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Currency Watch			
USD	EUR	GBP	JPY
90.30	106.03	120.97	0.58

INTERNATIONAL NEWS	
No	Topics
1	Mexico Hits China With Up to 50% Tariffs on 1,400 Products Including Apparel, Textiles and Footwear
2	South Asian apparel giants gear up for EU's DPP test
3	Dutch manufacturing output almost 1.9% higher YoY in Oct 2025
4	Turkiye's index for industrial production up 2.2% YoY in Oct 2025
5	Primark opens 8th store in Poland
6	Vietnam's textile sector anchors most of its supply chain employment
7	Bangladesh: Export growth hindered by regulatory gaps, weak infrastructure
8	Bangladesh: ICDs postpone decision to suspend container handling

NATIONAL NEWS	
No	**Topics**
1	Italy–India Business Forum 2025 strengthens bilateral trade, innovation and strategic economic partnership
2	India's new global positioning in textiles
3	Goyal says US should sign trade deal "on the dotted lines" if satisfied
4	India's textiles horse finally has both legs free to chase global gains
5	Stakeholders need to address jointly the demands of technical textile sector: CITI Chairman
6	Four US economic policy shifts of 2025 and their impact on global markets
7	Mexico Parliament nod to tariffs on India, others prompts FTA push by exporters
8	Why Mexico slapped 50% tariff on India, how it matters
9	India's retail ends 2025 strong; RAI forecasts faster 2026 growth
10	Falling rupee supports north Indian cotton yarn; prices up in Ludhiana

INTERNATIONAL NEWS

Mexico Hits China With Up to 50% Tariffs on 1,400 Products Including Apparel, Textiles and Footwear

Mexico's Senate approved a new tariff bill Thursday that includes tariffs as high as 50 percent on 1,463 China-made products like steel, cars and textiles, apparel and footwear.

Mexican President Claudia Sheinbaum announced the decision following an endorsement from the Chamber of Deputies and a Senate vote that saw 76 ayes, five nays and 35 abstentions.

"We want Plan Mexico to be fulfilled without causing a problem for the national economy, and within that framework Congress approved these tariffs," she told reporters, noting that, "They are aimed at countries with which Mexico does not have a trade agreement. It is not about restricting trade between nations."

Mexico's government believes the new duties could bring in substantial revenue, to the tune of about $2.8 billion, over the course of the coming year. Sheinbaum's stated goal has been to shield domestic production from the market impacts of foreign influence, like the deluge of cheap China-made wares that threaten to undermine Mexican makers.

The tariff plan was first proposed in September, and it impacts a number of Asian nations, including South Korea and India. However, Chinese imports into Mexico have nearly doubled over the past 10 years to $130 billion, according to data from the Council on Foreign Relations, making the sourcing superpower the obvious primary target. Mexico exports just under $10 billion to China, and does not currently have a trade treaty with China that would address the imbalance.

"Our interest is not to create conflict with any country. We have a good relationship with China and we respect them," Sheinbaum said. "The reason for these adjustments to the law has to do with strengthening the national economy. The goal is to keep the dialogue going."

China's Ministry of Commerce entered the chat swiftly, decrying the decision and demanding that Mexico's government "correct its erroneous practices of unilateralism and protectionism as soon as possible."

"China welcomes countries resolving their differences through trade agreements, but no agreement should be conditioned on harming the development of world trade, nor should it damage China's legitimate interests," a spokesperson said.

Sheinbaum's move is likely timed to coincide with the forthcoming review of the United States-Mexico-Canada Agreement (USMCA) in July of next year.

Last week in Washington, the Office of the U.S. Trade Representative heard testimony from nearly 150 speakers—including trade associations serving the textile and apparel sectors—about the agreement's efficacy, utilization and perceived shortcomings.

Support for USMCA is widespread, and President Donald Trump once considered it the crown jewel of his first-term trade policy platform. But the president's tense dealings with both North American partners throughout 2025 have prompted him to threaten removing the U.S. from the treaty altogether. USTR Ambassador Jamieson Greer on reiterated that point during a speaking engagement Wednesday, saying the U.S. could opt to drop out of USMCA and negotiate separate bilateral agreements with Mexico and Canada—a prospect both nations would like to avoid.

A substantial portion of Trump's ire stems from what he perceives as China's undue influence on Mexico's economy. He's said Mexico hasn't done enough to discourage the smuggling of fentanyl—developed with China-originating precursor chemicals—into the U.S. market. He's also said Mexico has been acting as a "backdoor" or stopover for China-made shipments seeking to evade U.S. tariffs.

Sheinbaum has taken these points in stride, maintaining a dialogue with Trump and enacting policy changes that address American concerns. In October, Mexico's government announced reforms to its Customs Law that it said will enhance enforcement of customs violations like undervaluation, tariff misclassifications and false or incomplete customs entries.

The law also contains changes to Mexico's Maquiladora, Manufacturing and Export Services Industry (IMMEX) program. Launched in 2006 with the intent of attracting foreign investment in sectors like garment manufacturing, the program has been systematically abused by companies including Asia-owned operations importing inputs and materials into Mexico without respecting the parameters of the program.

“What we want is to recover the textile industry, which has lost a lot, mainly since the pandemic,” Sheinbaum noted Thursday. “Our position is to continue working with the government of China, South Korea and other countries with which we do not have a trade agreement,” she added.

The U.S., for its part, took aim at another Latin American trading partner on Thursday, announcing 15 percent tariffs on Nicaragua for goods not covered by the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) due to human rights violations.

An investigation conducted by the USTR concluded that the country has engaged in pervasive labor violations, including repression of freedom of association or collective bargaining, undue interference and both forced labor and child labor. As a result, a tiered set of tariff increases will take place over the course of 2026, 2027 and 2028, the agency said.

Source: sourcingjournal.com– Dec 11, 2025

HOME

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South Asian apparel giants gear up for EU's DPP test

The global apparel trade is gearing up for one of its most dramatic shake-ups in decades, driven not by a new manufacturing trend or a change in consumer mood, but by a digital tag the size of a fingernail. The European Union's upcoming Digital Product Passport for garments is quietly rewriting the rules that determine who gets to sell into Europe's fashion market — and who gets shut out.

For South Asia's apparel titans, Bangladesh and India, the implications are nothing short of transformative. With more than half of Bangladesh's apparel exports headed to the EU, and India counting Europe among its most critical buyers, the DPP is rapidly becoming the line between opportunity and obsolescence.

For Bangladesh, the urgency is palpable. Between January and September, the country's garment exports to the EU reportedly surged 13.17 per cent year-on-year to €15.26 billion, up from €13.48 billion the year before, as per some estimates, even as the country remains firmly the EU's second-largest apparel source after China — a remarkable position for a nation that built its economic engine on low-cost, high-volume clothing.

