said on Tuesday (November 18) that 17 new applications for a cumulative investment of ₹2,374 crore were approved under the Production Linked Incentive Scheme, round three. The proposed projects are expected to achieve projected sales of over ₹12,893 crore and generate employment for about 22,646 persons in the coming years.

The PLI Scheme for Textiles was notified on September 24, 2021, with an approved outlay of ₹10,683 crore to promote the production of MMF apparel and fabrics, and products of technical textiles.

Source: thehindu.com– Nov 18, 2025

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Extend trade relief measures to the entire textile value chain, says SIMA

The trade relief measures announced by the Central Government to ease the repayment of term & working capital loan and the challenges in recovering the export proceeds from the foreign buyers, would give a fresh lease of life to the struggling industry.

The Indian textile and apparel industry, a vital pillar of the economy contributing 2–3% to GDP and 12–14% to merchandise exports, is confronting an unprecedented crisis. The imposition of 50% tariff by the United States, coupled with geopolitical tensions in other key export markets, has significantly eroded the sector's competitiveness. This threatens not only financial stability and established export markets but also the livelihoods of millions dependent on the industry.

India's textile and apparel exports fell 10.34% in September 2025 compared to the same month last year. Cotton yarn, fabrics, made-ups and handloom products declined 11.66%, while apparel exports dropped 10.14%. Production disruptions of 25–70% across decentralized powerloom, knitting, and garment units, coupled with weak demand, have strained revenues, margins and liquidity, with 82% of firms extending credit by 3–6 months. Exporters are also facing order cancellations due to shifts to lower-tariff competitors, threatening long-term buyer relationships. This downturn is impacting employment in the textile sector that supports over 45 million workers directly, due to reduced operations and temporary closures.

In a press release issued here today, Mr. Durai Palanisamy, Chairman of the Southern India Mills' Association (SIMA), expressed his sincere gratitude to the Hon'ble Prime Minister, Shri Narendra Modi; the Hon'ble Minister of Finance, Smt. Nirmala Sitharaman; the Hon'ble Minister of Commerce & Industry, Shri Piyush Goyal and the Hon'ble Minister of Textiles, Shri Giriraj Singh for the moratorium and deferment in the payment of term and working capital loans for the period September 1 to December 31, 2025, extended to the Readymade and Made-ups sector, falling under HS Codes 61, 62, 63 and 94.

In order to enable the exporters to navigate the unprecedented disruptions in exports, the Reserve Bank of India has extended the time allowed for realization and repatriation of export proceeds from nine months to

fifteen months. Additionally, the maximum credit period for pre-shipment and post-shipment export loans has been increased from one year to 450 days, for export credits disbursed up to 31 March 2026. Banks have also been directed to relax margin requirements or enhance drawing power, providing businesses with greater access to funds to support their operations.

SIMA Chairman, Mr. Durai, expressed his gratitude, noting that these measures provide businesses with improved cash flow and reduced financial stress during challenging economic conditions, without the burden of heavy interest. Exporters will also benefit from additional time to manage their working capital and realize export proceeds effectively.

Mr. Durai has also appealed to the government to extend the same benefits to the capital-intensive spinning, weaving and processing segments, covering the 2 digit HS Codes 52, 54, 55 and 60 which are into severe financial crisis, to prevent them from becoming NPAs. These segments supply required yarns and fabrics to the readymade and made-up segments, who had abruptly stopped procurement due to the disruption in exports.

Source: texmart.info– Nov 18, 2025

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Textile, apparel exports witness double-digit decline in October

US tariffs have started hurting textile and apparel exports, with almost all categories including cotton yarn, fabric, made ups, man-made fibres, jute products, carpets and handicrafts witnessing double-digit decline year-on-year (y-o-y) in October.

Textile exports fell 12.92% y-o-y last month while apparel exports fell 12.88%, Confederation of Indian Textile Industries (CITI) said in a note. Cumulative exports of textile and apparel declined 12.91% over October 2024.

During April-October, Indian textile exports fell 3.54% over the same period of FY25. Apparel exports grew 1.13% during the same time.

