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INTERNATIONAL NEWS

China Tops $1 Trillion Trade Surplus for First Time as November Exports Rebound

China's exports rebounded in November, pushing the country's annual trade surplus over $1 trillion for the first time ever with one month left in 2025.

Shipments out of the country increased 5.9 percent last month to $330.4 billion, China's customs administration revealed Monday morning, in a bounce back from the prior month's surprise 1.1 percent decline. The figures topped forecasts of 3.8 percent growth by economists polled by Reuters.

Exports to the U.S. remain the major weak point for China despite the slight easing of tensions between the nations. U.S.-bound cargo plummeted for the eighth straight month, declining 28.7 percent in November to $33.8 billion.

After the U.S. lowered its punitive fentanyl-related tariffs on China by 10 percent, the average levy on Chinese goods has hovered at roughly 47.5 percent. Meanwhile, China's tariffs on imports from the U.S. stand at around 32 percent.

Across the first 11 months of 2025, China's exports to the U.S. have declined 18.9 percent to $385.9 billion.

The tariff policies under the Trump administration have clearly impacted U.S. trade, but China has been able to fill the void globally. In line with the trade surplus record, the country's two largest ports saw all-time highs in container throughput over the first 11 months. More than 90 million 20-foot equivalent units have passed through the Ports of Shanghai and Ningbo-Zhoushan in 2025.

The Chinese ports are the highest and third-highest trafficked gateways worldwide. Markets such as the EU and the 10-country Association of Southeast Asian Nations (ASEAN) remain the main sources of export growth for China. Shipments to ASEAN countries increased 8.2 percent to $58.1 billion, with Vietnam carrying the load.

Vietnam's imports from China escalated 25.8 percent to $18.3 billion, while Thailand saw 9.9 percent more goods come through its borders—valued at $8.9 billion. China's exports to Indonesia rose 8.8 percent to $8.1 billion. The flood of goods to China's Southeast Asian neighbors enables China to indirectly ship products to the U.S.—a practice that has been heavily scrutinized by the Trump administration.

The EU had an even bigger collective jump in Chinese goods than the ASEAN countries, at 14.8 percent to $47.1 billion. Germany took in $10.1 billion of those exports, a 15.5 percent increase. India, which has had its own uneasy relationship with China, saw an 8 percent bump in shipments from the sourcing superpower to $11.1 billion.

Collectively, Latin American countries imported $26.2 billion in Chinese goods, a 14.9 percent increase from the year prior. Some markets that had contracted in October to help bring Chinese exports down saw recovery in November, with Japan, South Korea, the U.K. and Canada all returning to growth.

"We believe exports will remain a key driver for GDP growth next year amid the U.S.-China tariff truce and China's industrial competitiveness," Xiangrong Yu, Citi's chief China economist, said in a research note. "Our base case is that the U.S.-China truce will be sustained through 2026 despite being seemingly fragile, but there could be trade tensions with other partners—such as France…as China's trade surplus rose to above [$1 trillion]. We believe China might adopt additional voluntary trade restrictions to mitigate the trade imbalance."

China's $1 trillion surplus comes as exports worldwide increased 5.4 percent to $3.4 trillion in the January-to-November stretch, while global imports fell 0.6 percent to $2.3 trillion.

Imports have been a problem for China this year, and missed polling expectations in November amid the country's weakened housing market and consumer spending. Inbound shipments rose 1.9 percent in November to $218.7 billion, missing a 3 percent Reuters estimates.

On Saturday, China's Commerce Minister, Wang Wentao, pledged to increase imports and promote a more "balanced development" of imports and exports as part of the country's upcoming 2026-2030 five-year plan.

The Chinese Communist Party's Politburo then followed this up on Monday, saying the government's top priority for next year was stimulating domestic economic demand via more proactive fiscal policies.

The export rebound and import disappointment come as factory activity has remained tepid throughout much of the year. The manufacturing purchasing managers' index rose to 49.2, up 0.2 points from October, the country's National Bureau of Statistics said late last month. The number remained below the 50-point mark for the eighth consecutive month in November, signaling continued contraction in the industry.

Source: sourcingjournal.com– Dec 08, 2025

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Global finance reforms vital to stabilise trade: UNCTAD report

Reforms to the global financial system are essential to reduce vulnerability, improve predictability and better align trade, finance and development, a new UN Trade and Development (UNCTAD) report has said.

Global growth will slow to 2.6 per cent in 2025, down from 2.9 per cent in 2024, as financial volatility and geopolitical tensions exert mounting pressure on trade and investment flows, according to the 'Trade and Development Report 2025: On the Brink – Trade, finance and the reshaping of the global economy'.

UNCTAD highlights that financial market movements now influence global trade almost as strongly as shifts in real economic activity, reshaping development prospects worldwide.

"Trade is not just a chain of suppliers. It is also a chain of credit lines, payment systems, currency markets and capital flows," says UN Trade and Development (UNCTAD) secretary-general Rebeca Grynspan.

Global trade grew roughly 4 per cent early in 2025, helped by firms front-loading imports ahead of tariff changes and by faster-expanding services supported by digitalisation and artificial intelligence. South–South trade is also outperforming global averages. But underlying trade growth, estimated at 2.5–3 per cent, is expected to soften as tighter financial conditions weigh on production and investment.

UNCTAD stresses that nearly 90 per cent of global trade relies on trade finance, making liquidity, payment systems and interest rate movements deeply influential. A shift in investor sentiment in a major financial hub can quickly reverberate across global trade volumes. For developing economies, where access to affordable credit is constrained, these pressures can derail otherwise viable transactions.

Developing economies are projected to grow 4.3 per cent, faster than advanced economies, yet they face higher borrowing costs, abrupt capital-flow shifts and rising climate-related financial risks.

Excluding China, developing countries account for just 12 per cent of global equity market value and 6 per cent of global bond issuance, despite their expanding role in global output and trade. Borrowing costs of 7–11 per cent are common, compared with 1–4 per cent in advanced economies, limiting long-term investment capacity.

Climate-vulnerable nations are disproportionately affected. Repeated exposure to extreme weather raises perceived risk, costing them an additional $20 billion annually in interest payments, amounting to $212 billion since 2006, funds that could have supported climate adaptation or social development.

The report adds that dollar dominance remains entrenched: its share of international payments via SWIFT has climbed from 39 per cent to nearly 50 per cent over five years.

