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USD	EUR	GBP	JPY
90.28	105.23	120.36	0.58

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INTERNATIONAL NEWS

American Manufacturing Slows for 9th Consecutive Month

The American manufacturing sector contracted for the ninth month in a row during November as it faced flagging order volumes, higher-priced inputs and cost pressures related to the United States government's tariff policies.

That's according to the Institute for Supply Management's (ISM) purchasing managers index (PMI) report, which registered 48.2 percent last month—a 0.5 percent decrease from the 48.7 percent seen in October.

New orders fell for a third consecutive month in November to 47.4 percent, while the PMI's production index grew slightly, by 3.2 percentage points, to 51.4 percent.

Pricing, too, is on the rise, up 0.5 percent last month and registering at 58.5 percent. Meanwhile, order backlogs diminished by 3.9 percentage points month over month to 44 percent, and employment contracted 2 points to 44 percent from October's 46 percent.

"In November, U.S. manufacturing activity contracted at a faster rate, with pullbacks in supplier deliveries, new orders and employment leading to the 0.5-percentage point decrease of the Manufacturing PMI," said Susan Spence, chair of the ISM Manufacturing Business Survey Committee.

At a press briefing on Monday, Spence noted that November's PMI represented "another month of faster contraction" that missed analyst estimates of 48.8 percent to 49 percent. While there have been "one-time improvements" in certain areas, like the production index, "they aren't sticking."

"These short bursts flow through the supply chain, then fade. The system isn't sustaining growth," she said. "Production rose this month, but that's a lagging effect from a brief new order uptick earlier in the fall. Unless we see sustained gains in new orders, that growth won't last."

Even as production hopped into expansion territory, employment contracted at a faster pace, with 67 percent of the supply executives queried saying that “managing head counts is still the norm at their companies, as opposed to hiring.”

According to Spence, there’s a clear culprit for these changes. “The heart of this is tariffs. That’s what our panelists are telling us consistently, for months.”

American producers are being hit hard by the very policies touted as drivers for a domestic resurgence. “Despite the goal of reshoring, we’re not seeing it,” Spence added, noting that for every positive comment about new orders, there was an average of 1.2 comments from supply executives “expressing concern about near-term demand, driven primarily by tariff costs and uncertainty.”

Among the nine hardest hit industries that reported a downturn in new orders were textile mills, apparel producers and purveyors of leather products, along with those that manufacture goods made from wood, paper, fabricated metal, petroleum and coal, minerals, chemicals and transportation equipment.

As a result, “67 percent of our panelists are managing labor—freezes and attrition, not hiring,” Spence said. “The ratio of negative to positive comments on hiring is 3.4 to 1. It’s a darkening trend.”

Despite its place in an American manufacturing sector facing brutal hardship, Boston-based athleticwear giant New Balance is trying to find the light.

On Monday, the only athletic footwear manufacturer to maintain a U.S. production base released its inaugural MADE in USA Economic and Social Footprint report, which analyzed the impacts of its multi-decade efforts to grow domestic manufacturing. Focused on the brand’s 2023 and 2024 activities, the report highlights New Balance’s progress at creating jobs and bolstering GDP.

Over the past four years, the company has invested $155 million in expanding its U.S. factories and bringing in advanced technologies to spur automated production at scale while preserving skilled craftsmanship. Those five facilities are located in Skowhegan and Norway, Maine;

Lawrence and Methuen, Mass. and a soon-to-open factory in Londonderry, N.H.

The brand's domestically produced product contains material and component inputs made 70 percent or more in the U.S., but it still makes up a "limited portion of New Balance's U.S. sales," the brand said.

"Our commitment to American manufacturing, which we call MADE, has always been an integral part of our company heritage and culture," president and CEO Joe Preston said. "With this report, I'm proud to share that our ongoing MADE investments are a key piece of our business success that has driven significant contributions to the U.S. economy and our New England communities."

Regional impact is highlighted heavily in the report, especially as it relates to economic growth and employment. Last year, the company reports that its overall business contributed $3.1 billion to the American economy, up 23 percent from 2023, with $479 million of that impact attributed to its U.S. MADE operations.

To date, the company employs 5,000 workers across the U.S., including 1,200 within its MADE business. On average in 2024, each MADE employee's work supported 2.5 additional American jobs through adjacent or supporting industries.

Source: sourcingjournal.com– Dec 02, 2025

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China-to-US Air Cargo is Bouncing Back as Tariff Easing Lifts Demand

Air cargo tonnages from mainland China to the U.S. have partially recovered from the double-digit percentage deficits experienced throughout the summer in the wake of the easing of tariff tensions between the countries.

According to data from air cargo market data provider WorldACD, overall tonnage from China to the U.S. has recently averaged "only a few percentage points" below its 2024 level as of week 47 (Nov. 17 to 23).