The US has imposed a 50% tariff on imports from India, including a 25% reciprocal tariff and another 25% penalty for buying Russian oil. The US had the highest share of 28% in India's apparel and textile exports.

The Indian government removed the import duty on cotton to help the domestic industry deal with the impact of the tariffs.

Cotton imports last month were 83% higher than a year earlier, CITI's analysis showed.

Cumulative imports of cotton during April to October 2025 increased 50% on year.

In a survey carried out by CITI in October, about one-third of the respondents reported that their turnover reduced by more than 50%.

In the aftermath of the 50% tariffs, the garment and textile exporters reported requests by US buyers for steep discounts, cancellation or postponement of orders and reduction in order volumes.

Source: economictimes.com – Nov 18, 2025

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South India emerges as the next big battleground for value fashion retailers

BENGALURU : South India is fast becoming the next battleground for value fashion retailers, as they aim to focus on a largely untapped market with high demand for affordable and organized apparel in states with rising income, consumption patterns that support the format, and favourable store economics.

Take, for instance, the country's fastest-growing value retailer, Trent's Zudio. The brand has 833 stores nationwide. While Maharashtra hosts the highest number, about 118 stores, Zudio has around 282 stores across Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, and Telangana—making up roughly 34% of its network.

Its newer rival, Reliance Retail's Yousta, which was launched in August 2023, has 120 stores overall, with 49 in the southern region, accounting for 41% of its total network. The first store was launched in Hyderabad in 2023.

In the September quarter, Aditya Birla Fashion and Retail Ltd (ABFRL) formally entered the mass-youth value segment by converting its Style Up stores into OWND!, positioning it as a Gen-Z-focused fashion brand. "OWND! continued to gain strong traction, with revenue up 43% Y-o-Y.

The brand expanded its footprint by adding 10 new stores in Q2 and now has 59 stores, and is on track to add 30-plus stores in the second half of the year," said Jagdish Bajaj, CFO of ABFRL, during the post-earnings call on 11 November.

OWND! has 25 of its stores in key south Indian cities, like Vizag, Chennai, Bengaluru, Hyderabad, Mysuru and Guntur, thereby underscoring the brand's focus on the southern market.

"South for value fashion is a very under-penetrated market. If you see the west and north, the expansion naturally comes to the south, and then to eastern India," said Pratik Prajapati, equity research analyst at Ambit Capital. He added that rising incomes and the still largely unorganised market make it a lucrative opportunity.

Mass players

Smaller value retailers are also eyeing growth in the South.

Vishal Megamart, one of the country's largest brick-and-mortar retail chains, ventured into Kerala during the first half of this year and Karnataka over the past 2-3 years. While the company does not disclose state-wise store counts, the southern region has the second-highest density of its outlets, with around 193 of its 742 stores located there.

V-Mart Retail Ltd, traditionally one of the strongest players in Uttar Pradesh and Bihar, is also accelerating its southern expansion. According to its latest filings, V-Mart now operates 533 stores nationwide, comprising 438 V-Mart outlets and 95 Unlimited stores. The retailer has been adding stores steadily across Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana as it seeks new growth corridors outside its legacy belt.

"We will continue and focus a little more on the Southern India part as we see more opportunities...markets in Southern India like Tamil Nadu and Kerala are looking good," said Lalit Agarwal, MD of V-Mart, during the September earnings call. He also drew a distinction between V-Mart's positioning and that of newer urban-focused players: "Style Union, Yousta and all of those are definitely a little more urban-ish retailers. We are a mass retailer, and our price point of similar items should be at least 15-20% lower. That's our goal."

Agarwal added that competition remains relatively limited in the southern value fashion segment compared to the crowded northern markets, improving the company's ability to scale.

Increase in income

Much of this accelerated interest stems from the sharp rise in purchasing power across southern states. According to a July 2025 submission to the Lok Sabha by the finance ministry, southern markets have seen some of the fastest per capita income growth over the past decade. Karnataka's per-capita Net State Domestic Product (NSDP) rose from ₹1.01 lakh in 2013-14 to ₹2.04 lakh in 2024-25, an 88.5% jump.