UNCTAD proposes a series of targeted reforms to restore stability and support sustainable development by reducing financial vulnerabilities and improving global policy coordination. These measures include fixing the multilateral trade dispute system to restore predictability and updating trade rules to reflect the growing importance of services, digital trade, climate goals and new industrial strategies.

The organisation also calls for closing data gaps in trade and investment to strengthen policymaking, while reforming the international monetary system to limit destabilising swings in currencies and capital flows. Strengthening regional and domestic capital markets is seen as crucial for enabling developing economies to access affordable long-term finance.

UNCTAD further recommends deploying macroprudential tools to mitigate harmful financial spillovers and enhancing transparency in commodity trading, alongside expanding access to affordable trade finance, particularly for small businesses that face the greatest barriers.

“What does genuine resilience require? Integrated policy frameworks that recognise links between trade, finance and sustainability. Fundamentally, we cannot understand trade isolated from finance,” Grynspan adds.

Source: fibre2fashion.com– Dec 08, 2025

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French President Macron Threatens Tariffs on China Over Trade Imbalance

Days after a state visit to China, French President Emmanuel Macron said he threatened to hit the country with punitive duties unless the widening trade gap between China and Europe is addressed. “These imbalances are becoming unbearable,” he said during the trip.

In an interview Sunday published by French media outlet Les Echos, Macron said, “I told [China] that if they don’t react, we Europeans will be forced to take strong measures in the coming months.” Drawing inspiration from Washington’s global trade agenda, he noted that such actions could include “tariffs on Chinese products, for example.”

The European Union had a 300-billion-euro ($350 billion) trade deficit with China last year, and while the trade bloc’s individual 27 member states must decide as a group how to levy new duties and broker trade agreements, the French president is intent on mobilizing action against China.

Macron said getting the member nations on the same page would be a challenge, noting that some countries, like Germany, which have deep business ties to China, are “not yet entirely aligned with our position.”

He also pointed out that President Donald Trump’s 47 percent duties on China-made goods have led to a disruptive shift in the way goods are distributed across the globe. Now that American importers have begun to aggressively diversify away from the so-called World’s Factory, China is “massively” rerouting shipments of goods to the European market.

That’s a problem for Europe’s industrial base, according to the French president. “We are caught in the middle today,” he said. “This is a question of life and death for European industry.”

In addition to rebalancing goods and services trade with China, Macron said Europe should accept more Chinese investment—though he cautioned that Chinese firms shouldn’t be allowed to behave as “predators” within the European business community.

Macron's enthusiasm about the prospect differs slightly from the wider EU, which announced in November that it would review its framework for foreign investment and is considering tightening the rules surrounding Chinese investment specifically. The bloc is also mulling implementing "Made in Europe" targets of up to 70 percent domestic content on certain products, with the aim of bolstering the region's manufacturing sectors and reducing reliance on China.

Macron was accompanied by about 40 French business leaders during last week's visit, calling on China to share clean technology and batteries with France in a bid for "more tech neutrality," according to the Financial Times. "This is not at all aggressive or protectionist. The Americans and other players in the North American market do it, the Chinese do it," Macron said. "The major risk for Europeans is accelerated deindustrialization."

At a regular press conference on Monday, China Foreign Ministry spokesperson Guo Jiakun alluded to Macron's visit and a potential forthcoming visit from Germany's foreign minister, saying, "China and European countries have had close high-level exchanges this year."

"Leaders of the two sides reached important common understandings on and provided strategic guidance for further growing the strategic partnership and deepening mutually beneficial cooperation," he added. "Amid the increasingly turbulent international situation, closer strategic communication and deeper dialogue and cooperation between China and Europe serves the interests of both sides and the wider world."

In addition to saying that China stands ready to work with Europe on this front, Guo reiterated the country's oft-repeated warnings about the dangers of trade protectionism, saying, "The two sides need to jointly uphold multilateralism, support free trade, defend the postwar international order and international rules, oppose unilateralism and bullying moves, jointly address global challenges such as climate change, and improve global governance, so as to benefit the people of both sides and provide greater stability and certainty to the turbulent world."

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Southeast Asia-to-US Air Cargo Surges 42% in November

As China's exports to the U.S. slide for the eighth straight month, Southeast Asia has stepped in to take a bigger slice of the market of air cargo entering the U.S. Combined tonnages from Southeast Asia to the U.S. were up more than 42 percent in November, according to data from air cargo market intelligence provider WorldACD.

The month is a more pronounced example of the region's larger role in U.S. trade in 2025 after shifts in U.S. trade policy. Year-to-date tonnages from Southeast Asia to the U.S. are up by over 27 percent, the firm says.

"That reflects a clear pattern among U.S. importers to source products from alternative production markets in Asia in response to increases in tariffs on U.S. imports from China and the removal of 'de minimis' exemptions," WorldACD wrote in a Saturday update.

According to a recent report from global freight forwarder Dimerco Express Group, airline capacity out of Vietnam is expected to tighten throughout the holiday season due to the growth in demand, with space to the U.S. and E.U. will be limited before Christmas and New Year period. Vietnam, the top Southeast Asian trade partner of the U.S., saw exports to the country rise 22.5 percent in November.

That report had similar assessments of Singapore and Indonesia. For the former, shippers are rushing to move quarter-end volumes before the holiday period, leading to particularly tight space. And for the latter, both space and rates are tightening ahead of Christmas and New Year, Dimerco said.

High-volume flows into the U.S. have come from transit hubs such as Taiwan's Taoyuan International Airport and Singapore Changi Airport, according to Dimerco.

The data did not break the numbers down by individual country, but the Southeast Asian export accelerations held up wider growth numbers from the Asia Pacific region to the U.S. Asia Pacific air cargo tonnages to the U.S. increased 6 percent from the year prior, despite decreases from China (5 percent), Hong Kong (14 percent), Japan and South Korea, the company said.

Although China-to-U.S. numbers are still declining from the year prior, air cargo shipments on that route have improved in recent months from the more pronounced double-digit declines during the summer as trade tensions between the countries have slightly eased.

Year-to-date figures for the first 11 months indicated that combined tonnages to the U.S. from China and Hong Kong are down by 7 percent.

Across the board, global demand growth has been steady.

Worldwide air cargo tonnages in November continued their annual growth pattern with a 5 percent increase, according to WorldACD. Demand slightly widened from the 4 percent year-over-year growth recorded in September and October.
UPS victims sue over fatal cargo plane crash

As the air cargo ecosystem maneuvers through the holiday season, one of its biggest U.S. players must deal with litigation stemming from a deadly plane crash last month.

