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USD	EUR	GBP	JPY
89.25	103.43	117.70	0.57

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INTERNATIONAL NEWS

Economic Effects of Tariffs Subject to Change Over Time, Federal Reserve Bank of San Francisco Says

What impact do tariffs have on the economy, really?

According to experts from the Federal Reserve Bank of San Francisco, the answer is more nuanced than their proponents—and detractors—would have people believe.

Many consumers have been bemoaning higher prices for some time now. But research by the bank's senior policy advisor, Òscar Jordà, and the vice president of its economic research department, Fernanda Nechio, indicates that the line connecting tariffs to inflation is more serpentine than straight.

In a white paper released Monday, the researchers outlined the results of research into 40 years of international economic data. It showed that, generally, after a change in tariff rates, unemployment tends to increase while inflation declines. But over time, labor levels stabilize and inflation ticks up.

“This pattern suggests that, at first, the effects of tariffs more closely resemble a negative demand shock—that is, consumers and businesses pull back their spending, which slows economic activity and also slows down inflation,” they wrote. “Over time, however, economic activity picks up and inflation increases to a higher rate than would have been the case without the tariff increase.”

That may be the prevailing trend, but the economy doesn't thrive on rules. There are many mitigating factors that determine tariffs' impact on economic activity, according to FRBSF.

Generally, tariffs increase the price of imported goods, but that one-time bump could be a temporary hindrance to shoppers as long as the new tariff rate remains stable. However, stability isn't a guarantee, as evidenced by the current administration's mercurial trade strategy.

The supply side must also be considered, as businesses may rejigger their supply chains based on their perception of the tariffs' future impact, leading to changes in pricing. Importers could also choose to shield shoppers by eating the cost (or most of the cost) of the tariffs themselves, leaving consumers' experiences largely unchanged.

Those decisions are often influenced by perceptions of what trade policy will look like over the coming years, and in 2025, that kind of certainty is hard to come by. In the short term, though, if consumers clock higher prices at retail, they may opt to change their spending habits or tighten their purse strings, having an immediate effect on the economy.

"Any of these responses by businesses and consumers will depend on how permanent or transitory tariffs are perceived to be, possible retaliation by trading partners that may affect exporting industries, and general uncertainty associated with subsequent trade agreements, legal decisions, and other factors," the researchers wrote.

None of these factors are particularly predictable, especially when recent U.S. trade policy "has sharply reversed a worldwide historical decline in tariffs," they added. Tariff rates have declined steadily over the past six decades—until now.

Using a modeling tool dubbed "local projections," the researchers examined the long-term evolution of unemployment, consumer price index (CPI) inflation and tariff rates following a 1 percent change in the average tariff rate. They constructed two projections on the path of unemployment—one using information on changes in tariffs and the other without. They did the same with inflation.

According to the statistical method, a 1 percent raise in the tariff rate increases unemployment by about 10 basis points (one-tenth of a percentage point). A 10 percent tariff increase would therefore yield a 1 percent surge in unemployment, and so on. Over the second year of tariffs, the unemployment rate levels out, and then over the ensuing two years, it declines slightly.

Meanwhile, the model showed that inflation declines about 10 basis points per 1 percent increase in tariffs at the time that the tariffs change (meaning a decline of 1 percentage point per 10 percent increase in tariffs). However, by year one, the deflationary effect dissipates, and inflation accelerates in the opposite direction—about 10 basis points per 1 percent increase in

tariffs over the ensuing two years. That effect only starts to dissipate by year four.

“The initial increase in the unemployment rate together with the drop in inflation both suggest that tariffs act like a brake on the demand side of the economy,” the researchers explained. “Firms may withhold investment spending until there is more clarity on future trade policy, since tariff policies will prompt them to reconsider how they arrange their supply chains.”

At the same time, shoppers may respond with trepidation to the changes in employment and pricing, mostly by pulling back on purchases of products and services. “Over time, the economy adjusts: The unemployment rate returns to its original level or even declines slightly, whereas inflation picks up and peaks three years after the initial change in tariffs, relative to the scenario where tariffs remain unchanged,” the report said.

However, given that “[t]he tariffs recently enacted are unprecedented in magnitude and scope,” Jordà and Nechio wrote, “[o]ur estimates should be interpreted with caution.” Historical data on tariffs doesn’t contain the kind of big swings in the tariff rate being seen today, making it hard to predict what the current tariff regime could portend for both the supply chain and shoppers.

“Ultimately, our results show that the effects of tariffs on the economy do not go in a single direction. On impact and early on they depress labor markets and inflation. Over time these effects reverse course,” they wrote. “In other words, it seems that demand factors prevail in the short run but supply factors dominate in the long run.”

Monetary responses to tariffs tend to be delayed, so “[it is important to understand the timing of the different effects of trade policy on the economy” before trying to mitigate impacts, they concluded.

Source: sourcingjournal.com– Nov 25, 2025

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Cambodia achieves a first in global garment supply chain

Cambodia has introduced a landmark development in global sourcing: the world's first legally binding supply chain model that directly links brand purchasing practices to factory-level collective bargaining outcomes. Finalised through the Action, Collaboration, Transformation (ACT) initiative, the agreement brings together global fashion brands, Cambodian manufacturers, and trade unions under a legally enforceable framework designed to advance fair wages and stable industrial relations.

The initiative will benefit more than a million workers in Cambodia's garment, footwear, and travel-goods sector. It marks a decisive shift away from voluntary Corporate Social Responsibility (CSR) programmes by embedding binding obligations into brand–union agreements that support wages negotiated through collective bargaining at factory level.

How the model works

The framework operates across two integrated tiers:

Collective Bargaining Agreement (CBA): Developed jointly by Cambodian employers and unions, the CBA establishes sector-wide baseline provisions including wage increases, extended maternity and special leave, freedom of association (FoA), anti-harassment protections, industrial peace, and a clear dispute-resolution process.

Binding support agreements: Brands such as H&M, Primark, PVH and ASOS have committed to maintaining paid sourcing volumes in Cambodia. They will ringfence labour costs by fully factoring wage increases and all labour-related expenses into their purchasing prices, while also contributing to a skills and training fund that ensures workers continue to receive income while attending training.

These commitments are enforceable through international arbitration at the Permanent Court of Arbitration and are monitored through independent audits and annual third-party reporting.

This architecture linking collective bargaining directly to brand purchasing practices is unprecedented. It aligns with International Labour Organization (ILO) living wage standards and provides a practical way to implement wage-setting guidance across global supply chains.

Significance and benefits

For decades, global garment supply chains have been stuck in a low-wage cycle. Price-based competition, unpredictable order volumes, and productivity gains that rarely translated into higher earnings left workers with limited progress. Brands and suppliers, acting alone, lacked the leverage to shift the system.

The ACT Cambodia programme changes this dynamic by legally obligating brands to support wage outcomes negotiated at the factory level. It also gives manufacturers greater predictability through stable labour costs and more reliable order flows, strengthening both competitiveness and long-term planning.

Direct alignment between purchasing practices and wages helps close the long-standing loophole where factories were pressured to absorb wage increases without corresponding price adjustments.

In addition, a standardised CBA across factories reduces wage competition and improves industrial harmony, while independent monitoring enhances credibility.

Further, the skills and training fund supports worker upskilling without income loss, and the emphasis on FoA and structured grievance mechanisms strengthens industrial relations and reduces conflict.

