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IBTEX No. 142 of 2025 November 24, 2025

Currency Watch			
USD	EUR	GBP	JPY
89.20	102.79	116.92	0.57

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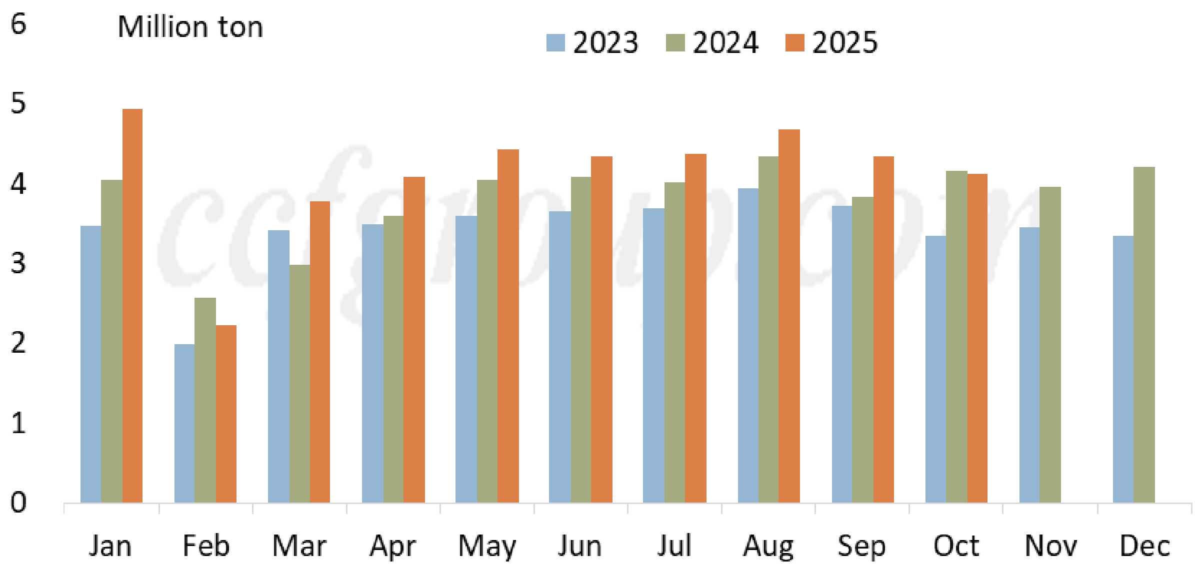
INTERNATIONAL NEWS

China: Fiber-to-apparel export volume sees month-on-month drop

In early November, Customs released export value data for textiles and apparel. In October, textile and apparel exports totaled USD 22.26 billion, down 12.6% YoY and 8.8% MoM. Textile exports were USD 11.26 billion, down 9.0% YoY and 5.9% MoM, while apparel exports were USD 11.0 billion, down 16% YoY and 11.6% MoM.

The widening decline in export values already indicates that October exports were relatively weak. Recent detailed shipment data further confirm this from the export volume side.

Monthly export volume of textiles and apparel

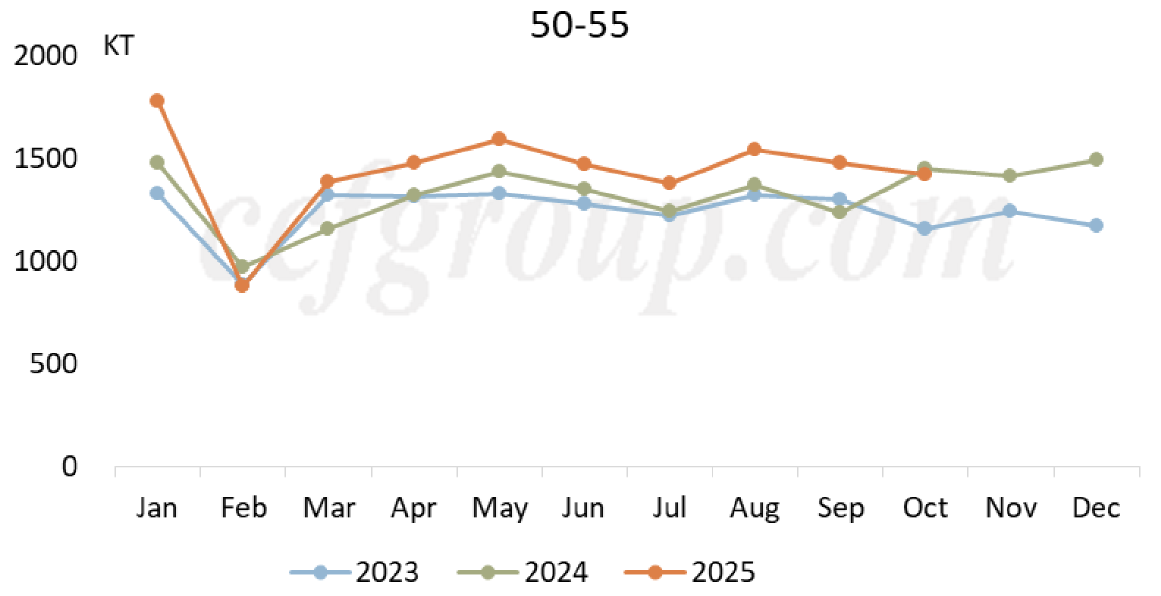


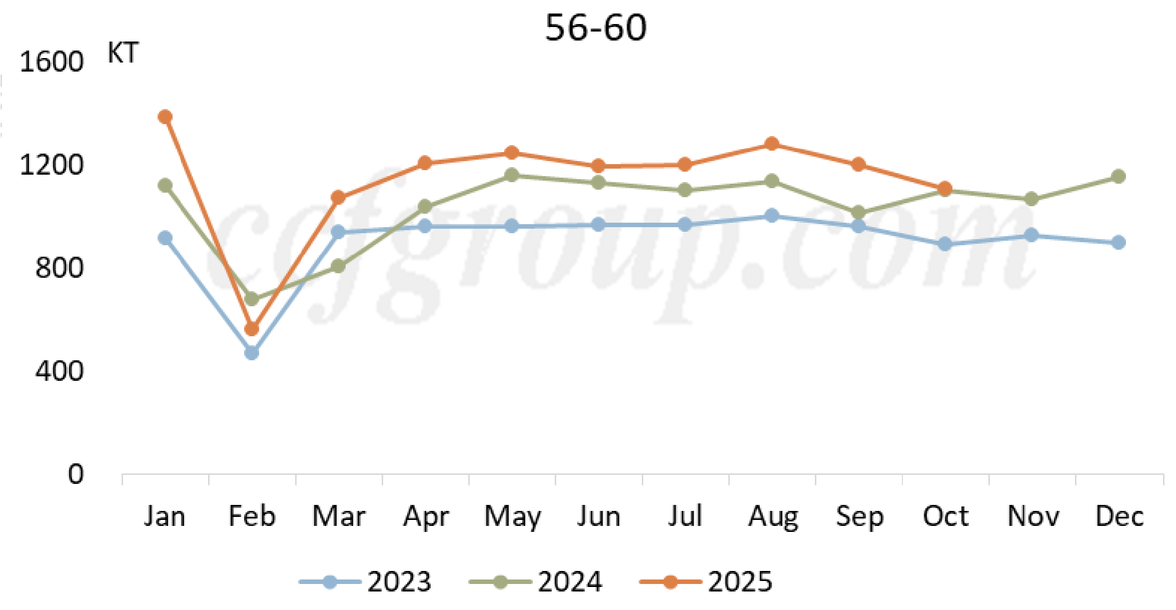
Fiber-to-apparel export volume: YoY, MoM, and cumulative growth rates

		Oct (m-o-m)	Oct (y-o-y)	Jan-Oct, 2025 (y-o-y)
50-55	Fiber and yarn	-4%	-2%	11%
56-60	Fabric and other textiles	-7%	1%	11%
61-63	Garment	-4%	-1%	7%
50-63	Total	-5%	-1%	10%

From the three main segments, in October only fabric-based finished products saw a slight YoY increase, while other segments declined. Month-on-month, all segments fell simultaneously. Overall, the fiber-textile-apparel export chain saw a 1% YoY decline and a 5% MoM decline in