In late October, the U.S. reduced punitive fentanyl-related tariffs on Chinese goods from 20 percent to 10 percent, relieving some pressure on American businesses ordering inventory from China ahead of the holiday season.

The closure of the de minimis provision has continued to be a burden on U.S.-bound parcels shipped from Hong Kong, where a higher proportion of air cargo had been relatively low-value e-commerce goods. The year-over-year tonnage deficit remains around 15 percent, says WorldACD.

The dips coincide with a slight dip in demand ahead of the Thanksgiving holiday week. On a weekly basis, tonnages to the U.S. from China and Hong Kong dipped by 4 percent and 1 percent, respectively.

Overall tonnages from Asia Pacific origins to the U.S. dipped by 2 percent from the week prior, with WorldACD suggesting that volumes on that trade lane have possibly peaked for this year.

Weighing the wider Asia Pacific markets down were countries that have seen exports to the U.S. booming in recent months, with week-over-week declines out of Vietnam (7 percent), Thailand (5 percent) and Malaysia (14 percent).

However, a report released Monday by international freight forwarder Dimerco Express Group indicates that air freight capacity out of China and Hong Kong is still in an upturn, while space out of most Southeast Asian countries remains tight.

Transit times on U.S. routes originating in northern China have slowed down due to rising cargo volumes and delays in ground processing, the Dimerco report read, while increasing shipment volumes out of eastern China have forced air carriers to reallocate capacity from short-haul to long-haul routes.

WorldACD says Asia Pacific's volumes to the U.S. are still well ahead of last year at 4 percent, namely due to the shifts in American trade policy.

Vietnam-to-U.S. air cargo is up 52 percent, while cargo out of Singapore and Taiwan have increased 43 percent and 40 percent, respectively. Thailand (37 percent), Indonesia (27 percent) and Malaysia (17 percent) have also seen double-digit annual increases.

The Dimerco report indicates that airline capacity out of Vietnam to the U.S. is expected to tighten in the peak season, with space expected to be limited before the Christmas and New Year period. The company recommends shippers to book shipments three to six days before departure.

The growth in demand across the Asia Pacific markets in recent months has driven spot rate increases ahead of the holiday season.

Average spot rates from Asia Pacific origins to the U.S. have continued rising for six consecutive weeks, increasing in week 47 by a further 3 percent week over week, to $5.63 per kg.

According to WorldACD, which tracks data based on more than 500,000 weekly transactions, the boost was mainly driven by weekly increases from Hong Kong (7 percent), Japan (14 percent), South Korea (6 percent) and Singapore (9 percent). China saw a relatively stable 1 percent jump.

Those increases helped to push up week-over-week average global spot rates by 2 percent to $2.93 per kg, with overall full-market rates rising 1 percent in that time frame, based on a mix of spot and contract rates.

On an annual basis, spot rates from Asia Pacific origins to the U.S. have been "very significantly and consistently lower" since the start of May, when the policy shifts led to the steep drops in U.S. imports from China and Hong Kong.

Average spot rates from countries on the trade lane have been at least 10 percent lower this year since late June, WorldACD says, with most markets seeing rate collapses between 15 percent and 20 percent.

But the recent increases have since helped narrow the year-over-year rate decrease to 8 percent, marking the first time in 22 weeks the metric has reached a single-digit percentage deficit. China, Hong Kong, Japan, South Korea and Vietnam also saw a series of spot rate jumps to buoy the average rate.

Across the board, air cargo rates increased sequentially for a fifth straight month in October, according to data from the International Air Transport Association (IATA). Air cargo yields jumped 1.7 percent month over month, although they fell by 4.7 percent compared to the year prior.

In October, IATA indicated that total air cargo volumes increased 4.1 percent year over year, marking the eighth consecutive month of expansion and reaching an all-time high in total cargo tonne-kilometers (CTK).

That month, the Asia-to-North America trade lane saw demand contract 1.4 percent from the year prior, which was the sixth straight month of declines on the route.

Source: sourcingjournal.com– Dec 01, 2025

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ICE cotton steadies on bargain hunting, stronger grain market

ICE cotton futures were almost steady despite a mild easing yesterday. US cotton found limited support from bargain hunting after the recent decline. Gains in the grain market also added support to the natural fibre. Traders are now awaiting the US monthly World Supply and Demand Estimates (WASDE) report.

The more active March 2026 cotton futures settled at 64.57 cents per pound, easing slightly by 0.08 cent. The contract had been on a declining trend and fell to 64.27 cents per pound earlier.

The market recovered intraday from early weakness as buying interest emerged at lower price levels. Bargain hunters stepped in as cotton appeared oversold following recent declines, providing near-term support.

Market analysts said there is visible bargain hunting, and although the market is oversold, the upside is currently limited. Significant gains are unlikely until more concrete news emerges regarding Chinese cotton-related purchases.

China has begun buying US soybeans, wheat, and sorghum, raising expectations of expanded agricultural purchasing. Investors are closely watching whether China will broaden its buying programme to include additional commodities.