Unlocking future potential

If the model succeeds in Cambodia, it could serve as a template for replication in other major garment hubs such as Vietnam, Bangladesh, and Indonesia.

It aligns closely with emerging due-diligence laws such as the Corporate Sustainability Due Diligence Directive (CSDDD), the Corporate Sustainability Reporting Directive (CSRD) and OECD guidelines, helping brands meet rising regulatory expectations while reducing legal and compliance risks.

Growing interest from Environmental, Social, and Governance (ESG)-focused investors creates further momentum, as binding agreements provide strong evidence of credible labour-risk management.

Stable labour relations, predictable labour costs, and a more skilled workforce can also position Cambodia as a premium, future-ready sourcing destination. Structurally linking wage-setting to collective bargaining offers a realistic pathway towards achieving living wages.

Challenges

A central challenge is limited brand participation: only 12 brands have committed so far, restricting the initiative's scale.

A survey by the UK-registered Business & Human Rights Resource Centre shows that major buyers such as Nike and Amer Sports have not joined the programme, allowing them to benefit from improved factory conditions without contributing financially and increasing their legal and reputational exposure as due-diligence regulations tighten. Their non-participation also puts downward pressure on suppliers and weakens incentives to sign or implement CBAs.

Moreover, the model's multi-stakeholder coordination across brands, unions, suppliers and government agencies can slow decision-making, while smaller factories may initially struggle with CBA compliance. Lengthy arbitration processes may further delay enforcement. The model's effectiveness hinges on brands maintaining stable sourcing volumes, something that can be disrupted by global downturns and geopolitical pressures such as recessions, tariffs, trade tensions, shifting sourcing patterns or political instability. These factors may reduce orders or weaken brands' willingness to uphold higher labour-cost commitments, ultimately undermining wage progress and confidence in the model.

Framework for equitable supply chains

With rigorous monitoring, explicit purchasing-practice commitments, and enforceable dispute-resolution mechanisms, the ACT Cambodia model is emerging as a blueprint for responsible sourcing. It offers brands more predictable supply chains, workers a structured path towards living wages, and Cambodia a strengthened, more resilient industrial base while aligning garment production with rising global expectations around credible corporate human rights due diligence.

Source: fibre2fashion.com– Nov 26, 2025

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Japan's clothing imports grow in Oct as retail demand strengthens

Japan's apparel and accessory imports increased 3.4 per cent to 383,734 million yen (~\$2.45 billion) in October 2025, according to provisional data from Japan's Ministry of Finance. They accounted for 3.8 per cent of total imports worth 9,998,090 million yen. The rise reflects stable consumer demand and a gradual recovery in retail spending after a prolonged period of inflationary pressure and cautious buying.

Imports of textile yarn and fabric grew 0.9 per cent to 104,529 million yen (~\$667.38 million), making up 1 per cent of total imports. On the export side, textile yarn and fabric shipments remained unchanged at 75,084 million yen (~\$479.38 million), while textile machinery exports declined 0.8 per cent to 27,147 million yen (~\$173.32 million), contributing 0.3 per cent to Japan's total exports valued at 9,766,316 million yen. The slight drop in textile machinery exports suggests slower overseas capital investment by manufacturers and a wider global slowdown in new capacity additions.

During the first half of fiscal 2025–26 (April–September), imports of clothing and accessories rose 2.0 per cent to 1,883,882 million yen (~\$12.33 billion), contributing 3.4 per cent of total imports worth 54,877,112 million yen. In contrast, imports of textile yarn and fabric fell 3.2 per cent to 571,756 million yen (~\$3.74 billion). This decline is largely due to cheaper regional sourcing options in Asia and moderation in raw material demand. Textile yarn and fabric exports dipped 0.9 per cent to 416,502 million yen (~\$2.73 billion), while textile machinery exports grew 8.3 per cent to 137,527 million yen (~\$900 million). The rise in machinery exports reflects strong demand from emerging Asian textile hubs upgrading technology to boost productivity.

In fiscal 2024–25, imports of clothing and accessories climbed 5.2 per cent to 3,764,657 million yen (~\$26.44 billion), while textile yarn and fabric imports rose 2.7 per cent to 1,174,598 million yen. Exports of textile yarn and fabric increased 6 per cent to 850,139 million yen, but textile machinery exports fell 12.6 per cent to 280,408 million yen. The mixed trend highlights Japan's dependence on apparel imports alongside the competitiveness of its high-value textile export segment.

In fiscal 2023–24, imports of clothing and accessories dropped 1.7 per cent to 3,564,850 million yen (~\$23.11 billion), and textile yarn and fabric imports fell 10.4 per cent to 1,143,805 million yen. Textile yarn and fabric exports reached 802,178 million yen, while textile machinery exports stood at 320,947 million yen. The figures indicate a post-pandemic normalisation, with reduced panic buying, stabilised inventories, and global demand correction.

In fiscal 2022–23, clothing and accessories imports totalled 3,619,550 million yen (~\$25.05 billion), while textile machinery exports stood at 306,781 million yen. This period marked the early recovery of Japan's textile trade as supply chains reopened and global retail activity gradually revived after COVID-19 disruptions.

Source: fibre2fashion.com– Nov 24, 2025

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Maersk Prepares for Red Sea Resumption, But Won't Commit to a Timeline

Maersk will take steps to return to the Red Sea “as soon as conditions allow,” but still does not have a hard date set for a return to the waterway.

In a joint press conference with the Suez Canal Authority (SCA) on Tuesday, Maersk CEO Vincent Clerc again asserted that the resumption of navigations through the Suez Canal will be dependent on the safety of its crew members.

“Given the significant progress in both Gaza and [the] Bab el-Mandeb [Strait], Maersk will take steps to resume navigation around the East-West corridor via the Suez Canal and the Red Sea, and normalize transit over time,” Clerc said.

The SCA and Maersk signed a strategic partnership agreement during the joint press conference.

A Tuesday morning report from Egyptian newspaper Ahram Online had indicated that the ocean carrier would begin a phased return to the Suez Canal in December as part of that agreement, but according to Reuters, a Maersk spokesperson denied that a date was set.

Sourcing Journal reached out to Maersk.

At the meeting, Suez Canal Authority chairman Osama Rabie said the passage is fully prepared to receive vessels and restore services to normal levels in the wake of the ceasefire between Israel and Hamas.

The authority is exploring new areas of cooperation with Maersk within the partnership, according to Rabie. This includes ship scrapping, container manufacturing and repair, shipyard development and logistics services.

Rabie added that the authority is exploring new areas of cooperation with Maersk, including ship scrapping, container manufacturing and repair, shipyard development, and logistics services.

The Suez Canal Authority had been calling on Maersk and other container shipping firms to return to the trade conduit in recent meetings with company representatives.

Ocean carriers including Maersk and Mediterranean Shipping Company (MSC) had avoided the route for nearly two years due to ongoing attacks on commercial ships by the Houthi militant group based out of Yemen. Instead, the liners would travel around southern Africa's Cape of Good Hope, tacking on 10-14 days on most voyages.

After September's ceasefire, the Houthis said they would suspend the attacks as long as the truce holds up.