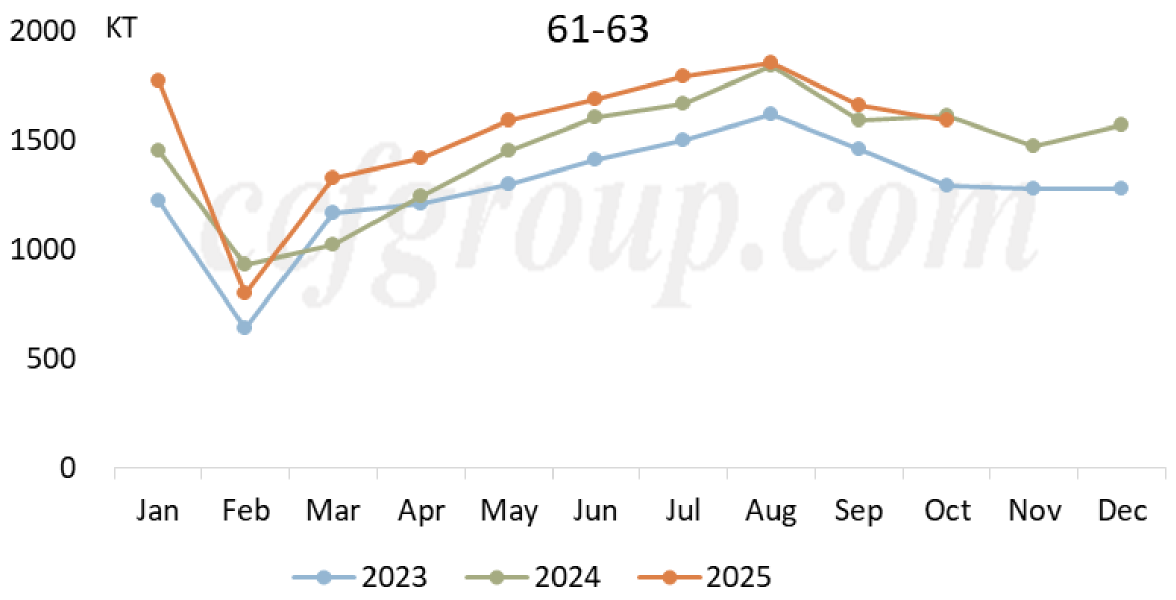
October, with cumulative YoY growth from January to October slowing to 10%.





Looking at the monthly export trends of the three segments over recent years, if the decline in apparel exports can be partly explained by seasonality, the simultaneous fall in other segments reflects the overall pressure on October exports more clearly.

Looking at more detailed chapters, most categories saw MoM declines in October, indicating a general market trend.



Chapter	Product	Jan-Oct (y-o-y)	Oct (y-o-y)	Oct (m-o-m)
50	Silk	18%	21%	12%
51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric	3%	16%	6%
52	Cotton	10%	-6%	-3%
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	-4%	-7%	9%
54	Man-made filaments; strip and the like of man-made textile materials	10%	-3%	-5%
55	Man-made staple fibres	14%	3%	-2%
56	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and ca	12%	2%	-7%
57	Carpets and other textile floor coverings	6%	-3%	-1%
58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; em	13%	2%	-3%
59	Impregnated, coated, covered or laminated textile fabrics; textile articles of	7%	-5%	-6%
60	Knitted or crocheted fabrics	14%	3%	-10%
61	Articles of apparel and clothing accessories, knitted or crocheted	8%	1%	-7%
62	Articles of apparel and clothing accessories, not knitted or crocheted	7%	-2%	-3%
63	Other made-up textile articles; sets; worn clothing and worn textile articles;	8%	-3%	-3%
Total		**10%**	**-1%**	**-5%**

Concerns about the early peak and subsequent slowdown in exports, or the early fulfillment of demand, have existed for some time, and market order data had already hinted at this. The October export shipment data now provide further confirmation.

On the macro side, following China–US trade consultations, the so-called "fentanyl tariff" was reduced by 10 percentage points, narrowing the export tariff gap between China and other countries, theoretically favorable for follow-up export orders.

However, the overall trade environment is still constrained by weak global demand.

Recent order trends from countries like Vietnam and Bangladesh also appear lackluster, reflecting the relatively weak backdrop of global trade demand.

Source: ccfgroup.com– Nov 21, 2025

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UK manufacturing slump deepens to fastest pace in Nov since 2020: CBI

UK's manufacturing sector recorded its sharpest decline in output volumes since August 2020 in the three months to November, according to the latest Industrial Trends Survey from the Confederation of British Industry (CBI). Firms expect a similarly steep contraction in the three months to February.

Output volumes fell at an accelerated pace, with a weighted balance of -30 per cent compared with -16 per cent in the previous quarter. Thirteen of seventeen sub-sectors reported declines.

Total order books were described as below 'normal' at -37 per cent, broadly unchanged from October and well beneath the long-run average of -14 per cent. Export order books improved on the month but remained deeply negative at -31 per cent. Stock adequacy rose to +16 per cent, above the long-run average, while expectations for selling price inflation eased to +7 per cent, aligning with historical norms.

"Manufacturers face a challenging end to the year. What's striking in this month's survey is how consistently firms link the slowdown to uncertainty ahead of the Budget, with customers delaying purchases and investment until they know what's coming," said Ben Jones, CBI lead economics.

"With the Budget now just days away, the Chancellor must provide much needed certainty and back the government's growth mission rhetoric with pro-business policies. For manufacturers, this must include accelerated support to address punitive energy costs and increased Growth and Skills Levy flexibility—interventions that would boost competitiveness, increase confidence, and unlock growth," added Jones.

The findings are based on responses from 334 manufacturers.

Source: fibre2fashion.com– Nov 24, 2025

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EU can beat US tariff impact by removing internal barriers: ECB chief

The European Union (EU) can fully offset the impact of US tariffs on growth tariffs by removing internal barriers, European Central Bank (ECB) president Christine Lagarde recently said.

Weak competitiveness, structural rigidities and a complex set of rules that vary across its member states are the reasons why the EU is quickly falling behind global competitors, she told policymakers at the Euro Finance Week in Frankfurt.

"Our analysis shows that if all EU countries were merely to lower their barriers to the same level as that of the Netherlands, internal barriers could fall by about 8 percentage points for goods and 9 percentage points for services," Lagarde said. The Netherlands is one of the EU's most open economies.

"If we only did a quarter of that, it would be sufficient to boost internal trade enough to fully offset the impact of US tariffs on growth," Lagarde told a conference.

ECB analysis finds that internal barriers in services and goods markets are equivalent to tariffs of around 100 per cent and 65 per cent respectively.

“Of course, we should not expect these barriers to disappear altogether: not all products are equally tradeable, and national preferences will always play a role. Policy can reduce certain frictions, but it cannot eliminate them entirely,” she noted.

Bundesbank president Joachim Nagel said the EU's internal barriers prevented ‘hidden champions’, or well-established firms with strong domestic reach, from having the sort of global impact that US rivals enjoy.

"Many firms are neither small enough to be truly agile and highly innovative, nor large enough to fully benefit from economies of scale," Nagel said at the same event.

To overcome these barriers, Lagarde and Nagel both argued for a '28th regime'—an alternative legal framework that would be uniform across the EU and stand above the 27 member states' own rules.

Such an optional regime would ease the need to harmonise rules, a seemingly impossible task, given the complexities, they noted.

"This would make cross-border operations easier, cut compliance costs even more, and help businesses scale up faster," Nagel said. "In effect, it would remove some of the remaining barriers across our internal market, which encompasses 450 million customers."

Such a regime could also mobilise domestic savings, which are leaving the bloc in hopes of better returns. Euro zone households now keep around €6.5 trillion in US stocks, about twice the amount they held at the end of 2015.

"If we get this right, firms that could grow based on genuinely European regimes would also be best placed to access pan-European financing, helping to channel our vast savings into productive investment," Lagarde added.

Lagarde's other suggestions included harmonising value-added taxes and extending qualified majority voting in the EU, so veto powers could be wielded less frequently.

Source: fibre2fashion.com– Nov 24, 2025

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US' textile & apparel import volume increases 4.5% in Jan-Aug

The US recorded a 4.50 per cent increase in the volume of textile and apparel imports across all fibre types, reflecting gradual recovery in domestic demand after a year of contraction. Imports totalled 69,384.724 million square metre equivalents (SME) during January–August 2025, compared with 66,398.979 million SME in the same period of 2024, according to data from the Office of Textiles and Apparel (OTEXA). Rising consumer spending on value and basic categories, coupled with inventory replenishment by retailers, has supported import growth.