CBOT soybean futures held steady after falling the previous day, contributing supportive sentiment to cotton due to inter-market correlations.

Analysts stated that cotton is attempting to retest price levels below 64 cents and may consolidate sideways in the short term.

Cotton could trend downward towards the end of the year unless unexpected macro or fundamental support emerges. The fibre retains strong upside potential if macroeconomic or fundamental catalysts turn favourable.

Historically, cotton is one of the more stable markets for a 'Christmas rally', with lower prices at this time of year often lifting seasonal demand.

ICE data showed deliverable No. 2 certified cotton stocks fell to 19,894 bales on December 1, 2025, down from 20,344 bales the previous day.

This morning (Indian Standard Time), ICE cotton for March 2026 traded at 64.69 cents per pound (up 0.12 cent), cash cotton at 62.57 cents (down 0.06 cent), the December 2025 contract at 62.77 cents (down 0.06 cent), the May 2026 contract at 65.84 cents (up 0.13 cent), the July 2026 contract at 66.87 cents (up 0.16 cent), and the October 2026 contract at 67.48 cents (down 0.21 cent). A few contracts remained at their previous closing levels, with no trading recorded so far today.

Source: fibre2fashion.com– Dec 03, 2025

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Global air cargo demand rises in October despite mixed regional trends

Global air cargo demand, measured in cargo tonne-kilometres (CTK), grew 4.1 per cent compared with October 2024, supported by a 4.8 per cent rise in international operations, according to data released by the International Air Transport Association (IATA).

Capacity increased by 5.1 per cent year-on-year (YoY), with international capacity up 6.4 per cent.

The broader operating environment showed improving momentum. Global goods trade expanded 3 per cent YoY in September, while industrial production rose 3.7 per cent—its fastest pace since March 2025 and the strongest monthly reading since late 2022. Manufacturing sentiment improved for a third consecutive month, with the PMI reaching 51.45. However, new export orders remained weak at 48.31 amid continued tariff uncertainty.

Fuel dynamics added pressure to operators. Jet fuel prices rose 2.5 per cent in October despite falling crude benchmarks, as a tightening diesel market pushed the jet crack spread to nearly double its level last year, IATA said in a release.

Asia–Pacific carriers led global growth, posting an 8.3 per cent YoY rise in demand alongside a 7.3 per cent capacity increase. African airlines delivered the strongest overall performance, with demand surging 16.6 per cent and capacity up 20 per cent.

The weakest results came from North America and Latin America, both recording a 2.7 per cent contraction in cargo demand. North American capacity edged up 0.1 per cent, while Latin America saw a 2.8 per cent rise.

European airlines registered a 4.3 per cent increase in demand, matching the 4.3 per cent growth in capacity. Middle Eastern carriers achieved a 5.7 per cent rise in demand, though capacity expanded more rapidly at 10 per cent.

Air freight volumes expanded across most major corridors in October. Europe–Asia delivered the strongest double-digit growth, supported by solid momentum on Middle East–Asia, Africa–Asia and Within Asia lanes. Europe–North America saw modest positive growth, while Europe–Middle East was broadly unchanged. The only significant declines were recorded on North America–Asia routes and within Europe.

"Air cargo demand grew 4.1 per cent YoY in October, marking the eighth consecutive month of expansion and setting a new monthly record for volumes. While the Asia-North America trade lane extended its contraction to six months, October saw double-digit or near double-digit growth within Asia, between the Middle East and Europe, and between Europe and Asia.

This shifting growth pattern shows that air cargo is enabling global supply chains to adapt to the impact of US tariffs. This positive news is especially significant as the air cargo sector enters the peak fourth quarter shipping season," said Willie Walsh, IATA's director general.

Source: fibre2fashion.com– Dec 04, 2025

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Sri Lanka's garment exports grow as textile shipments ease in Jan-Oct

Garment exports from Sri Lanka reached $4,111.1 million during January–October 2025, reflecting a 6.1 per cent increase compared to $3,876.5 million recorded in the same period of 2024, according to statistics released by the Central Bank of Sri Lanka.

During the first ten months of 2025, textile exports eased by 2.6 per cent to $242.3 million. This decline is linked to subdued demand for raw and intermediate textile products from local garment manufacturers and reduced re-export volumes. Over the same period, exports of other manufactured textile articles increased by 9.5 per cent to $98.8 million, as per the Central Bank's publication External Sector Performance – October 2025.

Combined exports of textiles, garments, and other manufactured textile articles accounted for 50.86 per cent of all industrial exports from Sri Lanka during the ten-month period. Total textile product exports amounted to $4,451.1 million between January and October 2025, while the country's overall industrial exports were valued at $8,735.3 million for the same period. This underscores the continued dominance of the apparel sector in Sri Lanka's industrial export base.