As for the Suez Canal, its operator announced the waterway had a rebound in recent traffic, with 229 ships resuming transit through the Suez Canal in October. This was the highest monthly figure since the start of the Red Sea crisis, according to the SCA.

Suez Canal revenues rose 14.2 percent year over year between July and October.

ZIM indicated in its own recent earnings call that the container shipping firm was awaiting approval from its insurance companies, as well as the owners of its chartered ships, before making a Red Sea return.

The carrier's CEO, Eli Glickman, was optimistic about his company's timeline, saying a return "in the near future now appears increasingly likely."

Of the major carriers, CMA CGM had been the most willing to risk traversing through the Red Sea throughout the crisis as its ships could be escorted through by the French Navy. But the container shipping company kicked its return further into gear this month with four ultra-large container ships sailing through the canal—the first instances of vessels of that size making the journey since before the Houthi attacks.

The return of more carriers to the Red Sea could mean potential congestion and vessel bunching at European ports, analysts have warned.

Carriers have plans for a gradual phase-in of the transition back to the Red Sea, with smaller vessels starting to transit first. This approach would still cause vessel bunching, but would be aimed at minimizing the impact

of the reset as much as possible,” said Judah Levine, head of research at Freightos in a Tuesday update. “But some carriers are skeptical that an orderly phase-in will happen, as they expect pressure from customers who will want a return to the shorter route as quickly as possible.”

According to data from Sea-Intelligence, an industry return to the Suez Canal would release approximately 2.1 million 20-foot equivalent units (TEUs) of container capacity back in the market.

Last week, on the second anniversary of the start of the Houthi attacks, the American Apparel & Footwear Association (AAFA) commended the Trump administration for its actions to protect commercial shipping and urged “sustained deterrence” to ensure freedom of navigation worldwide.

The AAFA also welcomed the administration’s decision to designate the Houthis as a foreign terrorist organization.

“This action appropriately recognized the severity of their attacks, strengthened the legal tools available to disrupt their financing, and sent an unmistakable signal that violence against commercial shipping will not be tolerated,” read the letter from Steve Lamar, president and CEO of the AAFA.

Source: sourcingjournal.com– Nov 25, 2025

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Fed rate cut expectation lifts ICE cotton; market to consolidate

ICE cotton futures rose on expectations of a potential Federal Reserve interest rate cut, which is seen as supportive for cotton demand. The front-month contract moved higher, while back-month contracts showed a mixed trend. Analysts expect the market to consolidate, with buyers likely to step in on price dips.

ICE March 2026 cotton futures settled at 64.00 cents per pound, up 0.15 cents. The contract traded within a tight 55-point range between 6,389 and 6,444 points. Other contracts moved between 2 points lower and 16 points higher.

Total daily futures volume was 33,815 contracts, lighter than usual, and included a large 4,000-contract EFS trade. Friday's cleared volume stood at 35,770 contracts. Certified stocks remained unchanged at 20,344 bales, with no bales awaiting review.

March open interest reached a new contract high of 176,805 contracts after rising 1,686 on Friday, while total open interest increased by 1,952 to 276,964, the first rise in six sessions. March briefly moved above its 10-day moving average during intraday trading but closed back below it after 11 consecutive sessions trading under both short- and long-term averages.

Options activity dropped sharply to 1,736 total contracts (1,072 calls and 664 puts), far below Friday's exceptionally heavy 21,755 contracts (17,300 calls and 4,455 puts).

Market analysts said the market is likely to consolidate, with buyers active on declines and sellers on rallies, keeping prices in a sideways pattern until fresh data emerges.

Falling US interest rates would boost cotton demand and support prices if the Fed proceeds with rate cuts. According to CME FedWatch, traders currently assign a 79 per cent probability to a Federal Reserve rate cut next month, lifting overall sentiment.

ICE cotton speculators increased their net short positions by 3,861 contracts to 142,589 contracts for the week ending October 7, indicating persistent bearish pressure from speculative players.

USDA's crop progress report after market close showed the US cotton harvest at 79 per cent complete as of November 23, up from 71 per cent the previous week. This remains below last year's 83 per cent, but close to the 5-year average of 80 per cent.

This morning (Indian Standard Time), ICE December 2025 cotton was trading at 61.44 cents per pound (up 0.09 cent). Cash cotton was at 62 cents (up 0.15 cent), March 2026 at 64.24 cents (up 0.24 cent), May 2026 at 65.46 cents (up 0.23 cent), July 2026 at 66.53 cents (up 0.19 cent), and October 2026 at 67.24 cents (up 0.02 cent). A few contracts were unchanged, with no trades reported so far today.

Source: fibre2fashion.com– Nov 25, 2025

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Vietnam: Textile, garment exports estimated to hit \$46 billion in 2025

Việt Nam's textile and garment industry is expected to achieve export revenues of US\$46 billion in 2025, marking a 5.6 per cent increase compared to 2024.

The Việt Nam Textile and Apparel Association (VITAS) announced these positive performances at a press conference held in Hà Nội on November 25 to introduce a meeting of the association's seventh term during 2025-2030, and the industry review conference to be held in December.

According to VITAS chairman Vũ Đức Giang, this year promises to be a milestone for the sector as it continues its strong recovery after several years of global disruptions.

The industry's trade surplus is estimated at \$21 billion, reaffirming the sector's position as a key pillar of Việt Nam's trade balance.

He noted that the domestic localisation rate had risen to about 52 per cent, highlighting significant progress in localising raw material supplies.

Giang emphasised VITAS's ongoing trade promotion efforts, including 10 national programmes and 20 initiatives that have helped Vietnamese businesses participate in major international exhibitions in the US, France, Germany, Australia, Russia and Canada. These efforts have played a decisive role in maintaining and expanding market share across key global markets.

Between 2020 and 2025, the textile and garment sector faced unprecedented challenges - from the COVID-19 pandemic to rising geopolitical tensions, stricter environmental regulations, and growing protectionist measures such as US reciprocal tariffs.

Despite these pressures, Việt Nam maintained its ranking among the Top 3 textile and garment exporters globally.

Giang attributed this resilience to the dynamism of enterprises and VITAS's role in connecting and supporting industry stakeholders.

In the past five years, VITAS has grown by 293 new members, significantly strengthening links between domestic firms and foreign-invested enterprises to optimise supply chain efficiency.

VITAS has actively partnered with major international organisations - including ILO, IFC, GIZ, IDH, WWF and KITECH - as well as global textile associations such as CNTAC, KOFOTI, ITMF, AAFA and CCI.

These collaborations have supported nearly 300 seminars and specialised training programmes on technical innovation, design, sustainability, and greenhouse-gas reduction.

A core strength of VITAS lies in its policymaking support. The association has consistently advised the National Assembly, the Government, and relevant ministries on streamlining administrative procedures, revising laws on social insurance and trade union funds, and improving tax and credit policies.

These efforts aim to enhance the overall business environment and create momentum for industry recovery and growth.

VITAS has also collaborated with other national associations to propose amendments to laws and regulations affecting production, business operations, and import–export activities across Việt Nam’s economic sectors.

Strategic vision

Entering its seventh term from 2025 to 2030, VITAS has set ambitious objectives aligned with sustainable development and the circular economy.

Key targets include export turnover of \$64.5 billion by 2030, with an average annual growth rate of 6.5–7 per cent; domestic market revenue of \$8-9 billion.