During this period, apparel imports rose by 1.46 per cent to 16,948.436 million SME, up from 16,704.774 million SME in January–August 2024. Imports of textiles (non-apparel) reached 52,436.287 million SME in the same period of 2025, marking a 5.52 per cent increase compared with 49,694.205 million SME in the corresponding period of 2024. Non-apparel goods such as home textiles, industrial fabrics and technical textiles have benefitted from stable construction, automotive and household furnishing demand.

The import volume of cotton products rose by 3.99 per cent to 11,571.559 million SME during the review period, compared with 11,127.632 million SME a year earlier. Imports of man-made fibre (MMF) products climbed to 56,181.237 million SME in January–August 2025, up from 53,686.398 million SME in the same period of 2024. MMF demand has strengthened due to the growing preference for performance wear, athleisure, and affordable synthetic blends, driven by product innovation and cost competitiveness.

Meanwhile, US exports of textiles and apparel made from all fibre types eased by 0.48 per cent to 1,443.069 million kilograms during the review period, compared with 1,450.080 million kilograms in January–August 2024. Apparel exports increased by 6.47 per cent to 474.860 million kilograms. Fabric exports stood at 455.730 million kilograms, reflecting a 7.81 per cent decline, while yarn exports dropped 5.75 per cent to 553.021 million kilograms. Higher manufacturing costs and stronger domestic demand for specialty fabrics have reduced export competitiveness, while regional export markets continue to prioritise lower-cost supply sources.

In 2024, the country's textile and apparel imports by volume grew 15.23 per cent to 106,636.793 million SME. Apparel imports rose 5.95 per cent to 25,766.238 million SME, while textile imports surged 18.54 per cent to 80,870.554 million SME. By contrast, US exports of textiles and apparel declined by 2.15 per cent to 2,149.686 million kilograms during the year.

Apparel exports fell 1.57 per cent to 681.355 million kilograms, fabric exports slipped 0.22 per cent to 718.272 million kilograms, and yarn exports decreased 1.76 per cent to 853.376 million kilograms. This widening trade gap emphasises the US' continued dependence on imported textiles and apparel due to its consumption-driven market and limited domestic manufacturing capacity in labour-intensive segments.

In 2023, the US experienced a 12.28 per cent decline in the volume of textile and apparel imports across all fibre types, with total imports amounting to 92,783.400 million SME.

Source: fibre2fashion.com– Nov 24, 2025

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Mexico unveils $6.5-bn project to modernise textile, footwear sectors

Mexico has announced an initiative worth 120 billion pesos (~$6.5 billion) to modernise the domestic textile and footwear industries.

The plan, unveiled in footwear manufacturing hub Leon in Guanajuato state, seeks to improve productivity, formalise employment and integrate traditional sectors into modern supply chains.

Through an agreement with Spanish multinational financial services company Banco Bilbao Vizcaya Argentaria (BBVA) and state-owned development bank Nacional Financiera (Nafin), the plan will boost the competitiveness of small and medium enterprises in the sectors.

The plan aims at recovering 50,000 jobs in the two industries, according to domestic media reports.

Up to 50,000 companies operating in the textile and footwear sectors are expected to benefit from this financing initiative over the next 12 to 18 months.

The financing will be offered through simple credits for working capital and the renewal of productive machinery at a fixed rate of 14.5 per cent and without commission from BBVA. Nafin will cover up to 70 per cent of the risk through a guarantee programme.

The government also plans to involve the academia and businesses, focusing on regions like Valle de Toluca, Valle de Mexico and municipalities with footwear, apparel and leather goods activity. Next December, the government will launch a new country brand for textiles and footwear.

Last August, the government temporarily suspended imports of finished footwear to protect domestic production.

Source: fibre2fashion.com– Nov 23, 2025

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How Are Sustainable Denim Solutions Moving Forward?

Denim continues to amp up its efforts to be sustainable—and the intersection of physical and digital technologies are helping the industry achieve that.

Thomas Leary, global sales director & business partner at Baytech-HMS, and Dustin White, co-founder and CEO of Lab Denim, joined Angela Velasquez, executive editor of SJ Denim, to discuss the how the solutions their companies have respectively developed are faring for sustainability use cases in the denim industry.

Lab Denim makes indigo-free denim complete with bio-based finishing, which can create patterns or an aged look without ever needing to use chemicals, bleaches, lasers or harmful dyes.

"We have a technology around reproducing the exact finished look of denim without using any water, using any chemistry—there's no indigo; there's nothing harmful in these garments—as well as a finishing technology. So the machine essentially brings the fabric from white woven fabric all the way to cut and sew," White said.

Baytech-HMS has developed a replacement for pumice in the washing portion of the denim sector; it creates a recomposite stone that Leary said creates "a product that's roughly 35 to 40 times more durable than pumice," allowing it to last longer. The replacement also reduces water use by one-third and helps simplify supply chains, Leary noted.

Lab Denim, which works with Levi's, helps companies axe the cost of finishing from the creation of denim through its use of biotechnology, while Baytech-HMS helps mitigate costs associated with removing pumice sludge.

Despite the outcomes both companies can procure, bringing sustainability to a legacy industry at scale can be a challenging prospect. White said that, while the industry has started to warm to pilots with more sustainable outcomes, it can be an uphill battle to convince brands to invest in technology that disrupts the status quo.

“One of the challenges is that something’s been done for 150 years a certain way, it’s hard to show up on the scene and be like, ‘Oh, this is the future,’” he said. “Even if you have the solution, which we do, there’s all the processes around it…and that has to be taken into consideration.

For Leary’s team, which works with Levi’s Eureka Lab and has been having conversations with the likes of Kontoor Brands and H&M, it’s less about capex and more about technique differences. Both experts said that disrupting the processes brands and manufacturers have had in place for decades is a difficult ask to make. White said that, for sustainable innovation to truly take hold, it has to touch every step in the process of making denim.

“We know that the chemistry and the technology is something that is going to add a lot of value to the planet and to producers and to brands, but without the partnership of the people in the industry to build all the other technology around it—from software, all the way through cutting and sewing—it’s hard to get that momentum,” White said.

And as the technology starts to catch more momentum, some of the conversation circles around comparing notes with other sustainable solutions providers. Both Leary and White said that while some pieces of their business remain proprietary, they’re happy to share what’s involved with making technology like theirs work in a highly process-oriented industry.

“If you have something great, and you’re doing it great, you can kind of stand on your own and not worry so much about the competitors,” White said. Both White and Leary said the industry has come into a moment where small brands and large brands alike can buy in on transformation. said the best way forward is to help the industry procure more sustainable outcomes while simultaneously simplifying operations.

“Simplifying [companies’] daily work, as well as the supply chain overall, [is] just going to make that conversation about switching to sustainability much easier,” Leary said. “If you’re coming in with a sustainable solution that’s making their lives harder, what’s the point?”

Source: sourcingjournal.com– Nov 21, 2025

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Amazon keeps lowest prices in US; fashion 16% cheaper than rivals

Amazon has again been recognised as the lowest-priced online retailer in the United States, marking its ninth straight year of price leadership, according to Profitero+. The e-commerce giant holds a 14 per cent average price advantage over competitors, delivering the most affordable prices across 23 major online retailers as customers move into the holiday season.

Fashion emerged as a standout category, with Amazon's prices now 16 per cent lower on average than other retailers surveyed, and 5 per cent lower than the nearest rival, said Profitero+ in its ninth annual Price Wars study.

The study found Amazon's price leadership strengthening ahead of the holiday season, reinforcing its mission to help customers save money through consistently lower prices across all major product categories.

It further reported that Amazon's prices were up to 5 per cent lower than the next-closest competitor across top-selling holiday categories, including, fashion, sports and outdoors.

The online retailer also remains the most affordable destination for frequently purchased essentials such as baby products, health and personal care, household supplies, pet supplies, and vitamins, again offering up to 5 per cent savings.

"This research shows that plain and simple, once again, Amazon is America's lowest-price retailer," said Doug Herrington, CEO of worldwide Amazon stores. "Customers can trust that when they are shopping Amazon, they are getting the most affordable everyday low prices across the widest selection, and that we will meet or beat the prices of other major retailers."

The report highlighted intensifying price competition among major players. Walmart closed its price gap with Amazon from 5 per cent to 4 per cent year on year. Target held steady with prices averaging 13 per cent higher than Amazon, though it lost ground in fashion.

"As tariff fears rise, shoppers are watching prices like hawks," said Mike Black, chief growth officer of Profitero+. "Consumers will reward the retailers who keep prices competitive and make value easy to see—and punish those who don't."

The 2025 analysis examined more than 10,000 items across 16 product categories.