But now the EU wants to know not just how fast Bangladeshi factories can stitch a T-shirt, but how much water they used to make it, where the cotton came from, how much carbon the process emitted, etc. Compliance isn't a choice; it is oxygen.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA), sensing a storm no one can afford to ignore, has reportedly already moved into action.

In a rare example of pre-emptive strategy, the association reportedly signed an MoU with two entities—DigiProd Pass Ltd. and Digital Architect Ltd.—to test a blockchain-enabled Digital Product Passport system, even as over a period of next 24 months, selected Bangladeshi factories will reportedly feed data into a secure digital vault: raw materials, water and energy use, labour conditions, environmental impacts — the very DNA of every garment. If the passport is the future of fashion trade, Bangladesh wants to be fluent in its language before the exam even begins.

The rewards for early mastery are substantial. Blockchain-backed traceability does not just tick regulatory boxes; it reinvents trust. It could streamline audits and sustainability certifications, reduce compliance bottlenecks, and nudge the industry away from its quick-and-cheap fast fashion habits toward more responsible production cycles.

In a world increasingly obsessed with transparency, being able to show the entire life story of a product is not a burden — it's a competitive weapon.

The Digital Product Passport itself is disarmingly simple: a QR code or NFC tag attached to every product entering the EU. But behind that tiny digital stamp lies a revolutionary shift in how the fashion supply chain is governed. Under the Ecodesign for Sustainable Products Regulation, which came into force in July 2024, every textile item sold in Europe must link to an online record containing verified data on material origins, carbon footprint, recyclability, and end-of-life pathways.

The EU's message is uncompromising — if you want to sell here, you must show your full environmental ledger. The technical details of the textile DPP will reportedly be finalised by late 2026 or early 2027, and between 2027 and 2030, enforcement will tighten like a vice.

Meanwhile, India, with its sprawling textile landscape and patchwork supply chains, faces a different but equally steep climb, as per experts, who underlined that compliance will be mandatory for every product entering Europe, whether it was woven in a mega-mill in Gujarat or stitched in a small workshop in Tiruppur.

But for an industry still grappling with uneven digitisation, this is a wake-up call. Data collection systems, track-and-trace tools, and sustainability metrics — all must be standardised and scaled at speed.

As per industry insiders, the biggest challenge looms for the MSMEs, the thousands of smaller manufacturers who form the beating heart of India's apparel landscape but often lack the digital infrastructure needed to meet the EU demands. Cost barriers are real. Capability gaps are wider. Connectivity remains patchy. Yet the flipside is compelling: India has a rare chance to rebrand itself from a cost-efficient supplier to a sustainability-driven, digitally advanced manufacturing hub, and early movers could gain a decisive edge, positioning themselves as premium, transparent, globally aligned partners in a market where transparency is the new gold.

Recognising the scale of the transition, India's Ministry of Textiles along with the EU, has reportedly launched joint initiatives to help the industry catch up. As per reports, the EU and the Ministry of Textiles joined forces on Digital Product Passport (DPP) initiatives under the wider EU-India Resource Efficiency Circular Economy project, aiming to strengthen the sustainability and global competitiveness of India's textile sector.

These efforts focus on enhancing transparency and capturing comprehensive lifecycle data—including materials, environmental impact, and repairability—through QR codes.

Aligned with India's "Sustainable Bharat Mission," the collaboration seeks to prepare Indian firms for EU regulations by building capacity to track products from source to disposal, drive innovation, secure market access, and address key industry challenges such as waste and emissions.

The collaboration is timely — because the countdown has already begun, and Europe will not be slowing the clock.

The Digital Product Passport is more than a compliance tool; it is a new power dynamic in motion, which will reward those who adapt early and expose those who don't, and for Bangladesh and India — two giants of the global apparel supply chain — the next few years will determine whether they remain dominant exporters in the age of sustainable trade or watch others steal the show.

Source: fibre2fashion.com– Dec 12, 2025

HOME

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Dutch manufacturing output almost 1.9% higher YoY in Oct 2025

The calendar-adjusted output of the Dutch manufacturing sector was 1.9 per cent higher year on year (YoY) in October this year, according to Statistics Netherlands (CBS).

Output was up in 60 per cent of the underlying sectors.

Around 60 per cent of the industrial sectors produced more than they did last year.

After adjustment for seasonal effects and the working-day pattern, manufacturing output rose by 0.2 per cent month on month (MoM) in October.

Producer confidence was more negative in November than in the previous month. Manufacturers were more negative about their current stocks and less positive regarding output for the next three months.

Source: fibre2fashion.com– Dec 12, 2025

HOME

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Turkiye's index for industrial production up 2.2% YoY in Oct 2025

Turkiye’s index for industrial production (IIP) increased by 2.2 per cent year on year (YoY) and decreased by 0.8 per cent month on month (MoM) in October this year, according to the Turkish Statistical Institute (Turkstat).

The IIP for manufacturing increased by 1.9 per cent YoY and decreased by 0.9 per cent MoM in the month.

For non-durable consumer goods, it decreased by 5.7 per cent YoY and increased by 0.8 per cent MoM in the month, a Turkstat release said.

The IIP for intermediate goods increased by 2.6 per cent YoY and decreased by 0.6 per cent MoM in the month, while for capital goods, it increased by 12.2 per cent YoY and decreased by 2.3 per cent MoM.

Source: fibre2fashion.com– Dec 12, 2025

HOME

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Primark opens 8th store in Poland

Reinforcing its commitment to physical retail dominance in Central and Eastern Europe (CEE), Primark has opened its eighth store in Poland and the 18th across the CEE region. This strategic expansion signals the brand's confidence in a region where consumers remain highly engaged with in-store shopping.

This aggressive rollout is part of a deliberate strategy to capture market share in countries like Poland, which offer favorable economic growth and a large, aspirational consumer base. The Polish market, with established stores already operating in major cities such as Warsaw, Poznań, Kraków, and Katowice, has proven to be a pivotal and successful entry point for the brand.

The newly opened store features Primark's latest store concept and design. This investment in the physical environment is critical to the brand's long-term strategy: delivering a high-quality, engaging in-store experience that competes with mid-market rivals while strictly maintaining its core value proposition.

Given Primark's established lack of a full e-commerce offering (relying instead on a limited Click & Collect trial), its physical footprint serves as its ultimate competitive advantage. The expansive store network reinforces the brand's core mantra that 'Everyone is welcome.'

Primark is aggressively targeting significant white-space opportunities across Europe. While the financial outlook for FY26 is cautious regarding overall consumer demand, the planned store expansion is projected to add approximately 4 per cent to the company's total sales growth annually.

The strategic rollout in Poland, a high-growth market, not only drives direct revenue but also strengthens the brand's logistics and operational framework across the entire CEE region. This confirms Central and Eastern Europe as a primary driver of Primark's future international revenue and profitability.