Families of two victims who died in the incident are suing UPS and four other defendants over the crash, accusing the logistics provider of negligence for flying older aircraft without increasing maintenance beyond what's regularly scheduled.

The UPS plane crashed shortly after takeoff at its Worldport air cargo hub in Louisville, Ky., killing 14 people including three crew members and 11 people on the ground, and injuring 23 others.

"This plane should have never been airworthy to be in the air that day, and this crash was preventable," said attorney Bradley Cosgrove of Clifford Law Offices, during a press conference last Wednesday. "We hope to find all of the reasons why it was preventable."

Clifford Law Offices is partnering with local attorney Sam Aguiar to represent family members Angela Anderson and Trinadette Chavez, both of whom died as a result of the crash.

The MD-11 cargo plane in question was 34 years old, with Clifford saying that the jet was too dangerous for delivery companies to fly in the air.

UPS subsidiary UPS Air, engine manufacturer General Electric, aircraft manufacturer Boeing and inspector VT San Antonio Aerospace were named in the lawsuit, filed in Jefferson County Circuit Court in Kentucky.

After the accident, the Federal Aviation Administration (FAA) ordered a temporary grounding of all MD-11 planes. Both UPS and FedEx grounded these planes after the incident, with the former taking action ahead of the FAA's order.

The attorneys representing Anderson and Chavez have promised to conduct their own investigation into the crash, alongside the ongoing probes from the FAA and National Transportation Safety Board (NTSB). The NTSB's investigation has thus far indicated that the plane's left wing detached during takeoff, and that there were cracks in the plane's engine mount.

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France Retracts Full Shein Suspension, For Now

Following some shortcomings by Shein, the French government—at the request of the Prime Minister and by way of a summons before the Paris Judicial Court—launched a procedure to temporarily block the platform to stop the severe damage to public order caused by the repeated failures of the platform.

The outrage in France over the e-tail Goliath's sale of banned weapons and "childlike" sex dolls on its platform doesn't appear to be dying down—just delayed. Despite taking down the listings last month, the Singapore-headquartered firm faced a three-month suspension if the French government succeeded in its appeal.

At the Dec. 5 Paris court hearing, Reuters reported that a state lawyer said Shein must implement website controls—such as age verification and filtering—to block minors from accessing pornographic content.

A decision in the case is expected on Dec. 19.

"The state has also requested that these measures be lifted only upon the implementation of truly effective technical means to prevent the sale of any illicit product," Anne Le Hénanff, the French government's minister delegate for artificial intelligence and digital technology, said in a statement. "The effectiveness of these control measures, product categorization, and the establishment of a system to screen minors would be placed under the supervision of Arcom."

The state invoked Article 6.3 of France's Digital Economy Law—an act that "gives a judge powers to prescribe measures with the aim of preventing or halting harm caused by online content," according to Reuters. And, according to French law, the dissemination of representations of a pedopornographic nature via an electronic communications network is punishable by sentences of up to seven years imprisonment and a fine of 100,000 euros, or $115,500.

"We don't claim to be here to replace the European Commission," a state lawyer said, as reported by France 24. "We are not here today to regulate, we are here to prevent harm, faced with things that are unacceptable."

Le Hénanff and economy minister Roland Lescure wrote to Henna Virkkunen, the European Commission's executive vice-president for tech sovereignty, in early November, urging an immediate investigation into Shein.

"The repeated marketing of illegal content shows that the platform has failed to comply with its obligations under the Digital Services Act, particularly in terms of protecting minors, combating illegal content and ensuring the traceability of its sellers," they wrote.

While Shein did not respond to Sourcing Journal's request for comment, the fast fashion brand previously said it was "seeking dialogue" with local authorities and government bodies "on this issue."

"Our priority is customer safety and marketplace integrity," said Quentin Ruffat, Shein's head of public affairs in France. "This suspension enables us to strengthen accountability and ensure every product meets our standards and legal obligations."

Initiated as part of an accelerated judicial procedure intended to prioritize proceedings, the hearing summoned lawyers for both Shein and Infinited Styles Services—the Dublin-based company that operates its European websites and apps. The government also summoned the internet service providers Bouygues Telecom, Free, Orange and SFR to the hearing to request that they block Shein's website.

The hearing was initially scheduled for Nov. 26—exactly a month after France's crackdown on the platform took a marked turn from previous debates over "eco-taxes" on fast fashion—before being postponed. Meanwhile, several member states will send a joint letter urging collective action against the harmful effects of e-commerce platforms to the European Commission before the Dec. 8 "Competitiveness" Council meeting.

Tangentially, Shein is also facing a 3 billion-euro ($3.5 billion) lawsuit from thousands of French retailers accusing it of poaching customers through "misleading commercial practices" and "breaches of product conformity and safety obligations."

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Will Mexico's Customs Reforms Give It a Leg Up in Pending USMCA Negotiations?

The Office of the United States Trade Representative (USTR) held three days of hearings with stakeholders across multiple sectors last week regarding the future of the U.S.-Mexico-Canada Agreement (USMCA), which comes up for review in July 2026.

The legislation, which replaced the North American Free Trade Agreement (NAFTA) in 2020, is largely viewed by apparel and textile industry players as an essential platform for promoting free trade and multilateral investment in a more self-sufficient and prosperous North American supply chain.

But over the course of the past year, trade ties between the U.S. and the rest of the world have frayed, including America's relationship with its closest neighbors. Tensions between the U.S. and both Mexico and Canada became inflamed early in Trump's second term, with the president eventually opting to impose double-digit duties on imports from both countries. Still, the USMCA remains in place, blanketing the majority of imports from both countries in free-trade benefits—for now.

Both Mexican President Claudia Sheinbaum and Canadian Prime Minister Mark Carney met with Trump last week during the official drawing for the FIFA World Cup in Washington, D.C. the day after the USTR hearings. The heads of state vowed to continue conversations about the future of the trilateral trade agreement, though few details about closed-door conversations were released.

Mexico has taken a decidedly different tack from Canada this year when it comes to preserving and protecting its trade relationship with the U.S., which it views as essential to its economic survival. Sheinbaum has struck a conciliatory tone in her dealings with Trump; a contrast with Canadian Prime Minister Mark Carney, who has pushed back on Washington's tariff threats with retaliatory measures of his own.