Source: fibre2fashion.com– Nov 24, 2025

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Vietnam rides FTA wave to strengthen footprints in UK

Vietnam's trade with the United Kingdom is on a tear, powered by the Vietnam–UK (UKVFTA), which has turned into one of the most dynamic bilateral trade frameworks in Asia–Europe commerce.

What started as a post-Brexit continuity pact has evolved into a force reshaping Vietnam's export trajectory and deepening the country's economic footprint in one of the world's most competitive consumer markets.

The numbers tell the story. As per media reports which cited data from the Ministry of Industry and Trade, Vietnam's exports to the UK have increased at an average rate of about 10 per cent annually in the four years since the UKVFTA was implemented even as in the first nine months of 2025 alone, total bilateral trade reportedly reached $6.93 billion, marking a 6.62 per cent increase over the same period last year.

Exports from Vietnam hit $6.22 billion, up nearly 9.84 per cent, underscoring how the FTA has become a real engine of growth rather than a mere policy headline.

"The implementation of the UKVFTA is a very important driving force to promote cooperation between the two countries. Many of Vietnam's key export groups now occupy a strong and growing share of the UK market," reportedly maintained a senior official from the Department of Foreign Market Development at the Ministry of Industry and Trade, which oversees the UK market, interacting with the media.

That strength shows up across multiple product categories. The ministry's analysis, drawing on data from the UK's Office for National Statistics, shows Vietnam's share of the UK import market reaching 0.8 per cent in the first quarter of 2025—small in absolute terms but comfortably ahead of several regional competitors.

Malaysia reportedly stood at 0.29 per cent, Singapore 0.48 per cent, Thailand 0.53 per cent, and Indonesia 0.22 per cent, cementing Vietnam's position as the top Southeast Asian exporter to the UK.

As per reports, Vietnam's footwear industry, one of the country's traditional export powerhouses, continues to lead the charge. Footwear now reportedly accounts for around 26.6 per cent of the total UK footwear imports—up more than one percentage point from the previous year. That gain, though seemingly modest, represents millions of pairs of shoes and a deeper presence in a notoriously brand-conscious market.

Garments, seafood, wooden furniture, and consumer electronics have also reportedly been climbing steadily, reflecting Vietnam's diversification efforts and its ability to tap into new demand segments.

Trade officials and businesses are well aware, however, that the race is far from over. "Export industries need to take advantage of existing FTAs to develop the market and strengthen customer systems," reportedly maintained Le Dinh Ba, Counsellor and Head of the Vietnam Trade Office in the UK, adding, "The UK is actively signing FTAs with many countries that compete directly with Vietnam. That means our exporters must be proactive, innovative, and faster in building long-term relationships."

Despite increasing exports, reports suggest, Vietnamese products still represent less than 1 per cent of the UK's total imports, signalling vast untapped potential even as analysts emphasised that sustaining the current momentum will require more than tariff advantages.

Vietnam's exporters will need to push up the value chain, focus on branding and product quality, and adapt to increasingly strict standards on sustainability and traceability—areas where UK consumers and retailers are particularly demanding, they underlined.

The UKVFTA, meanwhile, remains central to this strategic play. Today, the UK ranks as Vietnam's third-largest trading partner in Europe, while Vietnam is the UK's largest trading partner in Southeast Asia and with the UKVFTA firing on all cylinders, Vietnam's exporters are not just shipping more goods—they are carving out durable market share in a high-value destination, as the challenge now is to turn that momentum into permanence.

Source: fibre2fashion.com– Nov 23, 2025

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Vietnam's Green Garment Gambit: EVFTA catalyzes High-Value fashion shift

Vietnam's fashion and apparel sector is navigating a pivotal, challenging shift, where the EU-Vietnam Free Trade Agreement (EVFTA) is now less about initial tariff cuts and more about driving a "green transition." Exports to the EU surged, reaching over $3.5 billion in the first 10 months of 2024, up 10.61% year-on-year, propelled by zero-tariff roadmaps. However, the true game-changer is the EU's upcoming Sustainable and Circular Textile Strategy, demanding product transparency, durability, and recyclability by 2030.

The 'Fabric-Forward' rule and investment

The EVFTA's "fabric-forward" Rule of Origin (RoO), requiring fabric to be sourced from Vietnam, the EU, or partner countries like South Korea—remains a constraint, as Vietnam still imports substantial raw materials. This mandate is now fueling a critical need for upstream investment in local spinning and weaving, especially for eco-friendly materials. Manufacturers like May 10 Corporation, a historical national brand with an annual revenue of nearly $195 million in 2024, are responding by integrating digital transformation and green initiatives, targeting a 15,000–20,000 tonne annual CO_2 reduction.

Risk and opportunity in Green compliance

The most news-worthy angle is the pressure to adapt. The EU's demand for a Digital Product Passport and Extended Producer Responsibility (EPR) from 2026 means Vietnamese firms must invest in sustainability or risk market exclusion. This is a crucial opportunity: companies that pioneer circularity, adopt technologies like Cold-Pad-Batch (CPB) dyeing to cut emissions, and meet strict green standards will not only secure long-term EU contracts but also solidify a competitive edge over rivals without similar FTA access. The sector's financial outlook remains buoyant, targeting $47–48 billion in exports for 2025, but sustainable compliance is the non-negotiable price of admission.

Source: fashionatingworld.com– Nov 21, 2025

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Bhutan wants to transform PTA with Bangladesh into FTA

Bhutan is interested in transforming its current preferential trade agreement (PTA) with Bangladesh into a free trade agreement (FTA) to expand bilateral trade.

Visiting Bhutanese Prime Minister Dasho Tshering Tobgay expressed this interest at a meeting with Bangladeshi Commerce Adviser Sk Bashir Uddin at a hotel in Dhaka today.

Bangladesh signed its only PTA with Bhutan back in 2020.

Today, Tobgay expressed gratitude for allocating a special economic zone for Bhutan in Kurigram, where several activities have already been undertaken, according to a statement from the commerce ministry.

The prime minister also said the Bhutanese government has taken the initiative to develop the Biodiversity City in Gelephu.

This proposed city is being built to preserve Bhutan's rich biodiversity, where advanced and sustainable infrastructure will be developed in harmony with nature.

Mentioning that a large quantity of construction materials will be required for the development of Gelephu city, he expressed interest in importing these materials from Bangladesh.

He further stated that the Bhutanese government is also interested in importing medicines, ceramic products, readymade garments and electronic items from Bangladesh.

Inviting Bangladeshi tourists to enjoy Bhutan's natural beauty, the prime minister said that while the Bhutanese government has set a Sustainable Development Fee (SDF) of $100 per night for tourists from most countries, for tourists from Bangladesh and other South Asian countries the fee is only $15.

He also urged the government to take steps to encourage Bangladeshis to take advantage of this opportunity to visit Bhutan.

Bhutan's bilateral relations with Bangladesh are excellent and increased trade will add a new dimension to the existing relationship between the two countries.

Bangladesh's commerce adviser also expressed gratitude, recalling that Bhutan was the first country to recognise Bangladesh after its independence in 1971.

Expanding trade with Bhutan would strengthen bilateral relations even further, said Bashir Uddin.

Regarding the signing of the FTA, the adviser said the trade deal would be given due consideration at the upcoming Bangladesh–Bhutan secretary-level meeting.

The commerce adviser also said he emphasised the importance of increased business visits and greater exchange of experience between business communities of the two countries.

He said Bangladesh now produces world-class medicines, ceramic products, readymade garments and construction materials.

He called upon the Bhutanese government to take advantage of the opportunity to increase trade by importing these products.

Source: thedailystar.net– Nov 22, 2025

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Bangladesh Opens Up Labor Unions, Amid Rising Industry Unease

Creating sharp rifts across the sector, and raising fears of disruption, a labor law change published in Bangladesh earlier this week has triggered a wave of concern in the country's $40 billion apparel export industry.

While the move appears to support freedom of association, the revised multitiered approach to forming trade unions replaces the longstanding requirement of signatures from 20 percent of a factory's workforce.

In a significant shift, the Bangladesh Labour Act Amendment (Ordinance) 2025 introduces a sliding scale based on factory size and lowers the threshold for union formation to a minimum of 20 workers. For labor groups, the change expands access to unionization.

Factories with up to 300 workers will need at least 20 workers to form a union. The requirement increases to 40 members for factories with 301–500 workers, 100 members for those with 501–1,500, and 300 members for workplaces employing 1,501–3,000.

For employers, it raises fundamental questions about stability on factory floors.