In October 2025, textile and garment exports eased by 0.1 per cent year-on-year, reaching $430.8 million. By category, garment exports steadied at $397.6 million, while textile exports dipped by 2.8 per cent to $23.8 million. During the same month, exports of other manufactured textile articles were stable at $9.4 million.

As for imports, textiles and textile articles fell by 2.5 per cent to $2,294.5 million, while imports of clothing and accessories increased sharply by 25.5 per cent to $223 million between January and October 2025. The rise in apparel imports points towards renewed consumer spending and restocking by local retailers as the domestic economy strengthens.

In October 2025, imports of textiles and textile articles decreased by 5.6 per cent to $257.2 million, while imports of clothing and accessories dipped by 17.4 per cent year-on-year to $17.6 million.

In 2024, the island nation's garment exports totalled $4,660.1 million, marking a 4.9 per cent increase. Sri Lanka also exported textiles worth $294.5 million and other manufactured textile articles worth $106.4 million during the year. The country imported textiles and textile articles valued at $2,847.1 million and clothing and accessories worth $225.8 million in 2024. The growth in 2024 followed stabilisation in export orders and improved logistics efficiency after global supply chain disruptions eased.

In 2023, Sri Lanka's garment exports were valued at $4,440.6 million, a 19 per cent decrease from the $5,483.1 million exported in 2022. Meanwhile, imports of textiles and textile articles fell by 22.6 per cent to $2,371.2 million, and imports of clothing and accessories declined by 21.1 per cent to $170 million. The slump in 2023 was mainly due to global inflationary pressures, weak consumer demand, and elevated production costs impacting competitiveness.

Source: fibre2fashion.com– Dec 04, 2025

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Pakistan's textile exports rise in Jan-Oct on demand, cotton recovery

Pakistan's textile and apparel exports rose 3.99 per cent to $6.391 billion in the first four months of fiscal 2025–26 (FY26: July–June), according to data from the Ministry of Commerce. The increase was supported by recovering global demand, higher domestic cotton output, and better utilisation of previously idle capacity, helped by more stable energy supplies—an important factor for a sector highly exposed to electricity and gas disruptions.

During fiscal 2024–25, textile and apparel exports had increased 7.39 per cent to $17.887 billion, helped by government incentives and a comparatively stable exchange rate, both of which improved cost predictability for exporters.

The sector accounted for 61.18 per cent of Pakistan's total exports of $10.447 billion during the first four months of FY26, up from 57.45 per cent in the same period of fiscal 2024–25. This higher share underscores textiles' structural dominance in Pakistan's export basket and its role as a critical foreign exchange source amid persistent balance-of-payments pressures.

By category, knitwear exports grew 8.23 per cent year-on-year to $1,904.92 million, supported by increased orders from EU and US buyers for value-added winter garments, demand that typically rises ahead of the northern hemisphere winter season.

Non-knit RMG exports increased 5.11 per cent to $1,428.10 million, driven by a shift towards higher-value apparel and greater use of synthetic blends to align with evolving global preferences for performance and comfort fabrics.

Cotton yarn exports increased 12.22 per cent to $238.92 million due to improved spinning margins and competitive pricing, while cotton fabric exports fell 12.75 per cent to $592.80 million because of weak demand in key Asian markets such as China, Bangladesh and Vietnam. Bedwear exports rose 6.94 per cent to $1,143.89 million on the back of steady European orders and stable input costs.

As for the imports, synthetic fibre inflows surged 37.15 per cent year-on-year to $279.40 million, reflecting Pakistan's accelerating pivot towards MMF-based products, in line with the global shift away from cotton-dominant supply chains. Imports of synthetic and artificial silk yarn rose 14.79 per cent to $368.07 million, indicating increased blending for fashion and performance fabrics. Notably, textile machinery imports jumped 50.23 per cent to $213.25 million, signalling renewed investment and modernisation under ongoing capacity-expansion plans.

During fiscal 2024–25, Pakistan's textile and apparel exports rose 7.39 per cent to $17.887 billion, supported by stronger international orders and the depreciation of the Pakistani rupee, which boosted export competitiveness. Synthetic fibre imports increased 5.19 per cent year-on-year to $519.31 million, while synthetic and artificial silk yarn imports grew 12.03 per cent to $678.13 million. Textile machinery imports surged 61.51 per cent year-on-year to $241.23 million, reinforcing the sector's multi-year push towards automation and upgraded technology.

In fiscal 2023–24, textile and apparel exports edged up 0.93 per cent to $16.655 billion after a sharp 14.63 per cent contraction in fiscal 2022–23 to $16.501 billion from $19.329 billion in fiscal 2021–22. That decline had been driven by global inflation, elevated domestic energy tariffs and supply-chain disruptions, all of which eroded Pakistan's cost competitiveness and reduced order flows.

Source: fibre2fashion.com– Dec 03, 2025

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How will FoC cap removal impact the Bangladesh RMG industry?