Source: fashionatingworld.com– Dec 11, 2025

HOME

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Vietnam's textile sector anchors most of its supply chain employment

Manufacturing remains the backbone of Vietnam's supply chain ecosystem, accounting for 49 per cent of all global supply chain (GSC)-related jobs, with textiles and textile products alone contributing nearly one-third of manufacturing's supply chain employment. This strong industrial base underpins Vietnam's position as the region's largest host of GSC-related jobs, according to a report by the International Labour Organization (ILO). Vietnam accounted for more than 25 per cent of the over 75 million GSC-linked jobs in South-East Asia in 2023. More than 35 per cent of Vietnam's total employment is now tied to supply chains, underscoring both the depth of integration into global production networks and the moderate reliance on external markets.

The report highlighted that sectors with high GSC intensity tend to employ more women and young workers and offer higher levels of formal wage employment, though the share of high-skilled roles remains limited. Vietnam's export orientation also exposes its workforce to external risks: over 76 per cent of GSC-related jobs in 2023 depended directly or indirectly on demand from ASEAN, China, the European Union (EU), Japan, the Republic of Korea, and the United States.

Amid rising global trade uncertainties, the ILO urges Vietnam to strengthen the resilience and inclusiveness of its GSC participation. Key policy priorities include diversifying trade partnerships, building stronger domestic industrial linkages, expanding demand-driven skills development, enhancing gender-responsive labour measures, and implementing shock-responsive social protection to support just transitions. Improved job quality, strengthened labour standards, and inclusive social dialogue are also essential.

Reinforcing supply chain resilience and capitalising on new growth opportunities will enable Vietnam to advance its structural transformation, shifting towards higher value-added activities and more skilled employment—an essential step towards achieving its broader socio-economic aspirations, added the report.

Source: fibre2fashion.com– Dec 12, 2025

HOME

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Bangladesh: Export growth hindered by regulatory gaps, weak infrastructure

Regulatory inefficiencies, weak certification systems, inadequate testing facilities, complex export procedures, and poor logistics remain major obstacles to export growth in Bangladesh, according to business leaders.

"Bangladesh must strengthen its certification, compliance, and logistics systems to boost export competitiveness," said Rupali Chowdhury, president of the Foreign Investors' Chamber of Commerce and Industry (FICCI).

She spoke at a roundtable titled "Export Diversification: Challenges and Way Forward," jointly organised by Prothom Alo and Pran-RFL Group at the Prothom Alo office in Karwan Bazar yesterday.

Citing Berger's move to locally produce food-grade cans, Chowdhury said that these products still require certification abroad, mainly in India or Singapore, highlighting gaps in Bangladesh's testing capacity.

She called for major investment to modernise the Bangladesh Standards and Testing Institution (BSTI) and build essential pharmaceutical testing labs—projects that would cost several billion dollars.

Customs delays, limited automation, and weak compliance frameworks continue to hurt exporters, Chowdhury said. However, she added that trade restrictions in countries like China and Vietnam could create new opportunities for Bangladesh.

DIVERSIFICATION NOT OPTIONAL

Md Mahbub ur Rahman, CEO of HSBC Bangladesh, stressed the importance of identifying non-apparel sectors and supporting them with focused policies. "Twenty years ago, our exports were $9 billion. Now they're close to $50 billion—but 80 percent still comes from apparel," he said.

Rahman highlighted the potential of SMEs, saying, "But the process is too complex. We need to simplify it and build a strong support mechanism."

He also pointed to untapped markets in the Middle East and Asean countries.

Nahian Rahman Rochi, executive member of Bangladesh Investment Development Authority (Bida), warned that relying solely on RMG, which now brings in around $48 billion, will not meet the country's long-term goals. "Export diversification is not optional but a mathematical reality for Bangladesh," he said.

Citing Vietnam and Korea's success, he stressed sector-specific strategies, skill transfer, partnerships, and better use of Bida support mechanisms. "We're here to facilitate, not just regulate," he said, promising to raise key issues in the next national budget.

Ahsan Khan Chowdhury, chairman and CEO of PRAN-RFL Group, said boosting exports must be a national priority. "There is no alternative. We must decide whether we want to remain import-dependent or become an export-driven economy," he said.

He criticised rising demurrage charges, high air shipment costs, and urged direct shipping routes to major markets like the US. "If we can send goods directly from Chattogram to New York, we could alone export $1 billion worth of products," he said.

Sk Bashir Uddin, adviser to the Ministry of Commerce, called for unified, practical reforms rather than blame-driven discussions. He pointed to weak institutions and regulatory problems as core challenges, warning that over Tk 1,00,000 crore in non-performing loans—over 30 percent of GDP—reflects poor financial governance.

He cautioned against blindly relying on Free Trade Agreements and criticised the sidelining of small entrepreneurs, calling it a form of "chronic capitalism." On LDC graduation, he said solutions must be context-specific, noting Vietnam as a reference.

SECTOR-SPECIFIC INSIGHTS

Syed S Kaiser Kabir, managing director of Renata PLC, stressed the strategic importance of pharmaceuticals for exports, talent retention, and global credibility. He criticised the current policy environment as unfriendly to pharma entrepreneurs and called for supportive policies and relaxed foreign exchange rules to aid global expansion.

Mohammad Hasan Arif, vice chairman of the Export Promotion Bureau (EPB), stressed diversifying products and destinations, noting that 44 percent of exports go to the EU and 18 percent to the US.

Nasir Khan, chairman of Jennys Group, pointed to bureaucratic red tape and bonded warehouse inefficiencies as major obstacles. "Over 30 licences and 190 documents are needed to operate—this alone drives away foreign investors," he said.

Sayema Haque Bidisha, pro-vice chancellor of the University of Dhaka, said that many SMEs in food processing and agro-based sectors lack institutional support. She also stressed the need to enforce environmental compliance in the leather sector and improve branding for jute and pharmaceuticals.

Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, said the real export value of plastics exceeds $1.8 billion, far above the $300 million officially reported.

Md Shahjahan Chowdhury, president of the Bangladesh Frozen Foods Exporters Association, said the sector could reach $3 billion within five years with proper support.

Source: thedailystar.net– Dec 11, 2025

HOME

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Bangladesh: ICDs postpone decision to suspend container handling

Private inland container depots (ICDs) have postponed their earlier decision to suspend handling of export and empty containers for a month after a fruitful meeting with the Chittagong Port Authority (CPA) chairman yesterday afternoon.

Citing that they are currently unable to cover their expenses because the proposed increase in charges has not been implemented, ICD operators had earlier verbally informed their clients of the suspension of all export and empty container handling operations from December 11.

The move sparked fears of a potential disruption to the export supply chain through Chattogram port.

CPA Chairman Rear Admiral SM Moniruzzaman held an emergency meeting with the leaders of the Bangladesh Inland Container Depots Association (BICDA) at Chattogram port at 4 p.m. to discuss the issue.