They will also focus on greening - digitalising the industry, increasing the localisation rate to over 60 per cent; and building a strong, internationally recognised Vietnamese fashion brand.

The association's seventh congress and the 2025 VITAS review conference will take place on December 16–17, 2025, in Hà Nội.

The event is expected to welcome around 500 participants, including government leaders, international experts, policy advisors, business executives and global brands.

Attendees will discuss strategic directions for Việt Nam's textile and garment sector amid global volatility and explore adaptive solutions to ensure sustainable development and transition toward a circular economy.

Source: vietnamnews.vn– Nov 26, 2025

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Vietnam PM urges urgent support for firms hit by US reciprocal tariffs

Prime Minister Pham Minh Chinh has ordered immediate support for Vietnamese businesses affected by US reciprocal tariff policies and instructed the Ministry of Finance to complete proposals within this month.

Under Dispatch No 221/CD-TTg, the ministry must maintain an expansionary fiscal approach, adjust import–export taxes when needed, and introduce targeted measures to strengthen production and exports. Customs authorities have been directed to tighten inspections, prevent substandard goods, and curb origin fraud and intellectual property violations.

The Ministry of Industry and Trade (MoIT) has been tasked with boosting exports towards the end-of-year peak season, intensifying trade promotion, diversifying products, markets and supply chains, and speeding up negotiations for bilateral and multilateral trade agreements, including the reciprocal trade agreement with the US.

Trade offices abroad must support enterprises in utilising free trade agreements, assist in marketing, and help improve brand presence. The ministry will also deepen linkages between Vietnamese manufacturers and foreign-invested firms to expand participation in global supply chains, according to domestic media outlets.

The State Bank of Vietnam will operate monetary policy proactively and flexibly, ensure credit flows into production and priority sectors, and manage exchange and interest rates in line with market conditions to support investment and business activity.

The Ministry of Foreign Affairs will strengthen economic diplomacy, assist enterprises investing and trading abroad, and instruct overseas missions to cooperate closely with businesses and local administrations in host countries. It must also mobilise support among Gulf Cooperation Council (GCC) members to accelerate negotiations on the Vietnam–GCC free trade agreement (FTA).

The ministries of Industry and Trade, Agriculture and Environment, and Foreign Affairs will establish working groups to expand opportunities in the Middle East, Africa and Latin America, eliminate barriers in existing FTAs and fast-track negotiations for new agreements in late 2025 and early 2026.

Localities have been told to promptly resolve challenges facing exporters and provide regular updates on border-gate congestion. Export enterprises and state-owned groups are required to adjust business plans flexibly, enhance technology use, upgrade product quality, improve competitiveness and diversify both markets and supply chains. Implementation of these directives will be closely monitored by Deputy Prime Ministers, and progress will be reported through the government office.

Vietnam recorded total import–export turnover of \$762.4 billion in the first 10 months of the year, up 17.4 per cent compared with the same period last year, including \$391 billion in exports and \$371.4 billion in imports, generating a trade surplus of \$19.6 billion, according to the National Statistics Office.

Despite positive performance, the Prime Minister urged stronger efforts to stimulate exports and support macro-economic stability to help achieve the national growth target of more than 8 per cent this year.

Source: fibre2fashion.com– Nov 26, 2025

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Bangladesh: Strong growth in container, cargo, vessel handling at Bangladesh port

Bangladesh's Chattogram Port witnessed strong growth in handling containers, cargo and vessels in this calendar year and fiscal, according to the Chittagong Port Authority (CPA).

It handled 2,849,542 TEUs of containers, 11,50,67,200 metric tonnes of cargo and 3,552 vessels in the first 10 months this year, official data show.

The port posted a 4.87-per cent year-on-year (YoY) rise in container handling, 12.64-per cent YoY growth in cargo handling and a 10.97-per cent increase in vessel handling during the ten-month period.

During the first four months (July-October) of this fiscal, the port recorded 1,213,805 TEUs of containers, 4,52,82,907 tonnes of cargo and 1,422 vessels, which marked a YoY increase of 10.15 per cent, 15.76 per cent and 11 per cent respectively, according to domestic media reports.

At the New Mooring Container Terminal, operated by Chittagong Dry Dock Limited, performance has also improved notably as in the first four months of FY 2025-26, the terminal handled 468,871 TEUs and 253 vessels, showing 15.50-per cent YoY growth in container throughput and 19.35-per cent YoY growth in vessel handling.

Chattogram Port also witnessed a marked reduction in vessel waiting time over the period. Ships saw zero waiting time on nine days in September, 18 days in October and 19 days in November, and received berths immediately upon arrival.

Moreover, the resulting improvement has shortened the port's overall lead time, a change that is expected to ease consumer prices and further accelerate the country's export competitiveness, the authority added.

Source: fibre2fashion.com– Nov 26, 2025

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NATIONAL NEWS

Union Minister of Commerce & Industry Shri Piyush Goyal Calls for Strong Centre–State Partnership to Boost India’s Export Growth at the Fourth Board of Trade Meeting

Union Minister of Commerce and Industry Shri Piyush Goyal said that India must expand its economy and create more employment opportunities by increasing exports, emphasising the need for strong collaboration between the Central Government and the States to drive export expansion and diversification. The fourth meeting of the reconstituted Board of Trade (BoT), chaired by Shri Goyal, was held in New Delhi today, where the Minister highlighted the resilient performance of the Indian economy amid global volatility and reaffirmed the Government’s commitment to accelerating export growth.

Shri Goyal stated that the Export Promotion Mission would incorporate targeted schemes to help landlocked States enhance their competitiveness in the export sector. He noted that, based on inputs received from States, the Ministry of Commerce would work closely with relevant agencies to identify effective and timely solutions to emerging challenges.

Underscoring the importance of quality, the Minister said that India’s global reputation as a reliable exporter hinges on ensuring the highest standards in every product and consignment. He emphasized that maintaining consistency in quality is essential for strengthening India’s position in global markets and building long-term trust with international partners.

Shri Goyal urged States to actively share their successful models and best practices, particularly in areas such as Ease of Doing Business and Single Window clearance systems.

He noted that learning from States that have demonstrated strong performance in these domains would not only help others streamline their processes but also create a spirit of healthy competition. Such collaborative efforts, he added, would contribute to more efficient governance, improved facilitation for exporters and ultimately better outcomes across the country.

The Board of Trade—reconstituted in 2019 through the merger of the Council for Trade Development and Promotion with the BoT—continues to serve as the apex advisory body on policy measures related to the Foreign Trade Policy aimed at strengthening India's trade ecosystem.

The Minister provided an overview of progress made on initiatives announced during earlier BoT meetings. A major achievement has been the rapid scale-up of the Trade Connect ePlatform, launched in September 2024, which now integrates services from Indian Missions, the Department of Commerce, DGFT, Export Promotion Councils, Exim Bank and other partners.

With over 62 lakh platform visits, more than 18 lakh registered users, multilingual accessibility, digital consolidation of Certificates of Origin (over 22 lakh issued), and extensive support for MSMEs through market intelligence and product-compliance tools, the platform is emerging as a comprehensive digital gateway for exporters.

He further highlighted the strong performance of the Jan Sunwai video-conferencing module, which has resolved 3,377 out of 3,518 grievances, achieving a closure rate of 96% and reflecting the Ministry's commitment to citizen-centric service delivery.