In the same period, Tamil Nadu's increase was 83% to ₹1.96 lakh, while Telangana surged 85% to ₹1.87 lakh. Andhra Pradesh, too, recorded a strong 81% increase to ₹1.41 lakh. This sustained income growth over the past decade has strengthened discretionary spending, enabling middle-income households to trade up from unorganised apparel shops to branded yet affordable fashion.

With disposable incomes rising and a predominantly unorganised apparel market, Southern India presents significant growth opportunities for retailers seeking to tap this shift. For many value chains, the unorganised-to-organised migration—already visible in states like Karnataka, Tamil Nadu and Telangana—makes the region the most important new frontier. As northern markets mature and competition intensifies, the South has become the focal point for expansion, making it a major geography with substantial potential for scale.

“Existing organized players have very large showrooms, around 1 lakh square feet. But there isn't a value retail format with typical store sizes of 10,000 square feet. That's why brands are moving into these under-penetrated markets—they see a good opportunity here,” Ambit's Prajapati said.

At the same time, analysts say the southern market offers distinct structural advantages for value retailers. “Store economics in the South are quite favourable—rent as a percentage of sales is more rational, catchments are compact, and footfall conversion is strong, which shortens the payback cycle,” said Sandeep Abhange, research analyst, consumer and midcaps at LKP Securities.

Consumption pattern

He added that consumer behaviour in the region complements the value-fashion model. “Shoppers in the South have relatively higher discretionary spending but buy in smaller, high-frequency baskets. That fits perfectly with fast-fashion and private-label strategies, especially at the ₹199-499 price points.”

According to LKP's Abhange, several micro-markets are emerging as major growth hubs. “Cities like Kochi, Thrissur, Calicut, Coimbatore, Madurai and Mysuru are seeing strong traction because penetration is low and consumption is rising,” he said. Retailers are also tailoring assortments more sharply. “Companies are customising fits and prints for

the region and increasing private-label penetration to lift gross margins," he added.

Key Takeaways

- South India has become the focus for value fashion expansion due to its under-penetration and high growth potential.
- Large players are dedicating a significant portion of their network to the South, and mass market players like V-Mart are accelerating their traditionally North-centric expansion.
- Accelerated per capita income growth is driving stronger discretionary spending and enabling consumers to shift from unorganised to organised, value fashion.
- The region offers structural advantages, including more rational rent as a percentage of sales, smaller store format needs, strong footfall conversion, and shorter payback cycles.
- Southern consumers' tendency for smaller, high-frequency purchases fits perfectly with the fast-fashion or private-label model, leading retailers to customize assortments and increase private-label penetration for better margins.

Even with higher rental costs, the southern states continue to attract retailers. "Brands are seeing strong growth. Jewellery and other categories already have large stores there, yet there's still ample opportunity for expansion in value fashion," Prajapati from Ambit said.

Source: livemint.com– Nov 18, 2025

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Roll back quality control orders on inputs to spur manufacturing

It has finally begun and it deserves recognition. A long-awaited overhaul of India's quality control regime is taking shape. In just the past week, key ministries have moved decisively to withdraw or amend quality control orders (QCOS) on up to 76 products. On 12 November 2025, the ministry of chemicals and fertilisers abolished QCOS for several input materials, including terephthalic acid, ethylene glycol, polyester spun yarn, polyester yarn, EVA copolymers, polycarbonates and others.

This step eases compliance pressures across textiles, chemicals, plastics and downstream manufacturing. On 13 November, the ministry of mines issued a notification withdrawing QCOS on base metals and alloys such as aluminum and aluminum alloys, nickel, refined nickel, tin ingots, refined zinc, copper and primary lead.

The ministry of heavy industries has notified its Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Second Amendment Order, 2025, effectively pushing QCO implementation forth. Additionally, the ministry of steel has decided to suspend QCOS on 55 steel products, most of which are inputs.

The government's move to strike down QCOS dating back to September 2021 marks India's willingness to support businesses and strengthen our competitiveness by embracing a more open, rules-based economic order. For industries long weighed down by the friction of compliance, this is like the first gust of wind before a much-needed monsoon. It is more than administrative housekeeping; it is a signal that India is continuously recalibrating regulations to promote economic vitality, rather than stifle it.