BICDA President Khalilur Rahman, Vice Presidents Imran Fahim Noor, Haji Md Hossain, Benojir Nissan, and Secretary General Md Ruhul Amin Sikder attended the meeting.

CPA Secretary Md Omar Faruk said the CPA chairman urged the BICDA leaders to postpone their move for a month and resolve the issue through discussion with all stakeholders. The BICDA leaders agreed to the request.

BICDA Secretary General Md Ruhul Amin Sikder said the ICD owners, at the meeting, placed three-point demands, including the withdrawal of a case with the High Court related to the ban on the ICD tariff increase.

They also demanded the abolishment of the one-sided tariff committee from the ICD Policy, citing the majority representation of service takers, as well as a logical adjustment of the ICD charges, said Sikder.

BICDA, in July, announced an increase in charges for handling export cargoes and empty containers by as much as 60 percent, effective from September 1, citing rising operational and investment costs, currency devaluation, and inflationary pressures.

Port users, from the beginning, opposed the decision and refused to pay the increased rate.

As several mediation attempts failed, the issue went to the High Court, which suspended the revised tariff.

The shipping ministry later clarified that no new charges could be imposed without approval from the tariff committee.

Source: thedailystar.net– Dec 11, 2025

HOME

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NATIONAL NEWS

Italy–India Business Forum 2025 strengthens bilateral trade, innovation and strategic economic partnership

The India–Italy Business Forum was held in Mumbai on 11 December 2025 during the visit of the Italian Deputy Prime Minister. This visit marked a significant milestone in advancing bilateral economic cooperation between India and Italy. Organised as part of the official visit of H.E. Mr. Antonio Tajani, Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation of Italy, the Forum brought together senior government leaders, industry associations, unicorn founders, and more than 150 Indian and Italian companies.

The Business Forum highlighted India and Italy's shared commitment to strengthening industrial collaboration across priority sectors including Automotive, Waste-to-Energy & Renewables, Sport Technologies, Agri-food, and Connectivity, in alignment with both nations' focus on technology-driven growth and sustainable industrial development.

Union Minister of Commerce and Industry Shri Piyush Goyal and Hon'ble DPM Mr. Antonio Tajani held a bilateral meeting in Mumbai. Discussions centered on expanding trade, enhancing supply chain resilience, promoting technology partnerships, and deepening collaboration in clean mobility, green energy, advanced manufacturing, and food processing.

The Forum opened with parallel Sectoral Roundtables and Pitching Sessions featuring focused dialogues on emerging technologies, innovation, and investment models. The sectors included Automotives, Waste to Energy & Renewables, Sports Technologies & Sports Textiles and Agri-food.

These sessions enabled structured industry-to-industry interactions, pitching by Italian companies, and the identification of joint ventures, co-development avenues, R&D partnerships, and value-chain integrations.

The Italy–India Business Forum Plenary Session, attended by both Ministers, where the Sector leads presented outcomes from the Automotive, Renewables, Sports Tech and Agri-food dialogues. Speakers included representatives from CDP, Invest India, SACE, ASSOCHAM, SIMEST, FICCI, CII, Confindustria and the Italian Trade Agency.

Special Remarks were delivered by H.E. Mr. Antonio Tajani, followed by Closing Remarks by Shri Piyush Goyal, reaffirming the commitment to strengthening the India–Italy Strategic Partnership with a strong business and innovation focus.

The Ministers engaged with leading Indian Unicorns to explore cooperation in digital innovation, startup ecosystems, AI, deeptech, fintech, and industrial technology solutions.

The Forum also featured a large-scale B2B matchmaking session with over 100 business interactions between Indian and Italian companies across manufacturing, renewables, food processing, sports innovation, and transportation systems.

The defining outcome of the engagement was the formal signing of the Agreed Minutes of the 22nd session of the India-Italy Joint Commission for Economic Cooperation (JCEC). This signing operationalizes the productive discussions held during the JCEC sessions and establishes a concrete roadmap for future economic collaboration between the two nations.

Today’s discussions built upon the momentum generated by the elevation of bilateral ties to a "Strategic Partnership" during the visit of Italian Prime Minister H.E. Giorgia Meloni to New Delhi in March 2023.

Hosting the meeting in Mumbai, India’s financial capital, underscored the shared commitment of both governments to enhancing direct business-to-business connections and facilitating investment flows.

The meeting between the two Ministers and the signing of the 22nd JCEC minutes reflects the concrete resolve to translate the Strategic Partnership into tangible economic outcomes that benefit the people and businesses of both nations.

Italy continues to be a pivotal economic partner for India within the European Union. Today's meeting provided a significant impetus to trade dynamics, aiming to capitalize on the strong complementary strengths of both economies.

List of MoUs signed by the Indian and Italian companies -SIMEST and ICC have signed a strategic MoU to strengthen support for Italian companies expanding into India, promote bilateral investments, and enhance economic cooperation through structured business facilitation.

-SAIL has awarded three major steel plant projects to Italy's Danieli Group, which will supply state-of-the-art green technology for a Blast Furnace, Slab Caster, and Hot Strip Mill with a combined capacity of over 4 million tonnes/year, representing a contract value of around €500 million.

-PRADA S.p.A., LIDCOM, and LIDKAR have signed an MoU to create a limited-edition sandal line inspired by traditional Kolhapuri chappals, blending Italian design with Indian craftsmanship.

-Kuvera S.p.A. and Neopolis Brands Pvt. Ltd. have entered into an agreement to expand Carpisa retail operations in India, with a long-term plan to open 100 stores by 2045.

-Cavagna Group has established a new joint venture, Cavagna Group Ace Brass Tech Pvt. Ltd., together with Mr. Gatayla, marking a €5 million Italian investment with Cavagna holding a 51% stake.

The Italy–India Business Forum 2025 concluded on a strong and forward-looking note, reinforcing bilateral ambitions to build resilient supply chains, promote sustainable growth, and expand cooperation across high-technology sectors.

The Forum has further elevated the India–Italy Strategic Partnership, setting the stage for deeper economic linkages, enhanced market access, and expanded collaboration in innovation-driven industries.

Source: pib.gov.in– Dec 11, 2025

HOME

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India’s new global positioning in textiles

When we speak of India’s textile sector, we are not merely referring to factories, machines and fashion. We are talking about the lives of millions of Indians whose daily reality is rooted in cotton fields, handlooms, powerlooms and sewing machines.

Over the last 11 years, under the leadership of Prime Minister Shri Narendra Modi, the sector has witnessed a strategic vision, strong resolve and bold policy reforms. These efforts have infused new confidence into the textile industry. Today, the impact of recent reforms is not just structural change. It is a story of new opportunities for farmers, entrepreneurs, women, weavers, technicians and the youth. It is a collective mission to position India as a global textile powerhouse.