The Minister noted that the extension of the RoDTEP scheme until 31 March 2026 for all eligible export categories provides predictability for exporters. He also pointed out that India's trade diplomacy has gained momentum, with landmark FTAs concluded over the past two years—including the India–EFTA TEPA (March 2024) and the India–UK Comprehensive Economic and Trade Agreement (July 2025)—and with negotiations underway with several other major partners. He stressed that the newly launched Export Promotion Mission will establish a coordinated, system-driven framework involving government, industry and academia to support sector-specific strategies and long-term export growth.

States presented best practices on export promotion and Ease of Doing Business, fostering mutual learning and cooperation. Shri Goyal reiterated that India's export strategy now focuses on market diversification, logistics reforms, MSME empowerment and technology adoption—critical pillars for deepening integration with global value chains and positioning India as a competitive and trusted trading partner.

Commerce Secretary Shri Rajesh Agarwal underlined the need to strengthen last-mile connectivity between exporters and government support systems. He highlighted the Ministry's commitment to expanding digital public infrastructure for trade, ensuring faster resolution of trade-related issues, and improving inter-agency coordination to enhance India's export competitiveness.

DGFT and Additional Secretary Shri Ajay Bhadoo emphasised the Directorate's efforts to make all trade-facilitation services fully digital and paperless. He noted that DGFT initiatives—particularly the Trade Connect ePlatform and digital Certificates of Origin—aim to simplify procedures for MSMEs, lower transaction costs and help exporters leverage new opportunities arising from FTAs and global demand diversification.

The meeting witnessed active participation from Ministers from various State Governments. Minister Finance Department, Gujarat, Shri Kamleshbhai Patel; Cabinet Minister Industries, Commerce and Public Affairs Department, Assam, Shri Bimal Borah; Minister of Industries, Bihar, Shri Dilip Kumar Jaiswal; Minister of State for Industries and Commerce, Rajasthan, Col. Rajyavardhan Rathore; Commerce & Industry Minister, Tripura, Ms. Santana Chakma; Minister for Industrial Development, Export Promotion, NRI, Investment Promotion Uttar Pradesh, Shri Nand Gopal Gupta; Cabinet Agriculture Minister, Uttarakhand, Shri Ganesh Joshi; Minister for Transport, Industries, Goa, Shri Mauvin Godinho; Commerce & Industry Minister, Andhra Pradesh, Shri T.G Bharath; Minister for Industries, Chhattisgarh, Shri L L Dewangan. Senior officials from Government of India and States/UTs, Export Promotion Councils, industry associations, exporters and trade experts. Their engagement reinforced the collaborative approach towards building a robust, technology-enabled, and globally competitive trade ecosystem for India.

Source: pib.gov.in– Nov 25, 2025

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Commerce Minister Shri Piyush Goyal Ends Israel Visit, Strengthening Bilateral Strategic and Economic Cooperation

Union Minister of Commerce & Industry, Shri Piyush Goyal, concluded a productive visit to Israel (20–22 November 2025), during which he held a series of high-level engagements aimed at strengthening the India–Israel strategic and economic partnership.

The visit included bilateral meetings with Israel’s Minister of Economy and Industry, Mr. Nir Barkat; Minister of Finance, Mr. Bezalel Smotrich; Minister of Agriculture and Food Security, Mr. Avi Dichter and calls on President of the State of Israel, H.E. Mr. Isaac Herzog and the Prime Minister of Israel, H.E. Mr. Benjamin Netanyahu.

Discussions with Israel’s Minister of Economy and Industry, Mr. Nir Barkat covered discussions on FTA. A key highlight was the signing of the Terms of Reference for the India–Israel Free Trade Agreement, marking an important step toward structured negotiations for a balanced and mutually beneficial outcome. Discussions with Israel’s Minister of Finance, Mr. Bezalel Smotrich covered the opportunities for Indian companies in the fields of infrastructure, mining and the opportunities for the Indian workers in Israel. Discussions with Israel’s Minister of Agriculture and Food Security, Mr. Avi Dichter, covered Israel’s long-term food-security strategy, seed-improvement technologies, and leadership in agricultural water-reuse.

Shri Goyal participated in the India–Israel Business Forum, and CEOs Forum which saw strong industry participation from both sides. Over 250 B2B meetings were also held. In his remarks, Shri Goyal underscored India’s vast potential for Israeli innovators and businesses, particularly in technology, agritech, water tech, defence, science and technology, fintech, AI, quantum computing, pharmaceuticals and space.

The Minister also held interactions with leadership from leading Israeli companies, including Check Point, IDE Technologies, NTA, and Netafim, focusing on partnerships in cybersecurity, desalination and wastewater management, metro and urban mobility solutions, and precision agriculture respectively.

The Minister visited the Peres Center for Peace and Innovation, where he was briefed on Israel's globally renowned innovation ecosystem. He also experienced an autonomous-driving demonstration by Mobileye and visited Kibbutz Ramat Rachel to understand Israel's community-driven models of sustainable agriculture and rural development.

Shri Goyal also engaged with the Indian business delegation, the Indian and Israeli media, the diamond community, and members of the Indian community in Israel. He visited key cultural and historical sites in Israel, including the Israel Museum and the Indian Hospice.

Minister Nir Barkat hosted a Gala Reception in honour of Shri Goyal with leading industry members of India and Israel. Minister Nir Barkat was also the Guest of Honor for the Community Reception that was organized by the Embassy of India in Israel in honour Shri Goyal.

On the last day of the visit, Shri Goyal also called on the President of the State of Israel, H.E. Mr. Isaac Herzog, and the Prime Minister of Israel, H.E. Mr. Benjamin Netanyahu and briefed them on the successful India–Israel Business Forum and CEOs Forum that were held, and also discussed expanding the bilateral economic and strategic cooperation in the fields of agriculture, water, defence, cybersecurity, science and technology and innovation.

The accompanying 60+ Indian business delegation also undertook insightful site visits in Israel — exploring innovation at the Peres Center for Peace & Innovation, cybersecurity leadership at Check Point, advancements in healthcare at Sheba Hospital, and best practices in sustainable farming during an agri-farm visit.

The visit reaffirmed the strong commitment of both countries to deepen economic ties, accelerate technology-driven cooperation, and expand partnerships across sectors of strategic importance, marking an important step forward in the next phase of the India–Israel relationship.

Source: pib.gov.in– Nov 25, 2025

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Why India's exports may be in the midst of a slow-motion train wreck

Indian exports seem to be twisting in the wind, thanks to the triple whammy of US tariffs, subdued global demand and falling commodity prices.

While cumulative exports data during the first half of the current fiscal suggests all is well, monthly data starting September indicates that we may well be in the midst of a slow-motion train wreck. For instance, October saw a widespread contraction, not just to the US, which slapped us with a steep 50% tariff, but to almost every other export destination.

In other words, there's an air of crisis and India's export downturn could worsen amid softening global demand, tariff shocks and geopolitical tensions as we head into 2026.

The export downturn also casts a shadow on the government's ambitious \$1-trillion target set for FY26. Official data shows that 34.61% of the target has been met in the first five months, but subdued growth starting September raises a concern if the export weakness will continue rest of the fiscal.