Whether the measure will lead to greater disruption or ultimately create stronger, more accountable workplaces lies at the center of the debate—one that some labor leaders say they are still assessing.

"This can create far more chaos in the future," Fazlee Shamim Ehsan, president of the Bangladesh Employers' Federation (BEF) told Sourcing Journal. "Exporters associations have raised their voices about how this can impact factories, cause disruptions and even damage unions themselves. Our concern is that despite discussions finalized at the tripartite council, the government has twisted some of the wording—and this can make the situation at factories much more problematic by creating divisive situations."

Manufacturers expressed strong frustration, warning that the amendment could weaken the industry at a fragile moment and noting that the new numbers diverge from the consensus reached at the Tripartite Consultative Council (TCC).

Explaining the industry's position, Ehsan said a key issue was the need to balance rights with responsibilities.

"We asked several times for the government to make clear that with rights there must also be responsibility. In our culture that needs to be emphasized—without awareness of responsibility, the situation becomes difficult. Even workers don't want an ordinance that creates division or paralyzes a factory."

He added that several other elements of the gazette raise concerns, particularly the broader definition of "worker."

"Everyone other than the owner—even officers and staff—is now classified as a worker," he said, warning that such a sweeping definition could cause confusion.

"Other points we made have also been ignored," he added. "We asked for four months of maternity leave, which workers could take at their discretion. But the gazette mandates a fixed schedule: two months before and two months after childbirth, leaving workers with far less flexibility."

The shift in thresholds will recalibrate power dynamics within factories and could disrupt established systems of management at a time when the sector is already under pressure from political uncertainty ahead of national elections and a rapidly shifting geopolitical landscape. Manufacturers warn that the change could lead to fragmentation, mirroring the experience of Cambodia, where a single factory can host several unions, often resulting in competing demands and conflict.

Some labor leaders agree that this could be damaging.

Others, however, have welcomed the gazette describing it as a "long-awaited step in the right direction," and a "necessary move to strengthen collective bargaining, ensure safer workplaces and protect workers' rights." While acknowledging the risks of this changed approach, they say the broader principle of expanded association rights is non-negotiable.

The ordinance also recognizes domestic workers as formal workers and extends protections to employees of non-profit organizations, including eligibility for provident fund and pension schemes. Another provision prohibits blacklisting practices that have historically prevented dismissed workers from securing new employment.

Practical implementation is now a major concern for both unions and employers.

Labor ministry officials, while supporting the intent of the reform, admitted in private that implementation would be a challenge, including the way forward to process a surge of new union registrations, deploy enough labor inspectors and scale dispute-resolution mechanisms.

Even so, officials say the changes will strengthen Bangladesh's position with key trading partners by addressing longstanding labor rights concerns raised by the European Union, the International Labour Organisation (ILO) and the U.S.

They argue the shift will ultimately support economic growth and bolster exports, especially in the apparel sector, which accounts for more than 80 percent of the country's total export earnings.

The reforms follow commitments made at the ninth session of the EU-Bangladesh Joint Economic Commission in October 2019 to improve workplace safety and labor standards.

The National Action Plan (NAP) that followed laid out the administrative reforms required to achieve those goals, and the government subsequently created a Tripartite Implementation and Monitoring Committee (TIMC), which held its 10th meeting on Oct. 26 and produced the draft amendments that have now been formalized.

Despite the controversy surrounding the gazette, the window for reversing it appears narrow.

"Once a gazette is issued, it is essentially on track to take effect," said Professor Mustafizur Rahman, economist and distinguished fellow at the Centre for Policy Dialogue (CPD) in Dhaka. "The apprehension in the industry is that it will slow things down," he said, noting that comparisons with other countries are inevitable—from West Bengal in India, where strong union activity paralyzed an industrialized state, to Cambodia, where extensive unionization has not helped.

"In Cambodia, for example, per capita wages are higher than in Bangladesh, the stronger bargaining power can have results, too," he observed. "There are various repercussions, some positive and some negative — but this is undeniably a major shift."

Manufacturers noted that it was important to keep in mind that Bangladesh, the world's second-largest apparel exporter (after China), has been navigating an increasingly volatile global market shaped by geopolitical realignments, supply-chain restructuring, U.S. tariff negotiations and a huge domestic shift over the last year, with political uncertainty under an interim government and looming elections that are expected to take place in early 2026.

Even as logistics, and fears come into play, there appears to be agreement that this new layer of complexity is one more balancing act while managing the expectations of global buyers and the demands of a vast, predominantly female workforce.

"We continue to find the way forward, despite the concerns and the fact that the industry is battling on many fronts," said Ehsan.

Source: sourcingjournal.com– Nov 21, 2025

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NATIONAL NEWS

S&P Global retains India's GDP forecast at 6.5% for FY26

S&P Global on Monday retained the growth forecast for India at 6.5 per cent for Fiscal Year 2025-26. It said that if India managed to strike a deal with the US, the uncertainty is expected to come down.

"We anticipate that India's GDP will grow by 6.5 per cent in fiscal year 2026 (ending March 2026) and 6.7 per cent in fiscal 2027, with risks evenly balanced," the global rating agency said in the latest edition of Economic Outlook for Asia Pacific. This number is close to projections by other agencies. Earlier, the International Monetary Fund (IMF) raised India's growth forecast for FY 2025–26 by 20 basis points to 6.6 per cent.

However, citing the impact of increased tariffs, it lowered the projection for FY 2026–27 by 20 basis points to 6.2 per cent. Similarly, the World Bank raised India's FY26 growth forecast by 20 basis points to 6.5 per cent from its June projection of 6.3 per cent. However, considering the US tariff action, the World Bank also cut its FY27 forecast by 20 basis points to 6.3 per cent.

Meanwhile, S&P Global said that domestic growth remains robust, driven by strong consumption, despite the impact of US tariffs. The spike in the effective US tariff on India is weighing on the expansion of export-oriented manufacturing in the country. But there are signs the US may lower tariffs on Indian products. "If India can secure a trade agreement with the US, it will reduce uncertainty and enhance confidence, which would boost labour-intensive sectors," the agency said.

The US action has also impacted the Indian currency (INR), which depreciated nearly 4.3 per cent during the current calendar year till date. "In India, capital outflows have contributed to currency weakness. Added uncertainty from unexpectedly high US tariffs and the lack of a trade deal with the US have further squeezed the rupee," it said.

However, the agency expects lowered goods and service tax (GST) rates will support middle-class consumption and complement income tax cuts and interest rate reductions introduced this year. These changes are likely to make consumption a greater driver of growth compared with investment in this fiscal year and the next.

Talking about inflation, the agency though lowered the projection for the current fiscal, but expects this to rise next year. “In India, we have reduced our CPI inflation forecast to 2.5 per cent for the current fiscal year, as food inflation remains lower than we anticipated. However, we expect food inflation to normalise and forecast about 5 per cent headline inflation the next fiscal year,” the agency said.

Talking about overall growth scenario in the Asia-Pacific region, S&P Global Ratings Asia-Pacific chief economist Louis Kuijs said: “Asia-Pacific growth should mostly hold up in 2026, but the room for further policy interest rate cuts is modest. We expect higher trade restrictions and industrial policy to weigh on trade, investment, and growth in coming years.

For China, the agency said that its domestic demand is likely to remain subdued and exports should slow. But “we have raised our 2026 GDP growth forecast to 4.4 per cent, from 4 per cent due to lower US tariffs,” it said.

Source: thehindubusinessline.com– Nov 24, 2025

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Steep US tariff effect: Share of other countries in India's merchandise exports goes up

Even as the share of the US in India's merchandise exports has been declining since July 2025, the share of other countries has increased significantly, indicating diversification of the country's export basket, according to a report by SBI's Economic Research Department.

The Bank's economic researchers observed that UAE, China, Vietnam, Japan, Hong Kong, Bangladesh, Sri Lanka and Nigeria are among the top destinations (over FY25) across different product categories.

"So, could it be that some destinations are now exporting more to the USA after procuring from India? Australia's share in USA's imports of pearls, precious, semi-precious stones has increased to 9 per cent YTD (year-to-date) in January-August 2025 from 2 per cent during the same period in the previous year.

"Similarly, Hong Kong too registered an increase in share from 1 per cent to 2 per cent to USA during the same period. Meanwhile, when we look at the imports of these commodities by the USA, August shows declining growth," the researchers said.

The diversification of the export basket comes in the backdrop of the US slapping steep 50 per cent import tariff on Indian goods entering the country.