Farmer-Centric Transformation: Record Cotton Procurement and Historic MSP Increase

The foundation of the textile sector lies in the fields, and farmers are the first link in this value chain. Ensuring that cotton farmers are protected from market fluctuations, price uncertainty and exploitative intermediaries has always been a top priority. Between 2004 and 2014, government agencies procured a total of 17.3 million cotton bales. Between 2014 and 2024, this rose to 47.3 million bales, an increase of 173%. Similarly, major reforms in MSP have given farmers long-term stability. Cotton MSP, which stood at ₹3,700 per quintal in 2013-14, has been raised to ₹7,710 per quintal for 2025-26,an increase of 108% strengthening the income and security of cotton growers.

Mission for Cotton Productivity: Quality, Productivity and New-Age Fibres

Higher production is not enough, global competitiveness demands better quality. With this mission, the government launched the ₹2,500 crore Mission for Cotton Productivity, aimed not only at increasing production but enhancing cotton quality to international standards. Initially applicable only till 30 September, the deadline was extended till 31 December, considering its positive impact. The mission focuses on improved seeds, scientific cultivation, farm management and enhanced quality-control systems. The future of the textile industry will not depend solely on traditional fibres. The government has prioritised new-age fibres such as flax, ramie, sisal and milkweed. These fibres will open new avenues for processing industries, create large-scale jobs and strengthen the value chain, milkweed in particular.

Cotton Import Duty Relief: Stability for Industry and Global Competitiveness

The removal of import duty on cotton has provided immediate relief to the industry. Textile mills can now access cotton at globally competitive prices, reducing yarn and fabric production costs. This directly enhances India’s competitiveness in international export markets. For SMEs, this move is significant as it provides cost stability, better planning and improved financial management. The domestic market benefits from increased raw cotton availability, ensuring affordable, high-quality fibre for handloom, powerloom and designer segments.

Industrial Acceleration Through PLI: A New Era for Textile Manufacturing

The Production-Linked Incentive (PLI) Scheme has energised the textile sector, creating an enabling environment for unprecedented investment. The application portal has been reopened till 31 December 2025, and 27 new applications have already been received. These investments will create new factories, advanced technologies and thousands of jobs, significantly contributing towards India’s goal of achieving $12 billion textile exports by 2030. Of the 74 approved companies, 42 are in technical textiles. Technical textile exports have grown by 12.4% over the previous year, reaching $3.2-3.4 billion. The top 10 companies have collectively invested ₹4,584 crore, exceeding their committed investment by more than ₹500 crore. India is now moving confidently towards becoming a net exporter of baby diapers and sanitary napkins.

Relief to MMF Value Chain: QCO Removed from MEG and Viscose

The decision to remove Quality Control Orders on MEG and viscose gives the MMF value chain access to raw materials at globally competitive prices. The downstream sector, especially garmenting, receives immediate relief. This segment currently employs 1.4 crore people, and the goal is to create 1 crore additional jobs by 2030.

Next Gen GST Reform: Relief from Inverted Duty Structure

Next Gen GST reforms have finally addressed the industry's long-standing inverted duty structure. GST was reduced to 5% on apparel priced up to ₹2,500, making garments more affordable for the middle class, youth and students and boosting demand.

Labour Reforms: Security and Dignity for Textile Workers

A large proportion of textile workers are women, migrants and contract labourers. Recent labour reforms guarantee equal wages, access to welfare schemes and improved working conditions.

PM MITRA Parks: Integrated Value Chains and 21 Lakh Jobs

The PM MITRA scheme is a game-changer. Land allocation across seven states is complete. The parks have already attracted ₹33,000 crore in investment and are expected to generate 21 lakh jobs.

FTAs and New Global Markets: Expanding India's Export Footprint

India identified 40 new markets where the country had minimal presence but immense potential. India is entering these regions through FTAs with 27 countries. Exports to the UK increased by $15 million after the recent agreement. The India-EFTA Agreement opens doors to a premium market worth nearly $14 billion. In one year, India's textile exports grew in 111 countries, with exports rising over 50% in 38 countries and 25-50% in 16 countries. The most remarkable story is Argentina marking a 73% increase.

India's Textile Sector is Now a Pillar of National Strength

India's textile sector has become one of the engines of national growth. The sector now stands with renewed confidence and capability to lead global competition. The goal is clear — to make India a trusted, modern and sustainable global textile hub of the future.

Source: financialexpress.com– Dec 12, 2025

HOME

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Goyal says US should sign trade deal “on the dotted lines” if satisfied

The US should sign the free trade agreement with India on the "dotted lines" if Washington is happy with what has been offered by New Delhi, Commerce and Industry Minister Piyush Goyal said on Thursday.

Goyal welcomed the Trump administration's views on India's offer, but refrained from giving a deadline for the signing of the long-awaited free trade agreement between the two nations.

The minister was reacting to a comment by US Trade Representative Jamieson Greer in Washington, who said that the US has received the "best ever" offer from India.

"His happiness is very much welcome. And, I do believe that if they are very happy, they should be signing on the dotted lines," Goyal told reporters here.

He, however, declined to specify India's offer to the US.

Five rounds completed

The minister said there have been five rounds of negotiations with the US on the trade deal, and added that US Deputy Trade Representative Rick Switzer's ongoing visit to India is not centred around negotiations.

Switzer's visit to India, his first since taking over three months back, is an effort at getting to know each other well, Goyal said, adding that he had "substantial discussions" with the visiting official.

The two-day talks between the US delegation led by Switzer in New Delhi were concluded on Thursday. They have held talks with the Indian team led by Commerce Secretary Rajesh Agrawal.

The two sides have exchanged views on matters related to India-US trade and economic ties, including on the ongoing negotiations for a mutually beneficial bilateral trade agreement (BTA).

Modi–Trump phone call

Meanwhile, Prime Minister Narendra Modi on Thursday held a telephonic conversation with US President Donald Trump that focused on enhancing economic ties at a time when the two countries are eyeing a trade deal.

The two leaders exchanged views on expanding cooperation in trade, critical technologies, energy, defence and security, officials said.

Further, when asked about Chief Economic Advisor V Anantha Nageswaran's assertion that the pact with the US would be signed in March next year, Goyal said he is not aware of the comment and refrained from putting any timeline.

"A deal is only done when both sides stand to benefit. And I don't think we should ever negotiate with deadlines or hard stops because you tend to make mistakes then," Goyal said, limiting himself to saying that negotiations with the US are progressing well.

Speaking at a Senate Appropriations Subcommittee hearing on Tuesday in Washington, Greer said there is resistance in India to certain row crops and other meat and products. Row crops in the US include corn, soybeans, wheat and cotton.

"They have been very difficult nuts to crack...but they have been quite forward leaning....the type of offers that they have been talking to us about ...have been the best we have ever received as a country, so I think that is a viable alternative market," he said.