Last month, the Investment Coordination Committee (ICC) made a bold move that could reshape the future of Bangladesh's export-oriented industries. The committee announced that it would eliminate the quota on 'Free of Charge' (FoC) imports for 100 per cent export-oriented enterprises—a decision that was expected to be integrated into policy in the following weeks.

The shift is seen as part of a broader effort to foster an investment-friendly environment in the country, with a focus on mutual accountability and improved implementation. According to the Chief Adviser for International Affairs' Special Envoy, the goal behind the move is to create a more competitive business landscape that will not only benefit the industry but also attract more foreign investment.

For many, the decision is a game-changer. By removing the FoC import quota, Bangladesh's export-oriented industries, particularly the garment sector, stand to become significantly more competitive. The FoC imports reportedly allow international buyers to supply the raw materials—such as fabrics, accessories, and other components—needed to produce export items. The local manufacturers, in turn, only charge for the labour involved in cutting and making the garments.

This arrangement has long been favoured by garment exporters due to its simplicity, speed, and minimal risk.

A few years ago, Bangladesh placed a cap on FoC imports at 33 per cent of total raw materials. This was later increased to 50 per cent. However, under the new policy, the removal of quotas is expected to give garment exporters even greater flexibility. In theory, this will lead to lower production costs and greater efficiency. Many believe the change will make Bangladesh more attractive to global brands.

Although FoC imports currently account for less than 5 per cent of the total exports due to restrictive conditions and bureaucratic hurdles—particularly complications at the Chattogram customs—there is optimism that the new policy will drive up demand. Exporters are hopeful that more international buyers will place orders in Bangladesh, drawn by the country's skilled workforce, competitive pricing, and manufacturing capacity.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) officials have been quick to highlight the potential benefits of the new policy. According to one senior member of the association, the country could see an additional $5 billion in exports within the first year of removing the FoC quota, with expectations that this figure could surpass $10 billion in the second year.

The BGMEA president was also quoted by a media report as saying that this policy shift is a long-awaited victory for the garment sector, one that will reduce the risks associated with cancelled orders and provide a more predictable cost structure.

As per reports, under the new regime, buyers will be able to pay for raw materials directly, which will further streamline the production process and reduce risk for both buyers and suppliers.

However, not all stakeholders are convinced that the move is entirely beneficial.

Critics argue that such an important policy decision should have been made after consulting a broader range of industry players. The textile sector, in particular, has expressed concerns that the heavy import of raw materials under the FoC arrangement could hurt the local industry.

Some warned that it could lower demand for domestically produced yarn and fabrics, potentially undermining local value addition, even if there are also concerns about the impact on local accessory manufacturers, who fear that they may not be able to compete with international suppliers in terms of cost and scale.

Some local producers of accessories, including yarn and fabrics manufacturers, have voiced concerns that the policy could leave them at a disadvantage unless international buyers specifically choose to source materials from Bangladesh's domestic suppliers.

Without a clear preference for local suppliers, the expected increase in imports, they felt, could lead to a significant shift in market dynamics, with foreign suppliers benefiting while local producers struggle to keep pace.

Despite the concerns, the overall sentiment seems to be one of cautious optimism. The removal of the FoC quota is poised to unlock new opportunities for Bangladesh's export sector. If the policy is implemented effectively, stakeholders feel it could pave the way for even greater success in the global garment market, boosting exports and creating more jobs.

However, careful attention will need to be paid to the potential ripple effects on the domestic textile industry to ensure that the benefits of the policy are felt across the entire supply chain, opined many within the industry.

Source: fibre2fashion.com – Dec 04, 2025

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NATIONAL NEWS

Goods exports growth in November greater than the decline in October: Goyal

Goods exports from India are on a “strong wicket” and there is a growth in exports in the October-November 2025 period despite the global turmoil, Commerce Minister Piyush Goyal has said.

“Incidentally, November exports have gone up by a greater amount than what had gone down in October. If I aggregate October and November, there is a growth in merchandise exports despite all the global turmoil. This only goes to show that the economy is on a strong footing,” Goyal said talking to the media on the sidelines of an industry event on Wednesday.

India’s exports in October 2025 contracted 11.8 per cent (year-on-year) to $34.48 billion. India’s exports to the US declined for the second consecutive month, falling 8.7 per cent to $ 6.3 billion in October, as the impact of the 50 per cent US tariffs imposed in August took effect.

In April-October 2025, exports increased a marginal 0.63 per cent to $254.25 billion while imports increased 6.37 per cent to $451.08 billion. The formal trade date for November will be shared by the Commerce & Industry Ministry around December 15.

On rupee fall

Responding to questions on depreciation of rupee against US dollar, Goyal said the Indian economy continued to power on. “Growth is at 8.2 per cent even in Q2, beating all estimates. We have seen the lowest-ever inflation in the last few months. Foreign exchange reserves continue to be strong. Capital inflows and investments in infrastructure, consumer spending, all the levers of the economy have demonstrated a great deal of positivity,” he said. The Minister said India was working towards deeper integration with global trading partners. “In the months and days to come, you will hear a lot more about our own successful engagements with many of our trading countries,” he said.