At home in Mexico, Sheinbaum's government has also taken concrete legislative steps toward customs reform. Those actions shouldn't be viewed in isolation, but likely as part of a larger plan, according to Jonathan Todd, vice-chair of the Transportation and Logistics Practice Group at Benesch law firm.

Mexico's Senate in mid-October approved changes to the country's Customs Law, or Ley Aduanera, which aim to up enforcement and increase efficiency and transparency when it comes to imports. The proposed amendments, slated to take effect on Jan. 1, 2026, will crack down on customs violations by holding importers and brokers liable for illegal acts like undervaluation, tariff misclassifications and false or incomplete customs entries.

"The reforms are targeting compliance and the enforcement side of importing into Mexico, and the burden is borne most strongly by the customs brokers," Todd told Sourcing Journal. "There are very serious penalties financially, and also loss of license and other consequences that can occur if a customs broker in Mexico is involved with duty evasion or smuggling of goods into Mexico."

Customs brokers will assume the role of gatekeepers to the country's economy and its supply chain. Todd said his firm's clients, including U.S. manufacturers, were buoyed by the development, as there are "real concerns about duty evasion and other non-compliance of imports into Mexico that erode the competitiveness of U.S. production." As the North American supply chain becomes increasingly interconnected, laws impacting Mexico's imports have the potential to change business dynamics for Mexican and American producers alike.

Within the new amendment to the Ley Aduanera are reforms to the country's Maquiladora, Manufacturing and Export Services Industry (IMMEX) program. Launched in 2006, IMMEX was designed to attract foreign investment by allowing companies operating in Mexico to import materials and inputs duty free, with the intent of exporting finished goods to other export markets like the U.S.

Leveraged heavily by the textile, apparel and footwear sectors, many players within the space believe the program has been preyed upon by foreign actors seeking to avoid paying Mexico's customs duties or to circumvent U.S. trade laws.

The proposed IMMEX reforms aim to quash such instances of evasion by implementing new controls. These safeguards, including a focus on digitalization and greater penalties for misuse, were developed to ensure that temporary imports undergo the appropriate transformation via Mexico's labor force and are re-exported.

However, China's appetite for globalization poses new trade enforcement challenges. "China has is known to have built out facilities, particularly in the textile and fashion space, around the world," Todd said. That's happening across Latin America, with a heavy concentration in Mexico due to its proximity to the U.S. That's a complicated prospect for Mexico's manufacturing base, and for its most prominent trade partner, which has escalated efforts to check China and its hold on global manufacturing in recent years.

The Biden administration took a particular interest in issues of forced labor, passing the Uyghur Forced Labor Prevention Act in 2021, primarily targeting cotton production in China's Xinjiang province. Meanwhile, Trump has been calling to divest American interests from China for about a decade, implementing Section 301 duties on thousands of China-originating products worth about $380 billion during his first term.

But as supply chains become more globally connected and, consequently, more muddled, it has become tougher to trace the origins of goods and track their movements across the globe. That's where Mexico's emerging zeal for customs reform could provide a point of leverage in the impending USMCA negotiations. "I don't think that the two events are happening in isolation, and I think that that's worth watching, especially as we go into the joint review next year," Todd said.

"If it's correct and true and enforced appropriately, then the point [of Mexico's customs reform law] is to strengthen Mexico's regulation on imports and Mexico's domestic production base, which is very similar to President Trump's 'America First' trade policy," he added. "It appears that there's a degree of alignment between the Sheinbaum administration and the Trump administration on these kinds of issues."

Certainty is, of course, hard to come by in this modern era of trade policy, but the lawyer believes Mexico's government is positioning the country for a more fruitful future by mirroring some of the current U.S. administration's protectionist philosophy. "We're in a time of great change, and all this is happening before our eyes. But there may be a degree more harmony here emerging than I think a lot of people would anticipate," he said.

Source: sourcingjournal.com– Dec 08, 2025

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Cambodia's growth to reach 4% in 2025, 2026: Mekong Strategic Capital

Cambodia's economic growth will reach around 4 per cent this year as well as the next, according to the Cambodia Economic Update December 2025 released by Mekong Strategic Capital.

While this reflects a slight improvement from the firm's assessment three months earlier—when growth was expected to hover closer to 3 per cent—the economic landscape remains challenging, it noted.

The country continues to grapple with the repercussions of ongoing regional tensions, reputational impacts linked to scam centres and deep-rooted strains in the real estate market, it said.

Despite the Thai border conflict, returning migrant workers and ongoing stress in the property sector, Cambodia is showing a blend of resilience and vulnerability this year as strong domestic consumption and manufacturing exports continue to offset significant shocks arising out of the setbacks, the report noted.

Over 900,000 Cambodians are estimated to have left Thailand due to the conflict, placing remittances under severe strain. With remittances valued at approximately $1.5 billion annually, Mekong Strategic Capital expects around $1.125 billion could be lost, resulting in a short-term gross domestic product (GDP) impact of roughly 1.8 per cent.

Absorbing these workers into the domestic economy will require urgent policy interventions and job-creation measures.

The government's ongoing crackdown on scam centres is expected to bring short-term economic costs but substantial long-term gains. The report estimates the near-term impact at between 1 and 2 per cent of GDP, largely due to reductions in operational spending linked to the illicit industry.

Despite these headwinds, Cambodia's domestic economy has shown surprising resilience. Value-added tax and excise collections grew, while manufacturing exports performed strongly despite uncertainty surrounding potential US tariffs.

On the fiscal front, the firm argues that Cambodia retains significant capacity to borrow and should deploy targeted stimulus to counteract current economic pressures.

The report also highlights Cambodia's long-term advantages, particularly its demographic profile. The working-age population is projected to expand steadily through 2050, in stark contrast to declines expected in China, Thailand and Vietnam. This demographic dividend is expected to underpin continued growth in consumption, labour supply and manufacturing competitiveness.

Source: fibre2fashion.com– Dec 09, 2025

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Australian apparel makers slash inventory to 5-year low: Report

Australia's clothing, footwear, and accessories manufacturers slashed inventory levels by 64.7 per cent to $53,588 in the third quarter (Q3) of 2025, down from $151,967 in the previous quarter, according to new data from Unleashed.

The sharp reduction marks the lowest stock position in more than five years, while profit margins strengthened by 8.19 per cent as firms prioritised leaner, efficiency-driven operations.

Sales fell from $460,175 to $253,268 quarter on quarter (QoQ) as the sector navigated challenging consumer conditions, yet the aggressive destocking strategy delivered substantial margin improvement.