During April-August 2025, India's merchandise and services stood at \$346 billion, a 5.19% YoY increase, with merchandise exports accounting for 53.09% and services 46.91%. According to World Bank data, the share of exports in India's GDP rose from 19.8% in 2015 to 21.2% in 2024. Helpfully, India's exports grew by 7.1% in 2024, outpacing global export growth of 2.5%, but whether we can achieve a similar feat remains uncertain.

Not all doom and gloom

First, the good news.

According to SBI Research, India's total merchandise exports during the first half of FY26 rose 2.9% to \$220 billion as against \$214 billion a year ago. Within this, the distinguishing metric pertains to the US markets as exports shot up 13% to \$45 billion from \$40 billion.

But here's the catch. These numbers pertain to the pre-US-tariff era, and export numbers are expected to decline sharply in the second half. In fact, September did see negative year-on-year growth of 12% as the 50% tariff on labour-intensive goods continued to hit apparel, leather and other MSME-led sectors. The US currently levies the highest tariffs among Asian nations on India.

Moreover, as the SBI report noted, the share of US in India's exports has been declining since July 2025, moving down to 15% in September 2025, with marine products reducing to 15% in September 2025 from 20% in FY25, followed by precious, semi-precious stones (6% from 37%), RMG cotton (29% from 34%) and cotton fabrics, made up articles exports (31% from 39%) leading the pack even though marine products and RMG cotton saw positive growth during April-September 2025.

With Russian oil shipments to India having decreased since 21 October, the report hopes the US to roll back the 25% tariff linked to Russian oil purchases, and eventually move toward a 15% overall rate, with India prepared to cut its own import tariffs on over 80% of goods while protecting sensitive sectors like agriculture.

The clouds on the horizon

The disappointing news is that, monthly data shows a broad decline with exports plunging 11.8% in October.

According to data from trade think-tank GTRI, year-on-year exports grew in only 5 of the top 20 destinations, with double-digit declines in several key destinations like Singapore, Australia, Italy and the UK. Of the five, only Spain (43.43%), and China (42.35%) saw healthy growth, thanks to higher petroleum product shipments, while Hong Kong (6.00%), Brazil (3.54%), and Belgium (2.22%) saw marginal increases.

In contrast, the remaining 15 markets suffered significant declines indicating broad external weakness. If exports to the US fell 8.58%, shipments to the UAE slipped 10.17%, Singapore and Australia saw far deeper contractions at 54.85%, and 52.42%, respectively, on lower petroleum, jewellery, electrical machinery, cotton textiles, steel products, and electronic shipments.

Similarly, Italy saw a negative growth of 27.66%, followed by the UK at 27.16%, the Netherlands at 22.75%, Malaysia at 22.68%, Korea 16.43%, Germany 15.14%, France 14.28%, Bangladesh 14.10%, Nepal 12.64%, South Africa 7.54%, and Saudi Arabia 1.12%.

This wasn't expected, or perhaps even anticipated as the share of India's merchandise exports to these very destinations rose during the first half of the fiscal, which SBI Research believes was a sign of India's export diversification strategy.

Exports shot up to UAE, China, Vietnam, Japan and Hong Kong, Bangladesh, Sri Lanka and Nigeria during H1, FY26 over FY25, and across different product categories.

The worst-hit

MSMEs, which account for nearly 40% of India's outbound shipments, are the worst hit.

The government has rolled out a Rs 45,060 crore package, including Rs 20,000 crore in credit guarantees to enhance the global competitiveness of Indian exporters and support diversification into new and emerging markets. But whether these initiatives are enough to stem the tide is unclear.

The report also wondered if some destinations were exporting more to the US after procuring from India.

For instance, Australia's share in US imports of pearls, precious, semi-precious stones increased to 9% year-to-date in January-August, 2025 from 2% during the same period the previous year. Likewise, Hong Kong too registered an increase from 1% to 2%.

Meanwhile, during April-October 2025, merchandise exports grew by 0.6%, while merchandise imports rose by 6.4%, widening the trade deficit to \$196.8 billion from \$171.4 billion in the corresponding period last year. Compared to flat growth in merchandise exports, services exports sustained buoyancy with near-to-double digit growth of 9.7% during April-September, 2025. The growth was predominantly steered by strong performance in software and business services.

Consequently, India's current account deficit (CAD) stood at 0.2% of GDP in Q1, FY26 as against 0.9% in Q1, FY25, owing to robust services exports and strong inflow of remittances. CAD is expected to be in deficit during Q2 and Q3 of FY26 before turning positive in Q4. For the full fiscal FY26, SBI expects an overall deficit in the range of 1.0-1.3% of GDP.

It's certainly not the news that India optimists will have been wanting to hear.

Source: newindianexpress.com– Nov 25, 2025

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Union Minister of Commerce and Industry Shri Piyush Goyal addresses the National Conference of Trade Leaders

Union Minister of Commerce and Industry, Shri Piyush Goyal, addressed the National Conference of Trade Leaders, where he highlighted recent reforms aimed at strengthening ease of doing business and enhancing the welfare of workers.

Shri Goyal recalled the sacrifice of Guru Tegh Bahadur, whose legacy is being commemorated after nearly 350 years. He said that following the ideals he laid down would bring pride and honour to the nation and ensure a bright future for the country. He added that remembering the vision with which Guru Tegh Bahadur united the nation would continue to guide India's progress.

The Minister stated that ease of doing business has been significantly improved through the Jan Vishvas Bill, which simplifies procedures and reduces compliance burdens. Responding to suggestions on the idea of "One Nation, One License," he suggested that, as a pilot initiative, states such as Delhi and Maharashtra could consider creating a single online portal integrating state and municipal trade licences.

Shri Goyal also noted that the four recently enacted Labour Codes will provide substantial benefits to unorganised workers and gig workers. He said that these workers previously had to navigate numerous forms, inspections and complex regulations, whereas the new framework simplifies processes and ensures access to proper facilities, social security and better working conditions. He added that both employers and employees have welcomed these reforms.

The Minister encouraged traders to promote Swadeshi products. He said suppliers should clearly mention the manufacturing location on product packaging, and suggested that shops may display that they sell Swadeshi goods. He emphasised the importance of expanding the presence of "Made in India" products.

Source: pib.gov.in– Nov 25, 2025

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India & Afghanistan hold talks to deepen cooperation in textile sector

A high level delegation of India and Afghanistan discussed to explore avenues for deeper economic engagement in the textile sector. Ministry of Textiles said that a high-level delegation from Afghanistan, led by Director General of Economic Relations, Shafiullah Azam, met Trade Advisor of the Textiles Ministry A. Bipin Menon in New Delhi.

During the meeting, both sides discussed avenues for mutual cooperation, including technical support and training for Afghan cotton farmers, facilitation of shipments and visas, and closer engagement between industry bodies of both countries. The visiting delegation also articulated Afghanistan's priority to strengthen its textile ecosystem, create employment opportunities, and enhance training facilities for farmers entering the cotton and textile value chain.

Textile trade relations between the two countries reflect strong complementarities, with India being the second-largest supplier of textiles and apparel to Afghanistan, with exports reaching 68.7 million dollars last year. Afghanistan, which imported USD 742.8 million worth of textiles and apparel from the world in 2024, expressed interest in leveraging India's expertise as the world's second-largest cotton producer.