These remarks are important as both sides are trying to conclude the first phase of the proposed bilateral trade agreement.

The talks are important as the Trump administration has imposed steep 50 per cent tariffs on Indian goods entering American markets. The outcomes will also have a positive influence on the trajectory of the rupee, which has depreciated to lifetime lows lately and also breached the psychologically important 90-to-a-dollar mark.

The Indian industry and exporters are eagerly waiting for the conclusion of the negotiations and announcement of the deal, as the high import duties are hurting their shipments to America.

Though they are exploring other markets to maintain their export profits, the US is a key destination for them as it accounts for about 18 per cent of the country's exports.

First, the US imposed a 25 per cent duty on Indian goods, stating trade deficit concerns with India, which stood at around USD 46 billion in 2024-25. An additional 25 per cent penalty was imposed later on India for buying Russian crude.

India has stated that the resolution of these tariffs would be key to firming up the first phase of the trade deal.

As part of the pact, the US is seeking duty concessions on agri products like almonds, corn and apples, and industrial goods. India has strongly opposed any concessions on the agri and dairy sectors. India has stated that it will not compromise the interests of farmers and MSMEs.

Source: thehindubusinessline.com– Dec 11, 2025

HOME

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India's textiles horse finally has both legs free to chase global gains

India’s long decline in textiles and garments was not due to bad luck or weak factories, but poor policy choices. After years of hurting its own synthetic industry, the country is finally removing the barriers that held it back. The policy reset has begun — now execution, scale and speed matter most. The turnaround can start now.

China shipped $113 billion of garments last year, Bangladesh $51 billion and Vietnam $39 billion —while India, despite its rich textile heritage, managed only $17 billion.

India’s real handicap in textiles: It missed the synthetic revolution that now drives 70 per cent of global apparel trade. Synthetics power sportswear, winterwear, athleisure, and fast fashion — the categories that dominate shelves in the United States, Europe, and East Asia.

Vietnam and Bangladesh built smooth, low-cost synthetic supply chains to serve this demand. India clung to cotton — and then made synthetics even costlier through high duties, anti-dumping actions, and sweeping quality control orders (QCOs) that restricted imports and priced micro, small, and medium enterprises out of the winterwear boom.

The impact is visible on the factory floor. Most Indian units run at full capacity only during the cotton-heavy spring–summer season and sit idle through autumn and winter, when synthetics drive global orders. Costs run year-round, revenues don’t.

By ignoring synthetics — the growth engine of modern apparel — India tied one leg of its textile horse, limiting scale, depressing wages, and losing market share in the very segment where the future lies. The good news is that this is no longer the case.

Four reforms: Recent policy changes have removed four major barriers that had made India uncompetitive in synthetic garments.

First, the government has withdrawn QCOs on over 20 synthetic inputs such as polyester and viscose fibres and yarns, restoring access to global raw materials. Input prices are already falling, giving manufacturers a real chance to compete.

Second, labour reforms have raised the worker threshold under the Industrial Disputes Act from 100 to 300, while states like Tamil Nadu, Karnataka and Gujarat now allow flexible work schedules. This makes it easier for factories to hire, expand and run year-round.

Third, India is closing its tariff gap through free-trade agreements. Indian garments faced duties of 8–12 per cent in the United Kingdom and European Union (EU), and up to 22 per cent in the US, while Vietnam and Bangladesh paid zero. With the India-UK free-trade agreement done and talks moving with the EU and US, tariff parity is closer despite recent US trade actions.

Finally, the government has fixed goods and services tax anomalies that taxed fibres and yarn at higher rates than finished garments, improving cash flow and allowing factories to operate fully.

What India must do now: With the most significant distortions gone, India must now clear the second layer of frictions holding the sector back.

First, stop encouraging low-value exports of fibre and yarn. Current rebates make it cheaper to sell these abroad than at home, leaving Indian garment makers short of affordable inputs. India should promote finished clothing, not raw materials.

Second, fix the weakest link in India's textile chain — woven fabric and processing. India exports a lot of yarn but has only 6 per cent of the global fabric market because its weaving and processing units are small, outdated and informal. India must build large, modern, integrated weaving and processing parks to turn yarn strength into fabric leadership. That is how China built its textile power.

Third, fix export procedures. Under advance authorisation, exporters must link every imported fabric to each garment produced — an almost impossible task given the hundreds of fabrics and thousands of styles involved at a large unit. India must shift to Bangladesh-style value-based import entitlements that allow firms to import inputs up to a fixed percentage of export value.

Finally, simplify Customs rules to allow duty-free import of buttons, zippers, and labels on self-declaration and risk-based verification. Current system demands large data sets of information for even low value items.

Firm-level initiatives: India's leading garment exporters must stop acting only as suppliers to foreign brands. They need to create their own designs and labels, and learn the fast-fashion model that moves clothes from idea to store in a matter of weeks. To earn more, they must include high-value synthetic fabrics, branded clothing and new blends that dominate global markets. Competing on quality — not just on low tariffs — is the way to move up the value chain. The immediate priority should be to upgrade factories. India has about 1,200 fast-fashion-compliant units in cotton, but far fewer in synthetics. Nearly 80 per cent of exporters still miss key efficiency benchmarks such as standard allowed minute.

Japan is a reminder: Despite zero tariffs for a decade under the FTA, exports barely rose because Indian firms did not align with Japan's exacting quality and workflow standards. Millions of new jobs and a much bigger global market share are now within reach—if garment makers act boldly.

Source: business-standard.com– Dec 11, 2025

HOME

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Stakeholders need to address jointly the demands of technical textile sector: CITI Chairman

Stakeholders in the technical textile sector should address collectively challenges related to raw material availability, testing, and research, said Ashwin Chandran, chairman of the Confederation of Indian Textile Industry (CITI).

Speaking at the inauguration of a conference on “Industrial Textiles - Products, Applications, and Prospects” organised by the Departments of Textile Technology and Automobile Engineering of the PSG College of Technology on Thursday, he said the Indian textile industry was going through a phase of transformation.

Textiles is used in mobility, healthcare, defence, aerospace, and environment engineering and production of these should be sustainable, value creation, and self reliant for the Indian textile sector. “We must collectively address the need for high performance fibres, testing infrastructure, research and development, innovation, and skilled workforce,” he said.

In countries such as the US and China, the industry had easy access to funds. The CITI was working with the government to create funds for the various needs of the industry, he said.

Ashok Kumar Malhotra, Mission Director of the National Technical Textiles Mission, elaborated on the various components of the mission and the funds available for the industry under for development of machinery, skilling, raw material production, market promotion, and education.

The Indian textile industry is importing the basic fabric for making technical textile products. “The challenge for the government is to see how to make everything in India. We need an ecosystem,” he said.