Source: thehindubusinessline.com– Dec 03, 2025

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Fitch ups India's FY26 GDP growth forecast to 7.4% on GST reforms

Fitch Ratings on Thursday raised India's GDP growth forecast for the current fiscal to 7.4 per cent, from 6.9 per cent, on increased consumer spending and improved sentiment boosted by GST reforms.

It said falling inflation gives the Reserve Bank of India (RBI) room for one more policy rate cut in December to 5.25 per cent, following 100 bp of cuts in 2025 so far.

Fitch said GDP growth accelerated further in the July-September quarter to 8.2 per cent, from 7.8 per cent in the April-June quarter.

"Growth will ease over the remainder of the financial year 2025-26 (to end-March), but we have raised our full-year growth forecast to 7.4 per cent, from 6.9 per cent in September," Fitch said in its Global Economic Outlook report for December.

Private consumer spending is the main driver of growth this year, supported by strong real income dynamics, increased consumer sentiment, and the impact of recently implemented goods and services tax (GST) reforms.

Effective September 22, GST on about 375 items has been slashed, making over 99 per cent of consumption items cheaper.

Fitch expects GDP growth to slow to 6.4 per cent in FY'27.

It projected private investment to pick up in the second half of the next fiscal (2026-27) as financial conditions loosen.

Consumer price inflation fell to an all-time low of 0.3 per cent in October, driven by lower food and drink prices.

"We expect falling inflation should give the Reserve Bank of India (RBI) room for one more policy rate cut in December to 5.25 per cent, following 100bp of cuts in 2025 so far, and a series of reductions in the cash reserve ratio (from 4 per cent to 3 per cent)," Fitch said.

RBI's monetary policy committee is slated to announce its policy review on Friday.

With core inflation recovering and activity projected to remain strong, Fitch said that it expects the RBI to have reached the end of its easing cycle, and that rates will remain at 5.25 per cent over the next two years.

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

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Strong political push to seal FTA with India by 2025 end: EU ambassador

European Union Ambassador to India Herve Delphin on Wednesday said that there is "strong political commitment" from both sides to conclude the revamped India-EU Free Trade Agreement by the end of 2025.

Of the 23 chapters under discussion, 11 have already been closed. Important chapters still under negotiation include market access for cars, steel, some aspects of services and investment and technical barriers to trade, Ambassador Delphin said.

"No doubt, there is a strong political commitment to conclude the FTA negotiations by the end of the year," he added.

Herve Delphin stated that a 40-member EU negotiator team is arriving in Delhi this week to resolve lingering hurdles. Current bilateral goods trade stands at approximately USD 136 billion, making the EU India's third-largest trading partner after the US and China.

Delphin emphasised that the agreement is WTO-compatible and not a zero-sum game. EU and India combined represent 25 per cent of world GDP and 25 per cent of global population, he said, describing the partnership as a long-term strategic investment rather than short-term portfolio play.

We are investing in the great potential of India because we also value India as a shaper of the future world order, he emphasized. On people-to-people ties, he revealed that Indians are the largest beneficiaries of the EU Blue Card scheme for skilled workers, with around 21,000 Indian professionals availing the facility.

Indian migrant numbers in the EU have risen ten-fold since the 1990s to reach 8,20,500 by the end of 2023, reflecting growing interdependence.

"There's been a tenfold increase in the number of Indian migrants in the EU since the 90s. So now it's about 820,500 by the end of 2023 and I'm pretty sure if we add figures for 2024 and 25 we end up on the higher end. And the main drivers of this migration is employment and education" the ambassador said.

The ambassador stated that India and EU are also discussing a comprehensive framework for mobility.

Launched in 2007 as the EU-India Broad-based Trade and Investment Agreement (BTIA), negotiations faltered in 2013 over contentious issues like tariffs on dairy and automobiles, and intellectual property rights.

Revived in June 2022 following high-level engagements, the pact now aims to boost bilateral trade, currently valued at around USD 136 billion.

Source: business-standard.com– Dec 03, 2025

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India, Canada discuss contours, modalities to launch trade pact talks

Commerce and Industry Minister Piyush Goyal and his Canadian counterpart Maninder Sidhu on Wednesday held discussions on the contours, objectives and modalities for launching negotiations on a proposed free trade agreement.

The two sides have recently agreed to resume negotiations for the pact, officially known as Comprehensive Economic Partnership Agreement (CEPA), with an aim to increase the two-way trade to USD 50 billion by 2030

"Held a productive discussion with Minister Sidhu to advance the trade and commercial engagement with Canada. We undertook initial scoping and broad discussions on the overall approach, contours, macro objectives and modalities as part of preparations for the launch of CEPA negotiations," Goyal has said in a social media post.