Source: newsonair.gov.in– Nov 25, 2025

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Trade pact imbalance: India to discuss non-tariff measures with Japan

India's ongoing efforts to address its staggering \$12.6 billion trade deficit in FY25 with Japan emphasise a larger problem with other FTA partner countries.

The issues that have been flagged in the case of Japan — non-tariff measures and quality controls — are the same that inhibit Indian goods penetration in other markets as well. Sources said the Commerce Department is seeking industry inputs and is going to discuss these issues at the next joint committee meeting of the India-Japan comprehensive economic partnership agreement (CEPA) soon.

Experts said these issues need to be thrashed out in the case of Japan as well as ASEAN, South Korea, and the UAE as well. India has struck FTAs with all these countries following which its trade deficit has widened. For the moment, the focus is on Japan while reviews are ongoing with ASEAN and South Korea.

Trade deficit

While with Japan, India's trade deficit in FY25 was \$12.68 billion, up from \$3.5 billion in FY11, with the 10-member ASEAN it was at \$45.2 billion, with South Korea at \$15.25 billion and with the UAE at \$26.79 billion.

"New Delhi has been insisting on a review of the CEPA with Japan as the trade pact, implemented in 2011, has disproportionately benefited Japan. After a successful India-Japan Summit this year, where the CEPA was discussed in details, it is being hoped that the review will happen soon," a source told businessline.

Trace barriers

Experts say that the government must find out from the industry which non-tariff measures are blocking exports.

"There is a need for thorough examination of all barriers and find solutions as most of the measures are WTO compliant," said Biswajit Dhar, Distinguished Professor, Council for Social Development.

Trade expert Nagesh Kumar suggested that India and Japan should urgently conduct a review of the CEPA to identify the non-tariff and process-oriented barriers that Indian exporters face in exporting labour-intensive goods (such as textiles, garments and processed foods) to Japan.

“They should recommend the need for capacity building, especially of MSMEs, to comply with those standards,” Kumar said in the 2025 ERIA-CII-ISID Study on India–Japan Economic Partnership for Resilient and Diversified Value Chains.

Source: thehindubusinessline.com– Nov 25, 2025

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India, Russia-led EAEU to start talks for trade pact from Wednesday: Piyush Goyal

India and the Russia-led EAEU group will start formal negotiations for a trade agreement from Wednesday, Commerce and Industry Minister Piyush Goyal said on Tuesday.

India and the five-nation grouping, the Eurasian Economic Union (EAEU), on August 20, inked the terms of reference for the agreement.

"The FTA talks start from tomorrow here," Goyal told reporters here.

The Terms of Reference signed on August 20, 2025, outline an 18-month work plan aimed at diversifying markets for Indian businesses, including MSMEs, farmers and fishermen.

Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan are the five member countries of EAEU.

The development is important as India is looking to diversify its export markets due to high tariffs imposed by the US.

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

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

Goyal also informed that there is potential for talks on a trade pact with SACU (Southern African Customs Union). SACU nations include South Africa, Namibia, Botswana, Lesotho and Eswatini. It is the world's oldest customs union -- over a century old.

Discussions are also on for the second phase of a preferential trade agreement with the Mercosur bloc. Mercosur is a trading bloc in Latin America, comprising Brazil, Argentina, Uruguay and Paraguay.

He added that negotiations with Israel will commence soon, virtually for an early harvest trade agreement. India is keen to collaborate with Israel in areas such as agriculture tech, innovation, mobility and services.

On the commencement of FTA talks with Canada, the minister said there is a serious interest on both sides in the agreement.

He said that soon, both sides will meet to kick-start the process.

In a free trade agreement, two countries either eliminate or significantly reduce import duties on the maximum number of goods traded between them.

Source: economictimes.com– Nov 25, 2025

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India begins detailed mapping of global trade rules to boost export compliance

The Commerce Ministry has started a full-scale mapping of mandatory and voluntary non-tariff measures (NTMs) that Indian exporters face in overseas markets, news agency PTI reported on November 25.

The move by the Directorate General of Foreign Trade (DGFT) is part of preparations for the newly approved Export Promotion Mission. It aims to create a central database that will help exporters navigate technical compliance demands, reduce trade hurdles and improve the quality of outbound shipments.

The DGFT has asked exporters, industry bodies, export promotion councils and commodity boards to share all relevant information on NTMs within seven days. The information will include certification requirements, testing procedures, inspections, audits and labelling rules imposed by destination countries.

Officials have said that failing to submit details may result in certain NTMs being omitted from the database, which could limit the support extended to specific sectors in the future.

NTMs are regulatory conditions that countries impose to protect health, safety and the environment. They can include technical rules such as safety standards, pre-shipment checks or product testing as well as non-technical policies such as quotas, import licensing norms or procurement restrictions.

While these measures are often legitimate, they can become trade barriers when they are arbitrary or exceed scientific justification.

Indian exporters routinely encounter these challenges. Compliance with overseas rules often demands redesigning products, modifying packaging or paying for mandatory laboratory testing.

For example, exporters sending agricultural produce to the European Union must undertake pesticide residue tests, which add to costs. Such requirements not only raise expenses but also introduce delays, especially when shipments face additional verification checks at the importing country's ports.

Some markets present persistent logistical hurdles. Shipments to parts of Africa, for instance, often slow down at ports due to detailed inspection protocols. These delays increase uncertainty for exporters who must manage inventory, ensure product quality during transit and maintain delivery commitments.

By mapping NTMs comprehensively, the government intends to provide exporters with clearer guidance and reduce the friction caused by varying international standards.

The database is expected to help identify where technical support or policy interventions may be necessary, including future measures planned under the Export Promotion Mission, PTI's report said.

Source: economictimes.com– Nov 25, 2025

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Excess rains, tariff impact, adverse base hit India's Oct growth: ICRA

Excess rains, US tariffs and penalties, and an unfavourable base owing to the shift in the festive season weighed on India's economic growth in October this year and affected the performance of the core output, which was flat year on year (YoY) in the month after expanding by 3.3 per cent in September, according to ICRA Ratings.

The YoY growth in economic activity, as measured by the ICRA business activity monitor, eased to a 14-month low of 5.9 per cent in October from 8.3 per cent in September this year.

The growth in industrial production index (IIP) may be 2.5-3.5 per cent in October 2025 compared to 4 per cent in September, even as manufacturing growth may remain relatively healthy, ICRA said in a note.

Post the festive season, ICRA expects restocking to boost volumes for some durables, whereas other big-ticket items may see continued discounts to clear inventories.

Overall, while gross domestic product (GDP) growth is projected at a healthy 7 per cent in the second quarter (Q2) of fiscal 2025-26 (FY26), albeit lower than the 7.8 per cent seen in Q1, ICRA expects it to ease below this level in the second half of the fiscal unless the government capital expenditure allocation is enhanced and the tariff-related uncertainties ebb.

At present, ICRA forecasts GDP growth to print at 6.8 per cent in FY26.

Five of the 12 indicators pertaining to financial conditions saw some easing in October this year versus September. Notably, money market-related indicators remained under duress in the month, before cooling in early-November 2025, ICRA added.

Source: fibre2fashion.com– Nov 25, 2025

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A tougher textile landscape takes shape for 2026

India's latest decision to open an anti-dumping investigation into Chinese polyester textured yarn follows a sharp rise in low-priced imports. Across discussions last week, sourcing leaders framed this shift as policy-driven pricing rather than pure market behaviour.