Recently, a high-level Niti Aayog committee recommended a decisive push to abolish QCOS for specific input materials. Abolishing QCOS on these will deliver broad benefits to our manufacturing sector, especially micro, small and medium enterprises (MSMES).

Nearly half of all QCOS introduced over the past eight years target intermediate goods, the very backbone of production. Mandatory certifications for such inputs raise landed costs, create testing delays of 4 to 12 weeks and force MSMES to rely on a narrow set of certified foreign

suppliers. Dropping these QCOS can cut input costs by 8-12%, freeing capital, easing operational pressures and boosting competitiveness.

A telling example of how QCOS can inadvertently raise input costs is the Copper Products (Quality Control) Order, 2023, which was withdrawn this week. After it went into force, it immediately disrupted supply, particularly from Japan, from where we sourced 80% of our refined copper. Japanese smelters had to apply for fresh licences, which took time. The impact was visible. Copper imports dropped.

However, manufacturers substituted copper imports with imports of downstream products such as wires, tubes, pipes and sheets. These were goods already being made in India. Still, their imports spiked by 17-49% as the supply of raw materials was disrupted. Cable makers, OEMs, electrical manufacturers and construction suppliers scrambled to secure material in more processed (and more expensive) forms.

Trade bodies had forewarned of the supply chain risks. Excessive QCOS distort markets by artificially limiting suppliers. Eliminating such input-level QCOS strengthens MSME supply chains by restoring flexibility and bargaining power, allowing firms to switch suppliers more easily, reduce risk and diversify their sourcing.

Firms must be allowed to choose inputs based on commercial logic rather than regulatory requirements. This will enable better decisions on what to indigenize and what to source globally. We must remember that 'global value chains' are called so for a reason. Also, markets self-regulate, inefficient players exit naturally and high-quality suppliers rise on merit rather than certification gatekeeping. As Jagdish Bhagwati asserts, "Competition is the most reliable auditor of quality."

India's QCO rationalization agenda should continue to address the raw-material QCOS concentrated across key ministries. According to CSEP, the ministry of steel oversees 310 QCOS, of which nearly 68% apply to input materials. With the withdrawal of QCOS on 55 steel-based input materials and a one-year waiver on speciality steels, the government has made a strong start. But much more remains to be done, particularly in suspending QCOS on other input materials. Further, it is estimated that 161 QCOS are in place for machinery and electricals, with 44% covering core industrial intermediaries.

In electronics, India achieved a record \$2.4 billion in smartphone exports in October 2025, and overall electronic exports grew by over 47% in the first quarter of 2025-26. India's metals, machinery, textiles and electronics sectors offer some of the strongest levers for accelerating manufacturing led growth. QCOS on input components that India cannot yet manufacture at scale hinder competitiveness, elongate lead times and discourage global firms from shifting deeper parts of their supply chain to India. We must ensure policy recalibration happens before the damage becomes irreversible. We must abolish these QCOS at the earliest.

To prevent QCOS from becoming unintended trade barriers, India must institutionalize a permanent, data-driven QCO Review Framework. Every QCO should carry a mandatory 24-month sunset clause, requiring renewal only after a detailed analysis of domestic capacity, import dependency, Hs-code trends, supplier concentration, price movements and export competitiveness. Structured MSME consultations and annual QCO impact statements must be institutionalized.

The Bureau of Indian Standards should simultaneously shift toward risk-based, globally aligned standard-setting, focusing its regulatory scrutiny on safety-critical final products rather than raw materials.

The recent notifications are not just a bureaucratic update; they are a policy signal, a philosophical shift and a firm step towards a more competitive, export-ready India. QCO reform must move beyond the initiative of a few ministries to become a whole-of-government mission. Now is the moment for other ministries to follow suit.

QCOS on all raw materials and intermediates must be abolished. We cannot achieve our aspirations to become a world-leading economy by 2047 with regulatory sandbags tied to the ankles of our MSMEs. Reducing compliance costs, saving time and easing the regulatory burden are not administrative niceties; they are the levers that will catapult India into the next orbit of industrial expansion.

Source: [livemint.com](https://www.livemint.com)– Nov 18, 2025

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