India's total merchandise exports in the first half of FY26, inched up 2.9 per cent to $220 billion ($214 billion in H1 FY25).

"Cumulative exports to the US also registered growth of 13 per cent to $45 billion in H1FY26 (there could be some front loading effect in the run up to the steep tariff implementation) from $40 billion in HIFY25....Furthermore, if we look at the share of the US in our exports, it has been declining since July 2025," the report said.

A break-up of India's country-wise exports shows that there is a decline in the share of the US in India's total exports to 15 per cent in September 2025 from 19.8 per cent in FY25.

During the aforementioned period, the share of other countries in India's total exports increased – UAE (to 9.8 per cent in September 2025 from 8.4 per cent in FY25), China (to 4 per cent from 3.3 per cent) and Hong Kong (to 3.1 per cent from 1.4 per cent).

The SBI economists noted that the buoyancy in trade talks with the US reaffirms India's desire to come out of the highest (among Asian peers) tariff structure while enhancing capability building across several loops, with the recently concluded LPG deals and strategic defence deals last month bolstering the fair probability of a mutually amicable, fruitful negotiation.

They emphasised that the tariff has impacted India's labour-intensive sectors such as textiles, jewellery and seafood, particularly shrimp – which operates with a lower margin.

To support the exporters, Government has approved ₹45,060 crore, including ₹20,000 crore in credit guarantees on bank loans. This is aimed at enhancing the global competitiveness of Indian exporters and support diversification into new and emerging markets.

"By enabling collateral-free credit access under CGTMSE, it will be strengthening liquidity, and it also ensures smooth business operations since the tariffs have led to a steep drop in container volume of shipments to US," the economists said.

Source: thehindubusinessline.com– Nov 22, 2025

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India’s merchandise exports fell 11.8% in October: Crisil

India's merchandise exports fell 11.8 per cent year-on-year, since August 2024, to $34.38 billion in October, Crisil said in its report.

This follows a 50 per cent increase in US tariffs on August 27 this year, a move that has subdued exports for the second month in a row, the report said.

The decline in exports was broad-based across petroleum products, gems and jewellery and core sectors.

Petroleum products exports declined 10.4 per cent year-on-year in October, compared to a growth of 15.1 per cent in September. Similarly, core exports slipped to 10.2 per cent compared to 6.1 per cent growth in September 2025, the report said.

Merchandise exports to US decreased 8.6 per cent year-on-year to $6.3 billion in October. This was an improvement from the 11.9 per cent decline in September, according to the report.

The announcement by the US on November 16 to cut tariffs on 254 food items bodes well for some of the agricultural exports, such as tea and spices, the report said.

Exports to non-US markets fell 12.5 per cent year-on-year, compared to 10.9 per cent growth in September.

The report said that India's current account deficit (CAD) is expected to remain manageable, supported by robust services trade, remittances and softer crude prices.

India's merchandise imports remained stable in October 2025 at $76.06 billion, the report said.

Source: thehindubusinessline.com– Nov 22, 2025

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Guidelines for export promotion mission to be released next week: Goyal

The guidelines for the Rs 25,060-crore Export Promotion Mission (EPM) are likely to be released from next week, detailing its components and benefits for the industry, Commerce and Industry Minister Piyush Goyal said.

The government, on November 12, approved the EPM with an outlay of Rs 25,060 crore for six financial years, beginning 2025-26, to help exporters deal with high tariffs imposed by the US.

The mission will be implemented through two sub-schemes -- Niryat Protsahan (Rs 10,401 crore) and Niryat Disha (Rs 14,659 crore).

"The guidelines for the export promotion mission will be released soon. I think the details, including its elements and how the industry can benefit from it, will be released next week," he told PTI.

Under the Export Promotion Mission, priority support will be extended to sectors impacted by recent global tariff escalations, such as textiles, leather, gems and jewellery, engineering goods, and marine products.

These sectors are facing challenges in the US market. Due to the high import duties, India's merchandise exports to the US declined 8.58 per cent to USD 6.3 billion in October.

The US has imposed a steep 50 per cent tariff on Indian goods from August 27. Meanwhile, the two countries are negotiating a bilateral trade agreement.

On the export dip to the US, Goyal said there was a decline in 3-4 sectors, and the ministry is working to help exporters in trade diversification.

Citing an example of shrimp, he said the European Union has approved an additional 108 domestic fishery units for the supply of marine products to the EU.

Russia is also approving 25 Indian fishery units.

"A big delegation from Russia is also coming on December 5. So, in different ways, we are working to support the affected sectors," Goyal said.

The minister is in Israel to meet leaders and businesses to discuss ways to boost bilateral trade and investments. He is leading a 60-member business delegation.

Under Niryat Protsahan of the EPM, focus will be on improving access to affordable trade finance for MSMEs through a range of instruments, such as interest subvention, export factoring, collateral guarantees, credit cards for e-commerce exporters, and credit enhancement support for diversification into new markets.

Similarly, under Niryat Disha, the funds will be used for non-financial enablers, such as assistance for international branding, packaging, and participation in trade fairs, export warehousing and logistics, inland transport reimbursements, and trade intelligence and capacity-building initiatives.

India's exports contracted 11.8 per cent to USD 34.38 billion in October on account of the impact of high tariffs by the US, while the trade deficit widened to a record high of USD 41.68 billion, mainly due to a jump in gold imports.

According to government data released, the country's imports jumped 16.63 per cent to an all-time high of USD 76.06 billion due to high inbound shipments of the yellow metal, silver, cotton raw/waste, fertiliser, and sulphur.

During April-October this fiscal year, exports increased marginally by 0.63 per cent to USD 254.25 billion, and imports rose 6.37 per cent to USD 451.08 billion.

Merchandise trade deficit during April-October 2025 was USD 196.82 billion as compared to USD 171.40 billion in the same period during April-October 2024.

Key segments, including engineering goods, petroleum products, gems and jewellery, apparel and textiles, organic and inorganic chemicals, pharmaceuticals, and plastic goods, witnessed noticeable contraction, weighing down the overall export performance.

Handicrafts, carpet, leather, iron ore, tea, rice, tobacco, spices and oil meals, too, recorded negative growth in exports in October.

The US has imposed hefty 50 per cent tariffs on Indian goods, which are impacting the country's exports.

Source: business-standard.com– Nov 23, 2025

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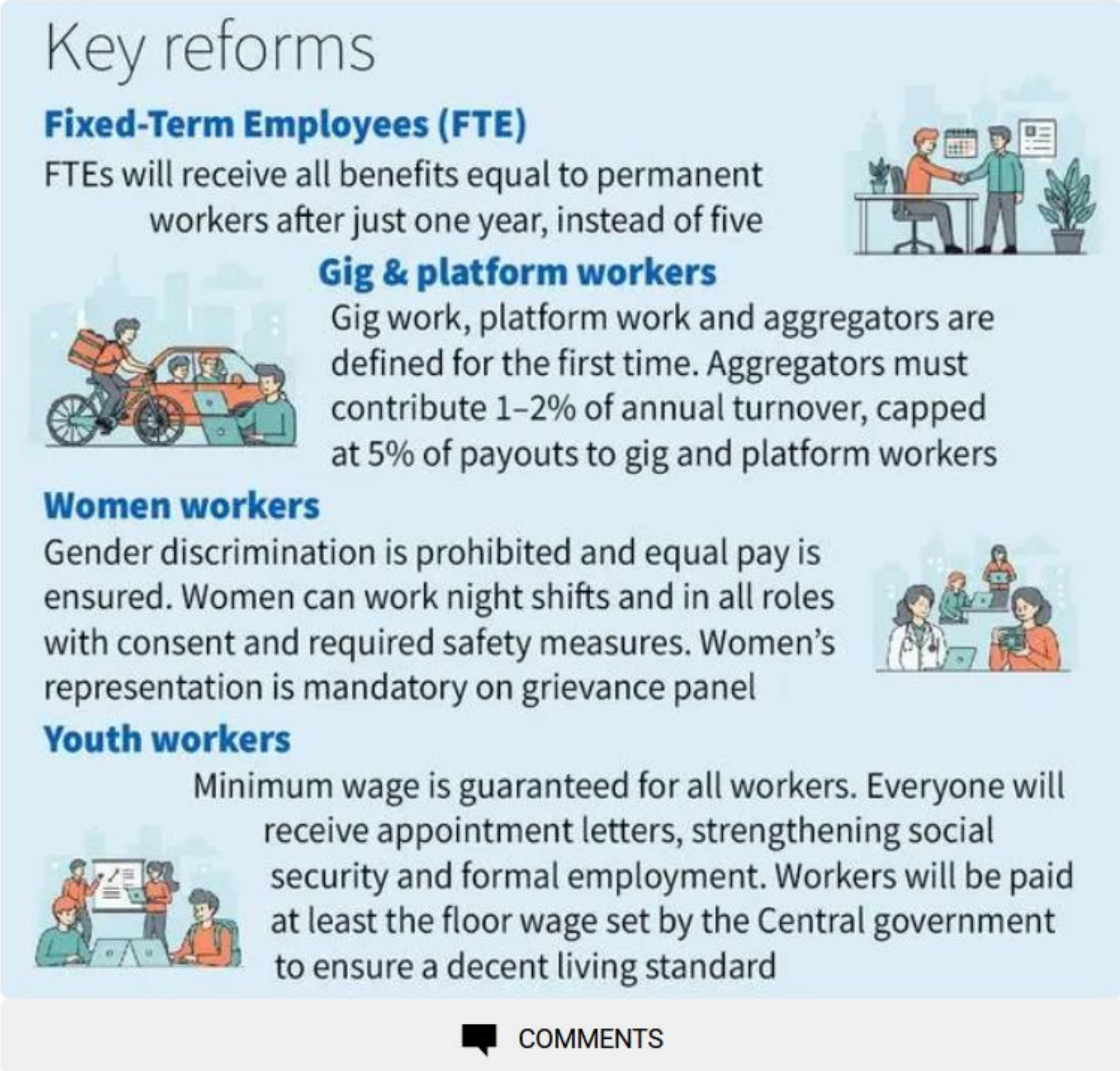
Four new Labour Codes take effect, to cover 40 crore workers