Meanwhile, the official data shows that higher United States tariffs pushed India's textile and apparel exports down about 13 per cent year on year in October.

These pressures coincide with tightening sustainability rules. The European Union's updated Strategy for Sustainable and Circular Textiles, released this month, reaffirms 2030 as the deadline for all textiles sold in the bloc to meet strict durability, repair and recycling requirements, with measures phasing in from 2026.

India's textile ministry, outlining its green-transition roadmap in Singapore on November 19, linked future export competitiveness directly to lower-impact production.

On the supply side, conversations are centred on automation, digitalisation and energy efficiency as essential for new capacity. Investment is already responding: recycling ventures are expanding, and the global recycled polyester market is projected to grow from about \$17.3 billion to nearly \$38.5 billion by 2034. This shift in fibre mix increasingly favours mills able to prove traceability and manage more complex raw-material flows.

Demand signals remain cautious. The National Retail Federation expects US holiday sales in November–December 2025 to exceed \$1 trillion, yet PwC's 2025 Holiday Outlook highlights a 5 per cent planned drop in average holiday spend, with clothing among the main categories facing cutbacks.

Together, trade defences in synthetics, stricter sustainability frameworks and value-conscious shoppers point to a narrow operating window. The latest global 'State of Fashion 2026' report outlook echoes this, forecasting low single-digit industry growth and noting that executives expect tariffs, technology disruption and shifting consumer priorities to shape performance in 2026.

In this environment, fibre-to-fashion strategies that succeed will approach policy, compliance and demand intelligence as one integrated planning challenge—rather than three separate agendas.

Source: fibre2fashion.com– Nov 25, 2025

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CCI cotton procurement reaches 1 lakh bales daily amid rising arrivals

Cotton procurement by the Cotton Corporation of India (CCI) has gained momentum, with daily purchases crossing one lakh bales of 170 kg as market arrivals gather pace across major cotton-growing States.

Total procurement so far has reached roughly eight lakh bales, even though arrivals began later than usual in the current season, which officially started on October 1.

CCI's buying activity has accelerated in recent days as kapas prices in the private market continue to rule below the minimum support price (MSP). Seed cotton (kapas) is currently trading at nearly ₹7,250–7,500 per quintal in Gujarat, significantly lower than the MSP of ₹8,110 (long staple), widening the gap and increasing the scope for government intervention through MSP operations.

According to industry sources, arrivals will reach to two lakh bales, and CCI has been procuring across all cotton-growing states except Odisha.

Official sources said CCI's daily procurement has crossed one lakh bales, and the Corporation has purchased approximately eight lakh bales in total this season. Officials expect procurement to surpass last year's levels, given the persistent price gap and weak demand.

Last year, CCI procured over one crore bales of 170 kg each. For the current season, the Corporation has opened around 570 procurement centres, of which nearly 400 are operational, ensuring wider access for farmers selling cotton below MSP.

However, CCI remained very slow and cautious during the initial days of the current season, as it wanted to avoid lower-quality arrivals. According to market sources, good quality (fair average quality—FAQ) cotton accounts for only about 30 per cent in many states, while the remaining 70 per cent does not meet quality standards.

Traders added that CCI took a long time to establish procurement centres as it was waiting for farmers to sell lower-quality kapas in the open market.

Excess and unseasonal rainfall in several states has affected fibre quality, with greater variation reported across regions. Industry veteran and president of the Cotton Association of India (CAI), Vinay N Kotak, noted that while quantity damage is lower, quality damage is significantly higher compared with last year. Good-quality cotton is scarce this season.

Market participants echoed this concern. Traders said weak yarn demand has further reduced mill buying. Buyers are willing to procure quality cotton at reasonable prices, while larger mills have already covered their positions through imported cotton.

With private trade remaining subdued and domestic mills buying conservatively, CCI is expected to carry out the bulk of procurement to support farmers against falling market prices.

Source: fibre2fashion.com– Nov 25, 2025

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South Indian cotton yarn falls in Mumbai amid selling pressure

South India's cotton yarn market witnessed selling pressure due to slow demand and a payment crunch. Prices eased by ₹2–3 per kg in the Mumbai market, as spinning mills and stockists struggled to find buyers. Tiruppur also saw selling pressure, although cotton yarn prices remained unchanged. Experts said fabric lifting from the garment industry remains very slow, which is a major discouraging factor for the upstream segment.

In Mumbai, cotton yarn prices declined by ₹2–3 per kg as stockists offered lower rates to attract buyers. The market recorded weak demand and tight payment conditions. A trader from Mumbai told Fibre2Fashion, "Slow lifting of fabric from the garment industry is the real problem. The weaving sector is aware of the issue, and it discourages higher fabric production. This situation is keeping the cotton yarn market weak."

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,390-1,430 (~\$15.58-16.03) and ₹1,340-1,370 per 5 kg (~\$15.02-15.35) (excluding GST), respectively. Other prices include 60 combed warp at ₹318-332 (~\$3.56-3.72) per kg, 80 carded weft at ₹1,380-1,410 (~\$15.47-15.80) per 4.5 kg, 44/46 carded warp at ₹255-260 (~\$2.86-2.91) per kg, 40/41 carded warp at ₹246-250 (~\$2.76-2.80) per kg and 40/41 combed warp at ₹266-270 (~\$2.98-3.03) per kg, according to trade sources.

Tiruppur's cotton yarn market remained steady, as stockists, traders and spinners struggled to find buyers. Traders said spinning mills are likely to keep rates stable next month under their monthly review, but may need to offer higher discounts to attract buyers. Cotton yarn demand will not improve without a revival in garment production.

In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹248-255 (~\$2.78-2.86) per kg (excluding GST), 34 count combed cotton yarn at ₹259-266 (~\$2.90-2.98) per kg, 40 count combed cotton yarn at ₹273-286 (~\$3.06-3.21) per kg, 30 count carded cotton yarn at ₹232-237 (~\$2.60-2.66) per kg, 34 count carded cotton yarn at ₹237-242 (~\$2.66-2.71) per kg and 40 count carded cotton yarn at ₹244-248 (~\$2.73-2.78) per kg.

In Gujarat, cotton prices remained stable, while seed cotton (kapas) prices moved in both directions. Prices for good-quality kapas increased by ₹20–30 per quintal due to limited availability, while lower-grade kapas eased by up to ₹50 per quintal. Traders said cotton prices stayed stable amid cautious buying by mills. Good-quality kapas gained as farmers preferred selling to the Cotton Corporation of India (CCI) at the minimum support price (MSP), which is higher than market prices. Arrivals are gradually increasing and may cross 200,000 bales soon.

All-India cotton arrivals were estimated at 155,000–160,000 bales of 170 kg. Gujarat recorded arrivals of 30,000–35,000 bales. The benchmark Shankar-6 variety of the new season was quoted at ₹51,500–52,000 (~\$577.21–582.81) per candy of 356 kg, while southern mills were looking to purchase at ₹52,700–53,300 (~\$590.66–597.38) per candy. New-season super-quality kapas traded at ₹1,490–1,510 (~\$16.70–\$16.92) per maund of 20 kg, while lower-grade kapas sold at ₹1,350–1,400 (~\$15.13–\$15.69) per maund.

Source: fibre2fashion.com– Nov 25, 2025

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