He also agreed to lead a high-level trade and investment delegation to Canada next year.

In 2023, Canada paused negotiations for the agreement with India after the bilateral relations hit rock bottom following then Prime Minister Justin Trudeau's allegations of a potential Indian link to the killing of Hardeep Singh Nijjar.

CEPA is a kind of free trade agreement in which two countries either significantly reduce or eliminate customs duties on the maximum number of goods traded between them. They also ease norms for the movement of skilled professionals and attract investments.

Earlier they had held over half a dozen rounds of talks on the proposed pact.

India's exports to Canada rose 9.8 per cent to USD 4.22 billion in 2024-25 from USD 3.84 billion in 2023-24.

Imports, however, declined 2.33 per cent to USD 4.44 billion in the last fiscal from USD 4.55 billion in 2023-24.

The renewed vibrancy in ties between the two countries followed Prime Minister Narendra Modi's talks with his Canadian counterpart Mark Carney on the sidelines of the G7 summit at Canada's Kananaskis in June.

Bilateral trade in goods and services between India and Canada stood at USD 18.38 billion in 2023.

There are about 2.9 million Indian diaspora and over 4,27,000 Indian students in Canada.

Source: economictimes.com– Dec 04, 2025

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Export promotion measures launched to offset tariffs

The government on Tuesday said it is taking steps to reduce the impact of the tariff hike imposed by the US administration on Indian goods. These measures, which include launching an export promotion mission, will enhance diversification and resilience of the country's trade, it said.

"The government continues to work to mitigate the impact of the US tariff measures on Indian exports through a comprehensive multi-pronged strategy encompassing intensive engagement with the US government for a mutually beneficial India-US bilateral trade agreement," minister of state for commerce and industry, Jitin Prasada, said in a written reply to the Lok Sabha.

He said immediate relief has been given through trade relief measures of the Reserve Bank of India (RBI) and the announcement of the credit guarantee scheme for exporters, enhancement of domestic demand through GST reforms, and negotiating free trade agreements (FTAs) with more countries.

On July 31, the US issued an executive order with reciprocal tariff rates for its trading partners. The order notified country-specific additional ad-valorem duty rates for certain American trading partners, including those which have agreed to or are in the process of concluding trade agreements with them.

Source: economictimes.com– Dec 03, 2025

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Fiscal slippage over budgeted 4.4% of GDP not expected in India: ICRA

ICRA Ratings does not expect a material fiscal slippage over the fiscal deficit of 4.4 per cent of gross domestic product (GDP) as estimated in India’s Union Budget for fiscal 2025-26 (FY26).

Fiscal slippage occurs when a government's actual fiscal performance falls short of its budgeted or targeted figures, particularly in relation to the fiscal deficit.

The Indian government fiscal deficit rose to ₹8.3 trillion during April-October in this fiscal from ₹7.5 trillion in the corresponding period during the last fiscal, reaching close to 53 per cent of the budget estimate (BE) of ₹15.7 trillion.

This stemmed from a strong 32 per cent expansion in its capital expenditure, even as the revenue deficit narrowed on a year-on-year (YoY) basis.

On the taxes front, the growth in gross tax revenues (GTR) was subdued at 4 per cent in April-October FY26, reflecting a modest rise in both direct and indirect taxes.

Given the steep required growth of 22 per cent in November-March FY26, GTR is expected to undershoot the BE by nearly ₹1.2-1.5 trillion, ICRA Ratings said in a note.

However, this would be offset by an upside of nearly ₹0.5 trillion on non-tax revenues and expenditure savings of ministries garnered typically in a fiscal, even as additional allocation may be announced on some accounts.

ICRA is apprehensive that GTR will undershoot the budgeted target of ₹42.7 trillion by ₹1.2-1.5 trillion, amid a likely sizeable miss in income tax and central goods and services tax collections.

Source: fibre2fashion.com– Dec 04, 2025

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India's BIS removal boosts outlook for China's PP exports

According to the China Customs, China imported 273.1kt of polypropylene in Oct 2025, down 12.18% compared to the same period of last year. Of all imports, homo PP imports accounted 169.2kt, down 12.44% compared to the same period of last year; co PP 93.1kt, down 11.67% year-on-year; ra co PP for 10.8kt, down 12.64% year-on-year. The total export volume of PP in Oct 2025 was about 235.1kt, a year-on-year increase of 18.65%. Of all exports, homo PP exports accounted 206.4kt, up 19.79% compared to the same period of last year.