Five years after Parliament passed four labour codes replacing 29 central laws, the Centre on Friday announced their nationwide implementation, calling the move a “historic step” to ensure “dignity for every worker.”



Published on November 21, 2025

The Ministry of Labour and Employment issued four separate gazette notifications on Friday to enforce four Labour Codes — the Code of Wages (2019), Industrial Relations Code (2020), Code on Social Security (2020) and Occupational Safety, Health and Working Conditions Code (2020).

Hailing the reforms, Prime Minister Narendra Modi said on X: "It is one of the most comprehensive and progressive labour-oriented reforms since Independence. It greatly empowers our workers. It also significantly simplifies compliance and promotes Ease of Doing Business."

Gig framework

The laws address the needs of a rapidly evolving economy by including IT and ITES workers and defining 'gig work', 'platform work' and 'aggregators' who must contribute 1-2 per cent of their annual turnover, capped at 5 per cent of the amount paid/payable to gig/platform workers.

Notably, States like Rajasthan, Karnataka, Jharkhand, Telangana and Bihar have already enacted their own legislations for gig workers, largely modelled on the central statute.

The Centre underlined timely minimum wages, appointment letters for all new employees, equal pay for women, gratuity for fixed-term workers after one year, free annual health check-ups for workers over 40, and double wages for overtime as highlights of the labour reforms. According to Labour and Employment Minister Mansukh Mandaviya, 40 crore workers would come under a strengthened social security framework.

Policy gaps

However, Labour Economist Shyam Sundar said the bigger challenge in extending these benefits to the workers which will require institutional structures that facilitate their implementation. For instance, construction workers have not been able to avail of the Building and Construction Workers Cess Fund effectively for the last two decades because they have not been able to get registered.

Similarly, for the estimated 1 crore gig workers across the country, just about five lakh have reportedly registered with the e-Shram portal. It is a similar situation in almost all other welfare schemes run for the unorganised workers.

"If the workers are registered with the aggregators, they should help with their registration. There should be portability. With Aadhaar, the workers find it extremely difficult to register and then re-register. Easy registration and total portability have to be ensured," Sundar told businessline.

Union Opposition

Labour being part of the Concurrent List, some provisions of the Labour Codes have to be notified by the Centre and others by the states. This, however, does not include West Bengal, where the State government has told the assembly that it would not comply with the central laws.

The central trade unions rejected the labour codes, warning that the new framework dilutes worker protections and weakens the trade union movement.

In a joint statement, ten central trade unions expressed strong condemnation of what they called “the blatantly unilateral implementation of anti-worker, pro-employer labour codes”.

Source: thehindubusinessline.com– Nov 22, 2025

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India diversifies exports as shipments to US decline: SBI research report

Share of India's merchandise exports to other countries increased as shipments to the US declined since July 2025, indicating diversification of export basket across product categories, according to an SBI research report.

India's total merchandise exports during April-September 2025 inched up by 2.9 per cent to USD 220 billion compared to USD 214 billion in the year-ago period, the report said.

Cumulative exports to the US also registered a growth of 13 per cent to USD 45 billion in the April-September period from USD 40 billion in the year-ago period, though there could be some front-loading effects to the aftermath, with September figures registering negative year-on-year growth of about 12 per cent, said 'Ecowrap', the SBI's research report.

The report further said the share of the US in India's exports has been declining since July 2025, falling to 15 per cent in September, mainly because of a decline in exports of marine products, precious and semi-precious stones, ready-made cotton garments, and cotton fabrics.

"Interestingly, the share of India's merchandise exports to other countries during this period has increased significantly, indicating the diversification of our exports basket with the UAE, China, Vietnam, Japan, and Hong Kong, as also Bangladesh, Sri Lanka, and Nigeria being among the top destinations (over FY25) across different product categories," the report said.

"So, could it be that some destinations are exporting more to the USA after procuring from India?" it said.

According to the report, Australia's share in the US imports of pearls, precious, semi-precious stones has increased to 9 per cent YTD in January-August 2025 from 2 per cent during the same period in the previous year.

Hong Kong, too, registered an increase in share from 1 per cent to 2 per cent to the US during the same period.

The SBI research report further said the buoyancy in trade talks reaffirms India's desire to come out of the highest (among Asian peers) tariff structure while enhancing capability building across several loops, with recently concluded LPG deals and strategic defence deals last month, bolstering the fair probability of a mutually amicable, fruitful negotiation.

Tariff has impacted India's labour-intensive sectors such as textiles, jewellery, and seafood, particularly shrimp, which operates with a lower margin, the report said.

To support the exporters, the government has approved Rs 45,060 crore, including Rs 20,000 crore in credit guarantees on bank loans.

This is aimed to enhance the global competitiveness of Indian exporters and support diversification into new and emerging markets, it said.

By enabling collateral-free credit access under CGTMSE, it will be strengthening liquidity, as also ensures smooth business operations since the tariffs have led to a steep drop in container volume of shipments to the US, the report added.

Source: business-standard.com– Nov 23, 2025

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Board of Trade to meet on Tuesday to discuss strategies to boost exports

The Board of Trade (BoT) is scheduled to meet on Tuesday, chaired by Commerce and Industry Minister Piyush Goyal, to discuss strategies to boost India's exports amid the steep tariffs imposed by the US, an official has said.

Headed by the minister, the board includes participants from various states, Union territories, and senior officials from the public and private sectors.

In the meeting, representatives of export promotion councils, along with other participants, will present their views on the export sector.

"The BoT is meeting on November 25," the official said.

The meeting is important as the country's exports fell by a steep 11.8 per cent to $34.38 billion in October on account of the impact of high tariffs by the US, while the trade deficit widened to a record high of $41.68 billion, mainly due to a jump in gold imports.

India and the US are negotiating a bilateral trade agreement. The first phase of the pact is expected to be announced soon, which would address the tariff issue.

The country's imports jumped 16.63 per cent to an all-time high of $76.06 billion due to high inbound shipments of the yellow metal, silver, cotton raw/waste, fertiliser, and sulphur.

It also assumes significance as India's merchandise exports to its largest export destination, the US, declined for the second consecutive month in October, falling by 8.58 per cent to $6.3 billion due to the hefty 50 per cent tariffs imposed by Washington.

To deal with global uncertainties at the trade front, the government, on November 12, approved the export promotion mission with an outlay of Rs 25,060 crore for six financial years, beginning 2025-26, to help exporters deal with high tariffs imposed by the US.

The mission will be implemented through two sub-schemes -- Niryat Protsahan (Rs 10,401 crore) and Niryat Disha (Rs 14,659 crore).

The Board of Trade provides an opportunity to have discussions and consultations with trade and industry leaders as they advise the government on policy measures on foreign trade policy to achieve the objective of boosting India's trade.