Lead times also improved significantly, falling to 18 days from 33 days in Q2, close to the prior-year benchmark of 17 days and slightly above the national manufacturing average of 16 days. The shift signals a return to operational normality after prolonged disruptions, Unleashed said in a press release.

The destocking move aligns with a broader manufacturing trend across Australia, where firms have shifted away from pandemic-era buffer building in favour of lean inventory strategies to protect profitability and liquidity. Nationally, small and micro manufacturers increased quarterly sales by 9 per cent to $625,400 while expanding profit margins by 3.2 per cent.

"In spite of cautious consumer spending, spiking energy prices and high labour costs, Australian small and micro manufacturers have been adapting and thriving," said Jarrod Adam, head of production and distribution at Unleashed.

"Manufacturers have found pockets of demand and capitalised on them. The real story is operational awareness; firms have focused on growing revenue and expanding profitability without tying up capital in excess stock. That's a fundamental shift in mindset from the pandemic era of buffer building."

The report also compared performance across the UK and New Zealand, concluding that Australian operations are leading on efficiency. Average stock on hand across industries fell to $311,200 in Q3 from $462,735 in Q2. Purchasing of raw materials also declined sharply, down 34.9 per cent to $339,371, reinforcing the shift towards disciplined, data-driven inventory control.

“The sheer velocity of the Q3 pivot is remarkable,” added Adam. “Lead times down 36 per cent, stock down 33 per cent, purchasing down 35 per cent, yet margins up nearly 4 percentage points. This is what disciplined inventory management looks like when manufacturers have real time data and the confidence to act on it.”

“It's been a tough eighteen months, particularly for retailers, but we're now seeing a modest recovery in market demand for the first time, which is hugely encouraging,” said Tim Deane, owner at Norsewear, a New Zealand clothing manufacturer that markets across Australia and New Zealand. “We need a sector-wide strategy to lower energy costs and better implement the use of technology to improve productivity.”

The report is based on data from over 1,000 Australian small and mid-sized manufacturers using Unleashed across categories including clothing and fashion.

Source: fibre2fashion.com– Dec 09, 2025

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Foreign trade to exceed 900 billion USD, bringing Vietnam to world's top 15 trade powers

Vietnam's foreign trade is set to exceed 900 billion USD in 2025, positioning the country among the top 15 global trade powers, according to insiders.

The total import-export turnover reached nearly 840 billion USD in the first 11 months of this year, up 17.2% year-on-year, with a trade surplus of over 20 billion USD. With this performance, the target of 900 billion USD in foreign trade is well within reach.

In the period, exports reached over 430 billion USD, up 16.1%, while imports totalled 409.6 billion USD, up 18.4%. Despite global trade challenges, including tariff policies and protectionist measures, Vietnam's export growth has outpaced imports, ensuring a continued trade surplus of more than 20.5 billion USD. This surplus has supported the economy’s key balances, stabilising macroeconomic conditions and strengthening the country's international payments position.

The year 2025 is not only a record year for exports but also a turning point for Vietnam’s entry into the ranks of the world's largest trading economies. With the 11-month trade volume, Vietnam’s trading pace has accelerated beyond typical cycles.

Surpassing the 900 billion USD milestone will solidify the country’s place among the global trade superpowers, and the 1 trillion USD target is now within closer reach.

The rapid expansion from only 500 billion USD in 2019 to the present level underscores the success of Vietnam’s integration into the global economy, supported by rising foreign direct investment (FDI) and robust domestic industries.

The growth of FDI has been a significant factor, with FDI-related businesses reporting a 25.1% increase in total import-export turnover, reaching 579.11 billion USD by mid-November. Despite disruptions from storms and supply chain delays, production has continued to grow, with new order volumes increasing and the manufacturing sector showing strong performance, as reflected in the Purchasing Managers' Index (PMI).

With a dynamic economy, Vietnam continues to enhance its position in regional and global supply chains.

Notably, international organisations have consistently raised their growth forecasts for Vietnam. Singapore-based United Overseas Bank (UOB) has upgraded the country's GDP growth forecast for 2025 from 7.5% to 7.7%, driven by a vibrant international trade environment and strong production output.

According to UOB, over the next decade, Vietnam will play an increasingly important role on the global stage. Sustainable growth will elevate its status as a key link in regional and global supply chains, particularly in manufacturing and emerging technologies.

Dr. Vo Tri Thanh, Director of the Institute for Brand and Competitiveness Strategy, remarked that the manufacturing sector is growing, and foreign trade is expanding. Therefore, Vietnam can no longer compete solely on low-cost products but must shift towards creating value, innovating supply chains, and building a national brand.

Looking ahead, the fundamental drivers of Vietnam's economy remain strong, supported by continuous growth in manufacturing, trade, and the shift of FDI flows into sectors like electronics and semiconductors.

Signed free trade agreements will continue to open new opportunities for exports and imports. However, this comes with the challenge of shifting to deeper processing in agriculture and fisheries, investing in research and development, building brands, and meeting green standards for manufactured goods.

As foreign trade expands, export industries will face more protective measures from importing markets. Therefore, businesses must proactively adapt to international fluctuations to leverage open trade advantages while minimising risks, he advised.