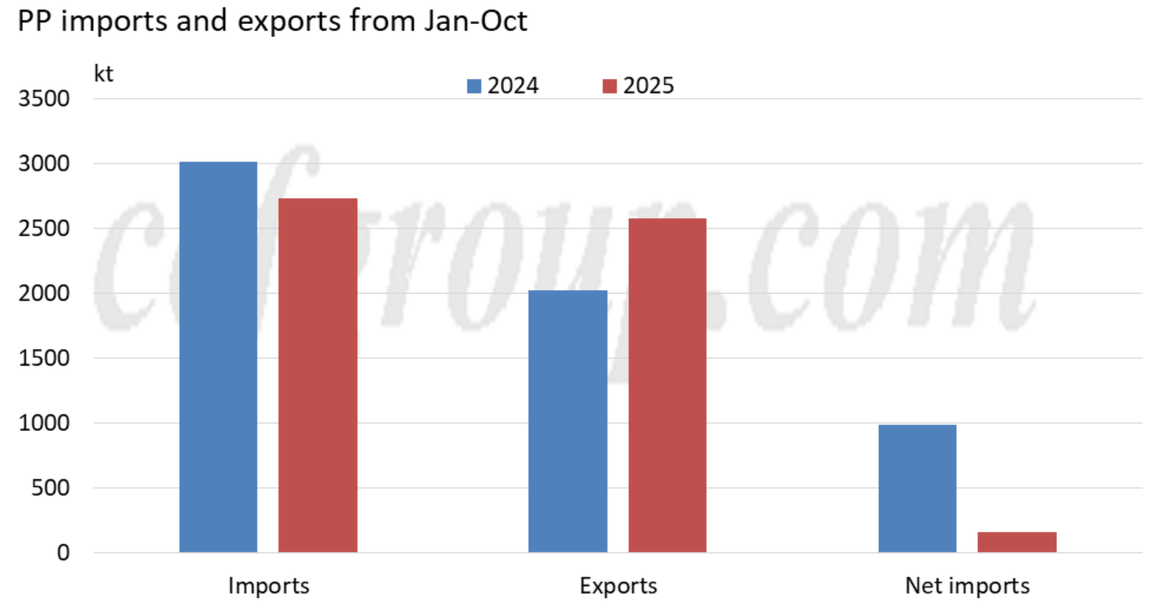
PP import & export in Oct					
Products		homo PP	co PP	ra PP	total
HS Code		39021000	39023010	39023090	
import	quantity(kt)	169.2	93.1	10.8	273.1
	y-o-y change	-12.44%	-11.67%	-12.64%	-12.18%
	m-o-m change	-4.63%	-8.04%	-6.56%	-5.90%
export	quantity(kt)	206.4	24.8	4	235.1
	y-o-y change	19.79%	8.27%	32.00%	18.65%
	m-o-m change	-0.83%	-1.31%	-9.82%	-1.05%
net import	quantity(kt)	-37.2	68.3	6.9	37.9
	y-o-y change	/	-17.19%	-26.90%	-66.37%
	m-o-m change	/	-10.26%	-4.58%	-27.83%

In terms of volume, both imports and exports decreased to varying degrees in October compared to September, but the overall pattern remained unchanged. That is, homo PP maintained a net export position, while total PP maintained a net import position.

From January to October 2025, the total PP import volume was approximately 2.731 million tons, a decrease of 9.34% compared to the same period in 2024. The total PP export volume was about 2.5763 million tons, an increase of 27.33% year-on-year. As a result, the net PP import volume dropped significantly from 989kt to 154.7kt.

Regarding the cancellation of India's BIS certification:

On February 27, 2024, India's Department of Chemicals and Petrochemicals (DCPC) officially issued quality control orders related to three categories of chemicals, including molded and extruded polypropylene materials. It required that such goods exported to India comply with BIS certification from August 25, 2024. The BIS certification mark is granted by the Bureau of Indian Standards and refers to the process of testing and reviewing products according to Indian BIS standards to obtain a certificate of conformity. The molded and extruded PP materials covered by this certification mainly include homo PP products.



On the evening of August 23, 2024, Indian authorities announced that the BIS certification for polypropylene would be postponed and enforced from December 24, 2024.

On November 12, 2025, the Department of Chemicals and Fertilizers of the Indian central government issued a notification in the Gazette of India, stating that India has decided to cancel BIS certification for 14 chemicals, including PVC, effective from November 12, 2025.

India has consistently been a significant export trading partner for China in South Asia. Its large population base and abundant labor force provide a stable market space for Chinese exports.

In recent years, the quantity of homo PP exported from China to India has increased year by year. From January to October 2025, China's exports of homo PP to India amounted to approximately 130.4kt, accounting for 5.69% of total homo PP exports. Although this proportion may seem modest, it already ranks fourth, behind Vietnam (17.50%), Bangladesh (7.82%), and Indonesia (6.98%).

The recent cancellation of India's BIS certification is undoubtedly a significant positive development. It alleviates pressure on China's PP exports and helps maintain the stability of China's exports to India.

The international situation is complex and unpredictable. India frequently initiates trade barriers such as anti-dumping investigations, and other trade protection policies may be introduced in the future. It is advisable to continue monitoring the situation closely.

Source: ccfgroup.com– Dec 03, 2025

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