It also provides a platform for state governments and Union territories to articulate their perspective on trade policy and also for the central government to apprise them about international developments affecting India's trade potential and opportunities.

During April-October this fiscal, exports increased marginally by 0.63 per cent to $254.25 billion, and imports rose 6.37 per cent to $ 451.08 billion.

India is targeting $2 trillion worth of goods and services exports by 2030.

Source: business-standard.com– Nov 23, 2025

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India, Canada agree to restart stalled talks for new trade deal: Govt

Canada and India have agreed to restart stalled talks for a new trade deal, the Indian government said on Sunday, after discussions between the two countries paused following a diplomatic spat two years ago.

Prime Minister Mark Carney met with India's Prime Minister Narendra Modi for a bilateral discussion on the sidelines of the G20 summit in Johannesburg, South Africa.

"The leaders agreed to begin negotiations on a high-ambition Comprehensive Economic Partnership Agreement (CEPA), aimed at doubling bilateral trade to $50 billion by 2030," the statement from India's Prime Minister's Office said.

"Prime Minister @narendramodi and I met at the G20 Summit today, and launched negotiations for a trade deal that could more than double our trade to more than (C) $70 billion," Carney said in a post on X. "India is the world's fifth largest economy, and that means big new opportunities for Canadian workers and businesses."

Both sides reaffirmed their longstanding civil nuclear cooperation and noted the ongoing discussions on expanding collaboration, including through long-term uranium supply arrangements, it added.

The restart of talks highlights thawing relations between the two countries as Carney pushes to expand trade ties beyond the US, its biggest trading partner.

Carney has vowed to double Canada's non-US exports over the next decade.

Canada paused negotiations for a broad trade pact in 2023 after relations soured when Ottawa accused the Indian government of involvement in the killing of a Canadian Sikh separatist. New Delhi has denied involvement.

Despite the diplomatic row, trade between Canada and India has grown but trade experts say it is quite small relative to the size of India's economy.

Two-way goods and services trade touched about C$31 billion ($21.98 billion) in 2024, largely in Canada's favor due to its C$16 billion in services exports. In contrast, Canada's total bilateral trade with China was almost four times bigger in 2024.

Relations between Canada and India began to improve following Modi's meeting with Carney on the sidelines of the G7 summit in June.

Earlier on Sunday, Carney said he considers India a reliable trading partner, although he acknowledged there could be some "source of friction."

He said Canada and India have a strong commercial relationship and he would be keen to scale that up.

"What we're looking to do is to put that (commercial relationship) on a sound footing through a potential trade agreement between the two countries, which gives protections to our businesses, protections to Indian businesses, a clear set of rules, dispute mechanisms, and others, and build on those opportunities."

Carney also met with Brazilian President Luiz Inácio Lula da Silva at the G20 summit and the leaders agreed to intensify negotiations on a Canada-Mercosur free trade agreement. Mercosur includes Brazil, Argentina, Paraguay and Uruguay.

Source: business-standard.com– Nov 24, 2025

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Ramkumar: US-India Trade Relations are Poised for Success

There will be a win-win trade deal between the world's largest country with 1.45 billion people (India) and the superpower (USA).

China is a competitor to the United States in advanced technologies, higher education, and defense investments. This situation will always push the United States government to have a cautious approach in dealings with China. With the current tariff levels, exports from China have fallen by 25% since last year, which provides opportunities for other big textile manufacturers and exporters. Leading economies, such as the United States and the EU, will always seek strategic partnerships with countries like India to balance China.

For over two decades now, the United States' administrations have viewed India as a counterbalance to China in the Pacific and South Asian regions. It is clear from the recent statements by the United States' President about India being the world's largest country in terms of its population, the United States would want to engage with India for its global political strategy and exporting advanced products and defense technologies to India.

While the current tariffs for imports from India are still at 50%, as I have opined, the 25% additional tariff for Russian oil imports by India is being used as a negotiating tool by the United States to restrict funds flow to Russia. On November 10, President Donald Trump announced that the tariff on India will be reduced, and a win-win deal will be forthcoming.

I believe the tariff rate for India will be about 15-20%. My estimate is based on the existing global base rate of 10% and other political scenarios. Given that President Trump is a firm believer in tariffs as a way of balancing trade with nations and revamping domestic manufacturing, a zero-tariff regime is highly unlikely.

If the deal of 15-20% comes through, India's tariff rate will be half that of China. China's rate, which includes the Section 301 tariff, will be 45 percent. India will come out competitive against China and on par with Bangladesh and other textile-exporting nations.

A favorable trade deal with India will be beneficial to the United States' cotton sector in the medium to long run. India has waived its import duties on cotton till the end of this year. Recent reports have shown that cotton imports to India have risen.

India may need a good supply of cotton at competitive rates if it can replace some amount of Chinese export markets. Cotton from West Texas has had a positive reputation in India in terms of less trash, fewer breaks while spinning, and overall quality, based on my interaction with a general manager of a South India-based textile mill, which has over 70,000 ring spindles that spins fine count yarns.

With the trade deal optimistically expected by the end of the year, it is important to enhance engagement between the United States and India, not only at the government level, but also trade bodies and professional associations in the textiles sector have important roles to play to prepare for rebooting and boosting trade. In line with this strategy, two leading professional associations in the field of textiles are engaging on a global platform in India.

India-based world's largest textile professional association, Textile Association (India), through its South India Unit [TAI-SIU], will be hosting the American Association of Textile Chemists and Colorists (AATCC) this November 21-22, in its annual conference to be held in the textile hub, Coimbatore.

With over six hundred industry personnel expected to participate, the event will boost confidence and provide an opportunity to meet with the representatives of a major association from the United States, which has leading brands such as Nike and Under Armour as corporate members.

Gregg Woodcock, Executive Director of AATCC, will be visiting India for the first time, trying to build a solid bridge between the textile sectors of the two nations.

Woodcock will be talking about the importance of color fastness and physical properties in textile evaluation, which are vital parameters in export trade. Engagement with AATCC is important for boosting bilateral trade, as AATCC is a leading association focusing on quality aspects and standards.

For the Indian textiles industry to be competitive, in addition to the cost factor, improving its product offerings and quality are valuable.

The collaboration between two major nations in trade and the cooperation between the world's leading associations in the field of textiles will go a long way in boosting trade and relationships between the two nations.

This Summer, as the Ambassador of AATCC for India, I worked to initiate collaboration in the form of establishing student chapters for AATCC in India. By the time Woodcock arrives in India, four student chapters of AATCC will be in the making in India in institutions located in Bengaluru, Coimbatore, and Chennai.

The Textile Association (India), TAI-SIU event is timely and will be a reboot of the textiles trade and technical relations between India and the United States.

Now that the United States's longest government shutdown has ended, efforts will go into high gear related to trade and foreign policy engagements, and hence diplomatic and professional interactions between both countries will be strategically helpful.

Source: cottongrower.com– Nov 19, 2025

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Indian Textiles Focus at EU: A tariff shock resets export strategy

The 50% US retaliatory tariff has delivered its full blow to India's textile sector, with October 2025 exports seeing a devastating 12.91% year-on-year contraction in overall textile and apparel shipments, as per CITI data. Cotton yarn and fabric exports alone plummeted by 13.31%. This has triggered an acute liquidity crisis in North Indian hubs, forcing a radical shift in the industry's focus.

Europe emerges as the new anchor

Instead of merely battling the tariff-induced payment crises in hubs like Delhi and Ludhiana, the industry is now aggressively pivoting its export strategy towards the European Union (EU). With the EU market nearly twice the size of the US for textiles, and an India-EU Free Trade Agreement expected to be finalized by the end of 2025, exporters view this as a necessary, long-term structural change. As one industry leader stated, "The EU cannot replace US volumes immediately, but it is the future for tariff-free growth."

Relief package and diversification drive

In a bid to cushion the immediate impact, the Indian government has announced relief measures, including a four-month moratorium on loan repayments for the readymade garment segment and an extension of the export realization period. Textile conglomerate Arvind Limited, which has about 21% of its topline exposed to the US market, estimated a quarterly EBITDA impact of ₹25-30 crore from the tariffs, partially offset by increased volumes in other markets.

Simultaneously, the Production Linked Incentive (PLI) scheme is encouraging a shift to Technical Textiles, which are less tariff-impacted. The dual strategy; lobbying for a swift India-US trade deal while actively diversifying into technical textiles and the EU, underlines the industry's drive to transform a short-term crisis into a mandate for long-term global competitiveness and market expansion.

Source: fashionatingworld.com– Nov 21, 2025

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