Source: vietnamplus.vn– Dec 09, 2025

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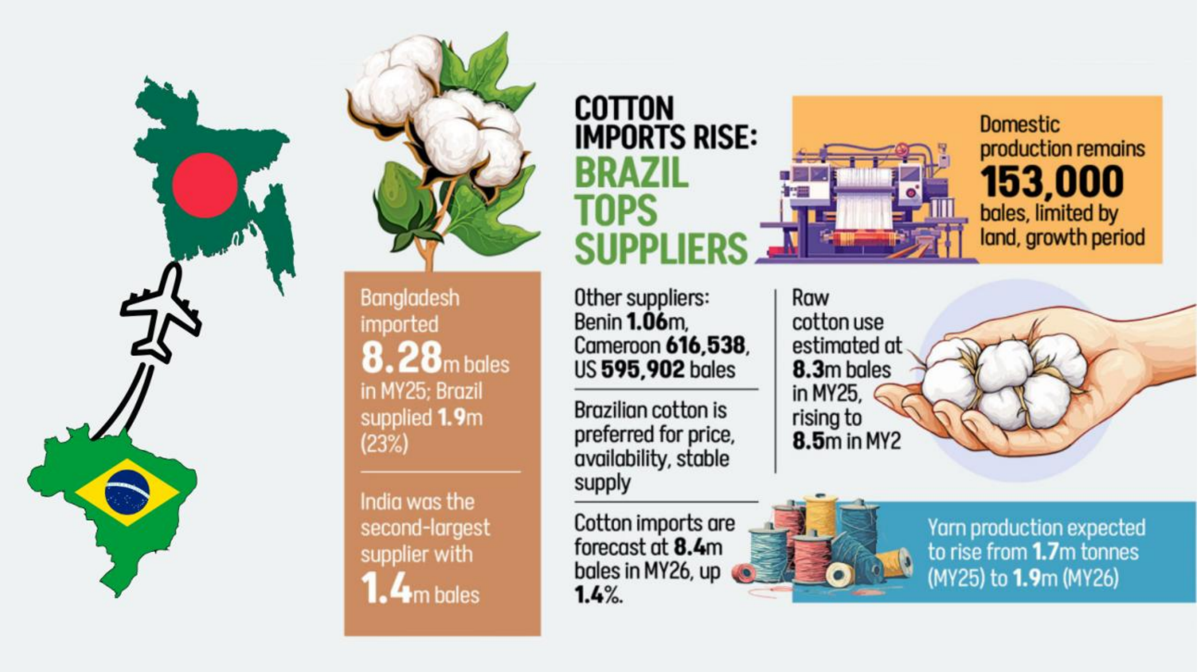
Brazil becomes Bangladesh's top cotton supplier, surpassing India

In the marketing year 2024–25 (MY25), beginning in August, Bangladesh imported 8.28 million bales of raw cotton. Brazil supplied about 1.9 million bales, accounting for 23 percent of total imports.



India was the second-largest supplier with 1.4 million bales, followed by Benin (1.06 million bales), Cameroon (616,538 bales), and the United States (595,902 bales).

The USDA report said that Brazilian cotton has become popular among Bangladeshi spinners due to its competitive pricing, wide availability during harvest, and stable supply.

In MY24, India was the top supplier, exporting 1.79 million bales (23 percent share). Bangladeshi importers mainly bought Indian cotton for shorter shipment times via the Kolkata and Benapole ports, despite higher prices and some quality issues.

For the current marketing year, MY26, the USDA forecasts Bangladesh's cotton imports at 8.4 million bales, a 1.4 percent increase from MY25, driven by higher usage by local spinners. This is 5.2 percent higher than the 7.8 million bales imported in MY24.

The report highlighted that cotton imports remained stable throughout MY25, despite early disruptions in RMG production following the formation of a new interim government in August 2024 after former prime minister Sheikh Hasina fled amid a student-led uprising in July.

Domestic cotton production is, however, expected to remain unchanged at 153,000 bales, limited by land scarcity and the long growing period, with cotton cultivated on 45,000–46,000 hectares.

Bangladesh's textile industry has the capacity to consume about 15 million bales annually, depending on raw material availability, power supply, and yarn demand.

Currently, only half of this capacity is being used, with raw cotton consumption estimated at 8.3 million bales in MY25. The USDA projects consumption will rise to 8.5 million bales in MY26, a 2.4 percent increase, driven by higher expected imports.

The spinning industry uses raw cotton to produce cotton and blended yarn, with yarn production expected to increase to 1.9 million tonnes in MY26 from 1.7 million tonnes.

Despite rising raw cotton imports and usage, Bangladesh's readymade garment industry is still expected to import more yarn and fabric.

India remains the largest supplier of cotton yarn to Bangladesh due to its large spinning industry, shorter shipment times, and lower logistics costs, while China is the top fabric exporter, followed by Pakistan and India.

Source: thedailystar.net– Dec 09, 2025

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Bangladesh RMG workers part of trade unions get 10% higher wages: BIDS

Readymade garment (RMG) workers in Bangladesh who are part of trade unions earn 10 per cent higher gross wages than non-unionised RMG and non-RMG workers, a study has revealed. At the sectoral level, RMG industry workers earn 19-22 per cent higher wage, reflecting stronger compliance regimes, formalised structures and higher skill intensity, the study by the Bangladesh Institute of Development Studies (BIDS) showed.

The findings of the study, conducted on 3,005 workers across 20 industries in three districts surrounding Dhaka, were recently shared at the Annual BIDS Conference on Development in Dhaka.

BIDS research director Mahmudul Hasan said empirical results show an overall unionisation rate of 11.35 per cent, according to domestic media reports. While part of this differential is attributed to greater experience and tenure among union members, the wage premium remains positive and statistically significant even after controlling for these factors, he was cited as saying by domestic media reports.

Meanwhile, climate change is affecting production in garment factories in Bangladesh as rising temperatures reduce worker productivity, another BIDS study found. BIDS research associate Kazi Zubair Hossain said annual productivity growth in the garment sector reached 4.19 per cent between 2014 and 2023 due to technological improvements.

The study noted that climate refugees are increasingly taking up jobs in the garment sector. As their numbers rise, more may enter the workforce, which "may have negative impacts on wages". The study said climate pressures could heighten gender-based violence and harassment as productivity falls and socio-economic vulnerability increases.

Pressures to cut emissions may support environmental improvements in factories, although the shift to green energy in Bangladesh remains slow, it added.

Source: fibre2fashion.com– Dec 09, 2025

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NATIONAL NEWS

EU trade chief in Delhi with top officials for FTA negotiations

EU Trade Commissioner Maros Sefcovic is in Delhi leading a team of top officials including DG Trade Sabine Weyand and EU chief negotiator Christophe Kiener to deliver a final push this year to the India-EU FTA negotiations by sorting out last-mile issues.

Both India and the EU are hopeful of "substantially concluding" the negotiations by December-end although some tricky matters, including market access for European automobiles, EU import quotas on steel, the bloc's standards and compliance requirements including the carbon tax mechanism (CBAM), and Delhi's concerns on mobility, are yet to be sorted out, sources said.

"In India for a two-day marathon of meetings with (Commerce Minister) PiyushGoyal to advance our trade and investment negotiations. EU-India ties are growing fast - as they should between partners. But we've only scratched the surface.

A commercially meaningful FTA would unlock enormous potential," Sefcovic posted on social media platform X` on Monday.

The EU Trade Commissioner also met Minister of External Affairs S Jaishankar later in the day.

"Continued, steady engagement on both sides remains essential to reinforce momentum and deliver results from our trade and investment talks - supporting our overall partnership," Sefcovic noted after his meeting with Jaishankar.