Source: thehindu.com– Dec 11, 2025

HOME

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Four US economic policy shifts of 2025 and their impact on global markets

In 2025, the world saw one tectonic shift in United States (US) economic policy and at least three others that were consequential. These shifts will not be easy to reverse even if there is a change in administration in the US down the road. How exactly they will impact the US and the world is unclear at the moment. What is clear is that the rest of the world will have to adjust to them.

First, the tectonic shift. The US under President Donald Trump has decisively upended the free-trade regime that has underpinned the world economy for decades. The world has to live with a US base tariff level of 10 per cent, plus an element that will vary from country to country and from time to time, depending on how the US perceives its trade relationship with that country. This will be reinforced by even higher tariffs for sectors, such as steel and aluminium, which are perceived to be of strategic importance to the US economy. The weighted average tariff under President Trump has risen from below 3 per cent to around 19 per cent.

During the year, major nations settled for deals with the US that are hopelessly one-sided. The European Union (EU), for instance, faces a tariff of 15 per cent (with higher tariffs on steel and aluminium) while US exports to the EU face zero tariff. For the privilege of doing business with the US, the EU has committed to spending an additional $750 billion on US energy products (over three years), investing $600 billion in America, and buying US military equipment worth "hundreds of billions of dollars".

Japan, too, will face a baseline tariff of 15 per cent and will invest $550 billion in the US. The United Kingdom gets away with a tariff of 10 per cent because of the "special relationship" with the US. China has secured a one-year truce with the US that allows tariffs to settle at a staggering 47 per cent for one year. In return, China has agreed to lift restrictions on export of rare earths to the US and buy more soybean from the US.

Switzerland was hit with a tariff of 39 per cent. Its President rushed to the US to negotiate a lower tariff but was rebuffed. Two months later, the US agreed to reduce tariffs to 15 per cent in return for $200 billion investment from the Swiss. India's refusal to be rushed into a trade deal looks very brave in comparison with the abject surrender of nations that are incomparably richer.

The second shift has to do with immigration policy. The US administration has clamped down on border crossings, deported thousands of illegal immigrants, paused asylum applications, and attempted to limit birthright citizenship.

Kevin Hassett, one of Mr Trump's economic advisers and now a frontrunner for the post of chairman of the Federal Reserve, has argued that the issue is the quality of immigration. He notes that the US admits only 12 per cent of its immigrants on the basis of employment and skills, whereas 63 per cent of those admitted by Canada and 68 per cent of those admitted by Australia are selected for the skills they bring to these countries.

Mr Trump himself has lately spoken of the importance of H1B visas and foreign students in US universities. But the National Security Strategy document released by the White House recently makes the basic stance clear: "The era of mass migration is over". There will be no retreat from the view that migration strains domestic resources, undermines social cohesion and threatens national security.

A third shift is the Trump administration's rejection of climate change and green energy as priorities. One of Mr Trump's first acts after taking over as President in January 2025 was to withdraw from the Paris Agreement that committed all signatories to time-bound emission reduction plans. Mr Trump often calls climate change a "hoax" or a "con job", renewable energy a "joke" and talks of "clean, beautiful coal".

The Trump administration is actively working to dismantle subsidies for renewable energy and electric vehicles, instead opening up more land and waters for oil drilling — "drill, baby, drill" is the motto. The National Security Strategy document declares emphatically, "We reject the disastrous 'climate change' and 'Net Zero' ideologies that have so greatly harmed Europe, threaten the United States, and subsidise our adversaries."

Mr Trump's actions will mean higher costs for the rest of the world in battling climate change. It will also mean fewer resources with which to battle it as the Trump administration axes billions of dollars that support climate change projects. It could result in other nations withdrawing from the Paris Agreement as they view the burdens imposed on them as unfair.

A fourth shift is the rise in the level of public debt in the US as well as in other advanced countries. Public debt in the US and other advanced countries has risen relentlessly since the global financial crisis of 2007, and had averaged 104 per cent of gross domestic product (GDP) even before the pandemic struck in 2020. Mr Trump passed his Big Beautiful Bill that retained the tax cuts of Trump-1 and boosted defence expenditure. The International Monetary Fund projects US government debt to rise from 122 per cent of GDP in 2024 to 143 per cent by 2030. The corresponding figures for advanced economy debt are 109 per cent and 119 per cent, respectively.

Commentators worry that rising public debt in advanced countries poses a threat to macroeconomic instability in the global economy. Mr Trump's economic advisors, however, believe that faster economic growth, tariff revenues and lower interest rates will cause government debt to fall to 94 per cent by 2034. That is one forecast that will be watched closely. But clearly, the dogma about the unsustainability of high levels of public debt that advanced countries preached to the developing world has gone out of the window.

As the year draws to a close, the astonishing thing is that these massive shifts in economic policy have thus far failed to seriously unsettle the US economy, or the world economy, or the financial markets. The IMF projects growth in the world economy for 2025 at 3.2 per cent, just 20 basis points below last year's. The US will grow at 2 per cent, compared to 2.8 per cent last year. US inflation is running at 2.8 per cent, which is way below what was feared following Mr Trump's Liberation Day announcements.

The US equity market touched an all-time high during the year, with a return of 13 per cent over the year. The yield on the one-year G-Sec in the US is a full 50 basis points below its level when Mr Trump assumed office. Pundits, who predicted economic apocalypse, are trying to find reasons why their forecasts went wrong.

Has the moment of reckoning been merely deferred? Or is Mr Trump on to something? We should know for sure in 2026.

Source: business-standard.com– Dec 11, 2025

HOME

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Mexico Parliament nod to tariffs on India, others prompts FTA push by exporters

New Delhi: Mexico on Thursday announced up to 50% tariff on imports from its non-preferential trade partners including India, a move that may hit New Delhi's $5.75 billion worth of annual shipments to the country. The tariffs will come into force from January 1, 2026.

Mexico's Congress has approved a bill that seeks to impose higher tariffs on imports from India, China, Brazil and several other countries with which the North American nation doesn't have free trade agreements (FTA).

Exporters said that industry has been pushing for a trade deal with Mexico for sometime to benefit from the United States-Mexico-Canada Agreement (USMCA) especially because Mexico has a manufacturing ecosystem.

"Given Mexico's importance as a key export destination for Indian engineering products, our industry members are deeply concerned that these measures could erode their competitiveness in the Mexican market,"said EEPC chairman Pankaj Chadha in a letter to the commerce and industry ministry.

The tariffs will apply to electronics, apparels, chemicals, engineering goods, automobiles and metals, among others.

Tariffs will range between 5-50% on more than 1,400 products from Asian countries including India, China and Thailand which do not have trade pacts with Mexico. The proposed tariffs come at a time when Indian exporters are struggling with a 50% tariff imposed by the US.

"To address this, the industry strongly feels the need for a FTA or at least a Preferential Trade Agreement (PTA) between India and Mexico covering the affected sector," he said.

A trade deal will also help exports to Canada and bypass the American tariffs when selling to the US.