The EU trade negotiating team is scheduled to hold meetings with their Indian counterparts, including Commerce Secretary Rajesh Agrawal, to narrow the existing gaps in the talks.

keen on FTA

The two sides are keen to make a formal announcement on the India-EU FTA at the India-EU Summit in New Delhi, possibly on January 27, to be attended by Prime Minister Narendra Modi and the EU leadership, another source said.

India's bilateral trade in goods with the EU was $ 136.53 billion in 2024-25 (exports worth $75.85 billion and imports worth $60.68 billion), making it the largest trading partner for goods, per government numbers.

Source: thehindubusinessline.com– Dec 08, 2025

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Deputy USTR team to hold trade talks in Delhi on December 10-11: MEA

A team led by Deputy US Trade Representative Rick Switzer will hold talks on trade issues with top Indian officials on Dec 10-11, the Ministry of External Affairs (MEA) has confirmed.

"The visit is designated as a familiarisation visit. Switzer will meet top Indian officials...Engagement is on between both sides to conclude the multi-sectoral BTA," MEA Spokesperson Randhir Jaiswal said at a media briefing on Monday.

Switzer will meet his Indian counterpart Commerce Secretary Rajesh Agarwal on the proposed BTA this week, another official pointed out. While the team will be in India on December 9, the two-day trade talks will take place from December 10.

The US's chief negotiator for the pact, Assistant US Trade Representative for South and Central Asia Brendan Lynch will hold discussions with India's chief negotiator and Joint Secretary in the Department of Commerce Darpan Jain, the official added.
roll back tariffs

US President Donald Trump's government imposed a 50 per cent tariff on India in August this year comprising a 25 per cent reciprocal tariff (in line with tariffs on other trade partners) and a 25 per cent penalty for India's oil purchase from Russia.

"New Delhi wants that the first phase of the bilateral trade agreement, which is focussed on the roll back of the 50 per cent additional tariffs, to be concluded before the year-end," a source said.

India's exports of goods to the US, primarily that of labour intensive items, have already taken a hit due to the tariffs.

The US remained India's largest trading partner for the fourth consecutive year in 2024-25, with exports at $86.5 billion and bilateral trade valued at $131.84 billion.

Source: thehindubusinessline.com– Dec 08, 2025

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India, Oman hope to finalise long-negotiated FTA during Modi's visit

India and Oman hope to finalise the long-negotiated bilateral free trade agreement later this month during Prime Minister Narendra Modi's proposed visit on December 17-18, sources said.

Some of the sticking issues in the FTA, including the Gulf country's `Omanisation' policy of compulsory recruitment of locals and India's fears of misuse of the treaty by China, have largely been sorted out and the pact is almost ready to be signed, a source tracking the matter said.

"We expect the India–Oman FTA to significantly boost India's exports by providing better market access and tariff advantages for key sectors such as engineering goods, electronics, textiles and pharmaceuticals. We firmly believe that the agreement will deepen bilateral trade and investment ties, especially benefiting MSMEs, while ensuring adequate safeguards for sensitive domestic industries," said Ajay Sahai from exporters' body FIEO.

The PM is also likely to visit Jordan on December 15-16 and Ethiopia on December 16-17 before reaching Oman, sources said.
market access

The FTA, officially called the India-Oman comprehensive economic partnership agreement (CEPA) is also important as it could help India gain greater accessibility in the Gulf region and rest of West Asia. This gels with the country's overall strategy of market diversification, the official said.

New Delhi has been focussed on a satisfactory resolution to its concerns around the Omanisation policy under which the Omani government sets mandatory employment quotas for Omani nationals in various private sector industries. These quotas are periodically reviewed and updated.

"India wanted that the quotas should be fixed at a particular level in the FTA with a provision that it would not go up further for Indians. Sorting out the matter has been important for the country to protect its expats and to safeguard opportunities in services exports," the source said.

Delhi is also seeking to protect third party exports, especially China, getting routed through Oman under the FTA by putting in place appropriate Rules Of Origin (ROO), the source added.

Oman is India's third-largest trading partner in the Gulf region with bilateral trade in FY25 at $10.6 billion.

Source: thehindubusinessline.com– Dec 08, 2025

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Chatroom: No GST on sale of uncleared imported goods at ports currently

We had imported our raw materials that are lying un-cleared at the Nhava Sheva port. We have not filed the bill of entry because due to some mishaps in our factory, our production is disrupted and we are unlikely to need this raw materials at least for a month or two. Meanwhile, another party is in need of the same material. Can we sell it to that party and if so, how and what is the GST implication?

If you had imported the goods by sea and the bill of lading is negotiable i.e. made out to order and endorsed in your favour by the shipper, you can transfer the title to the goods by endorsing the bill of lading in the name of the party who wants to buy this material. Thereafter, he can file the bill of entry and clear the goods in his own name.

Regarding GST, the provisions of S.No.8 (b) of Schedule III to the CGST Act, 2017 will apply. It covers, 'supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption'.

Therefore, your supply to the local buyer through endorsement of the bill of lading before customs clearance of the goods will be not treated as supply of goods or supply of services. Consequently, for you, there will be no GST liability.

We had imported certain goods supplied free of charge by the foreign party. While filing the bill of entry, by mistake, our Customs broker had ticked the box for outright sale and paid the customs duty also. Actually, we will not be remitting any money to the party. Our bank says that this entry is outstanding in the IDPMS. How to go about closing this entry?

RBI's AP (DIR) Circular no.12 dated 1st October 2025 says that the banks may close any IDPMS entry up to ₹10 lakhs by accepting any reduction in the value in the bill of entry based on your declaration, even in respect of any outstanding IDPMS entry. If the value of the goods is more than Rs.10 lakhs, you may resort to Section 18A of the Customs Act, 1962 read with Customs (Voluntary Revision of Entries Post Clearance) Regulations, 2025 and seek amendment to the bill of entry. Please also take note of the notification no.71/2025-Cus (NT) dated 30th October 2025 regarding the conditions, where no revisions are allowed under Section 18A and notification no.69/2025-Cus (NT) dated 30th October 2025 regarding the fees for making such amendments to the bill of entry.

I am a student. I want to know whether an airway bill is a document of title to the goods.

No. In case of an airway bill, the goods are consigned to the named party. An airway bill is a receipt of goods and an evidence of contract of carriage.

Source: business-standard.com– Dec 08, 2025

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India's cotton imports projected to hit record 50 lakh bales in 2025-26

India's cotton imports are likely to rise to a record 50 lakh bales of 170 kg each in the ongoing 2025-26 season starting October, according to estimates by the Cotton Association of India (CAI), the apex trade body. Cotton imports during 2024-25 season stood at 41 lakh bales.

Presently, the cotton imports are duty free till December-end this year. The imports of cotton till end November in the current season stood at 18 lakh bales as compared to about 8.8 lakh bales in the same period last year.

In its latest crop estimates, CAI has projected a marginal increase in the domestic output for 2025-26 season, forecasting a decline in consumption of the fibre crop for the year-ahead on lower demand from mills and tariff issue.

Inputs from all sources

Based on inputs from the members of 11 cotton growing state associations and other trade sources, CAI has increased the crop estimate by 4.5 lakh bales to 309.50 lakh bales of 170 kg each for the season, up from last month's projections of 305 lakh bales, said CAI President, Vinay N Kotak in a statement. During 2024-25 season, cotton pressings stood at 312.40 lakh bales

This upward revision is due to increased output estimates in Gujarat, Maharashtra and Karnataka, factoring in a marginal decline in Telangana.

The Gujarat crop estimate has been raised by 3 lakh bales to 75 lakh bales for the season, and Maharashtra by 3 lakh bales to 91 lakh bales of 170 kg each.

The crop in Karnataka has been revised upwards by 1 lakh bales to 26 lakh bales, whereas the estimate in Telangana has been reduced by 2.5 lakh bales to 40.5 lakh bales.

Total supply for November 2025 was estimated at 148.37 lakh bales, comprising pressing of 69.78 lakh bales, imports of 18 lakh bales and opening stocks of 60.59 lakh bales.

Consumption during November is estimated at 48.40 lakh bales, while exports were at 3 lakh bales and month end stocks of 96.97 lakh bales. Stocks with textiles mills are estimated at 50 lakh bales and remaining 46.97 lakh bales with Cotton Corporation of India, Maharashtra Federation and others (MNCs, traders, ginners, exporters, etc.) including cotton sold but not delivered.

CAI estimates consumption for the entire 2025-26 season at 295 lakh bales, lower than initial projections of 300 lakh bales. The consumption for 2025-26 is expected to be lower by 19 lakh bales over 314 lakh bales a year ago, due to lower demand from mills and tariff issue.

Total cotton supply for the season 2025-26 is estimated at 420.09 lakh bales as against the last year's total cotton supply of 392.59 lakh bales. This includes opening stock of 60.59 lakh bales, cotton pressing numbers of 309.50 lakh bales and imports for the season estimated at 50.00 lakh bales.

The cotton imports estimated by CAI for the season are higher by 9.00 lakh bales of 170 kg each compared to last year. The exports for the season 2025-26 are estimated at 18.00 lakh bales of 170 kg same as estimated for 2024-25 season.

As per the first advance estimates by the Agriculture Ministry released recently, India's cotton production for the 2025-26 season is estimated at 292.15 lakh bales of 170 kg each, down from 297.24 lakh bales a year ago.

Source: thehindubusinessline.com– Dec 08, 2025

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Rs 2.43L crore worth of proposals on Day 1 in Telangana Rising Global Summit

HYDERABAD: The Telangana Rising Global Summit opened with investment proposals totalling over Rs 2.43 lakh crore, with 35 agreements signed across clean energy, Deep Tech, urban infrastructure, aerospace and healthcare.

Chief Minister A Revanth Reddy and IT and Industries Minister D Sridhar Babu said the state is targeting long-term growth through Deep Tech, green fuels, strategic manufacturing and global digital integration.

Of the total commitments, Rs 1.04 lakh crore was directed towards Deep Tech, Future City development and core infrastructure. Renewable energy and power-transition proposals accounted for around Rs 39,700 crore, while aerospace, defence and logistics drew Rs 19,350 crore.

The largest investment came from the Brookfield–Axis Ventures consortium, which announced Rs 75,000 crore for Bharat Future City, envisaged as a net-zero research and innovation zone.

Renewable and energised

Vin Group proposed Rs 27,000 crore for renewable energy generation and EV-linked urban systems. Evren–Axis Energy outlined a further Rs 31,500 crore for wind–solar expansion to support industrial load demand. The SIDBI Startup Fund of Funds confirmed Rs 1,000 crore for seed-stage support, while World Trade Centre Future City pledged Rs 1,000 crore for a walk-to-work innovation district.

MEIL said it would invest Rs 8,000 crore in solar capacity, battery-linked storage and EV-supporting infrastructure. GMR finalised Rs 15,000 crore for aviation and aerospace facilities, including cargo and MRO.

Defence-linked MoUs were pegged at around Rs 5,000 crore, including Rs 1,500 crore each by Apollo Microsystems and Solar Aerospace for artillery, avionics and aero-engine parts. MPL Logistics Hub (Rs 700 crore) and TVS ILP (Rs 200 crore) signed warehousing agreements.

Cementing ties

Electronics-manufacturing proposals totalled Rs 7,000 crore across PCB fabrication, components and industrial electronics. Sohhytech India committed Rs 1,000 crore for decentralised hydrogen systems. Krishna Power Utilities announced a Rs 5,000-crore integrated steel unit, while Ultra Bright and Rain Cements added Rs 2,000 crore. In textiles, Seetharam Spinners proposed Rs 3,000 crore and the Sholapur Telangana Textile Association with Genius Filters Rs 960 crore.

Athirath Holdings announced Rs 4,000 crore for 25 compressed biogas plants designed to use Napier grass as feedstock, creating a steady agriculture supply chain while producing transport-grade CBG. The MoU was executed at Bharat Future City, where officials discussed land mapping, procurement models and approvals under the State's green-industry policy.

Click here for more details

Source: newindianexpress.com– Dec 09, 2025

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India's Assam state clears new logistics, warehousing policy

The cabinet in the Indian state of Assam recently approved the Assam Logistics and Warehousing Policy, 2025, to streamline supply chains, boost private sector participation and transform the state into a major logistics hub in the Northeast.

It also cleared the transfer of a huge patch of land in Silchar to the Airports Authority of India for constructing a greenfield airport. The proposal will now move to the central cabinet for approval, media outlets reported from the state.

Key components of the policy include development of integrated logistics parks and modern warehousing clusters; promotion of multimodal transport systems, including road, rail, air and waterway; streamlined clearances and single-window facilitation for investors; and incentives for private players to build cold chains, storage facilities and distribution centres.

Source: fibre2fashion.com– Dec 09, 2025

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