In September 2025, Mexico announced two major trade-related initiatives, including a significant reform to the General Import and Export Tariffs Law which aims to restructure tariff frameworks by substantially increasing import duties on a wide range of products across multiple sectors and would have an impact on countries that do not have trade deals with Mexico.

Mexico has already imposed tariffs ranging from 5-50% on specified products imported from non-FTA countries in 2024.

Source: economictimes.com– Dec 12, 2025

HOME

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Why Mexico slapped 50% tariff on India, how it matters

Many are wondering why a developing economy, itself a target of US President Donald Trump's tariffs, will slap similar tariffs on another developing economy also hit by Trump tariffs?

Mexico's Senate has approved sweeping tariff increases on a broad list of imported products from countries with which Mexico does not have free trade agreements, including India, China, South Korea, Thailand, Indonesia and Vietnam. The new tariff structure, set to take effect from January 1, 2026, will raise duties to a maximum of 50% on certain goods, with most products facing increases capped around 35%.

According to the Mexican government, the rationale is rooted in industrial protection and economic policy. President Claudia Sheinbaum's administration argues that higher tariffs are necessary to shield domestic manufacturing and jobs from what it views as excessive import competition, particularly in sectors such as autos, textiles, steel, plastics, footwear and other consumer and intermediate goods. Officials also frame the tariffs as a means to correct trade distortions and reduce import dependence, allowing Mexican producers a more level playing field against Asian imports.

Economically, Mexico is also seeking to increase revenue. Analysts estimate that the new duties could generate roughly $3.7 billion in additional funds for the Mexican government in 2026, helping with fiscal shortfalls and budget constraints.

Critics of the move argue that the measure risks disrupting global supply chains, raising costs for manufacturers and retaliatory trade frictions. They contend that Mexico may face higher input costs and inflationary pressures as domestic producers adjust to new sourcing conditions.

Did the Trump factor force Mexico's hand?

Strategically, observers note a strong geopolitical dimension to Mexico's decision. Mexico's biggest trading partner is the United States, and the tariff move coincides with Washington's continued pressure on Latin American nations to limit deepening economic ties with China. Some analysts see Mexico's stance as partly designed to appease the U.S. ahead of the next review of the United States-Mexico-Canada Agreement

(USMCA), as well as to mitigate rising U.S. trade tensions and potential threats of U.S. tariffs. The U.S. has already imposed 25% tariffs on Mexico. Trump keeps threatening to impose extra tariffs on Mexico for various reasons.

The Mexican move may be aimed at appeasing Trump who wants to stop the inflow of Asian goods into the US which he believes reroute through Mexico.

China has come to acquire a large manufacturing footprint in Mexico from where goods are supplied to the US. But Trump believes China is also using Mexico for trans-shipment of goods manufactured in China.

India runs a trade surplus with Mexico

India-Mexico trade is imbalanced significantly in India's favour. Trade between India and Mexico has grown steadily in recent years, crossing historic highs in overall bilateral exchange. India's exports to Mexico have continued to be substantial, with estimates around $5.3 billion in goods, led by vehicles, machinery, electrical equipment, chemicals and metals.

India's export basket to Mexico features passenger vehicles as the top category, followed by machinery and mechanical appliances, electrical machinery, organic chemicals, aluminium products, steel, pharmaceutical products and plastics. Of goods worth $5.3 billion shipped from India to Mexico in the last fiscal year, automobiles made up close to $1 billion,

The trade balance firmly favours India, with the country exporting significantly more to Mexico than it imports, illustrating Mexico as an important destination for Indian manufacturing and intermediate goods.

How the tariffs will impact Indian exports

The tariff hikes will have uneven but meaningful effects across sectors: perhaps the most visible impact will be on Indian vehicle exporters. Mexico's decision to raise tariffs as high as 50% will affect $1 billion worth of shipments from major Indian car exporters, including Volkswagen and Hyundai, despite industry lobbying to persuade New Delhi to prevent such a move, Reuters has reported based on information from two sources and a letter from an industry group reviewed by Reuters. The import duty on cars will rise to 50% from 20%, dealing a significant blow to India's largest vehicle exporters to Mexico including Volkswagen, Hyundai, Nissan and Maruti Suzuki.

As per the Reuters report, the Society of Indian Automobile Manufacturers, an industry group that counts VW, Hyundai and Suzuki among its members, had urged India's commerce ministry in November to press Mexico to "maintain status quo" on tariffs for vehicles shipped from India, according to a copy of the letter. "The proposed tariff hike is expected to have a direct impact on Indian automobile exports to Mexico...we seek Government of India's support to kindly engage with the Mexican government," the industry body said in its letter to the commerce ministry before the tariff was finalised.

The tariff hike could force Indian automakers to reevaluate strategies reliant on Mexico, which is India's third-largest car export market after South Africa and Saudi Arabia. Car manufacturers in India have relied on exports to ensure production is maximised and there are economies of scale. Some also rely on exports to cushion slower domestic sales or improve margins, a business strategy that may need to be redrawn.

Other export categories are variably exposed. Steel, plastics, textiles and aluminium products - key outputs from Indian manufacturers - are included in the tariff list, meaning they could face higher costs for Mexican importers that either absorb the tariffs or divert orders to alternative suppliers.

Another supply chain shock

The tariff hikes may accelerate restructuring in global supply chains. Indian exporters might explore shifting vehicles destined for Mexico to other markets or seek tariff mitigation through trade policy or negotiations. There could also be upside in emerging categories, such as services (IT and software) or pharmaceuticals, sectors that are not directly subject to these goods tariffs, where Indian companies have strong competitive positions and where Mexico may seek growth.

The Mexican move introduces uncertainty for exporters, increases the likelihood of diplomatic engagement or negotiation, and may encourage Mexican importers to diversify away from heavily taxed sources.

For India, the immediate impact will likely hit particularly automobiles and intermediate goods. Long-term effects will depend on policy responses, potential bilateral talks with Mexico and the global trade environment as nations weigh protectionism against integration.

Source: economictimes.com– Dec 12, 2025

HOME

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India's retail ends 2025 strong; RAI forecasts faster 2026 growth

India's retail sector has closed 2025 on a firm footing, buoyed by improving consumer sentiment, supportive policy actions, and broad-based category growth, according to the Retailers Association of India (RAI). The association expects 2026 to be a growth-accelerating year driven by higher disposable incomes, policy continuity, and deeper market penetration. After a subdued start to this year, demand gained momentum through the year and peaked during the festive season, when overall sales rose more than 11 per cent year-on-year (YoY). Value fashion and footwear were standout performers, with GST rate cuts helping reduce prices and lift everyday consumption.

A major shift through this year was the acceleration of Bharat's consumption engine. Tier II and III cities led store expansion and displayed strong appetite for branded and quality products, narrowing the metro–non-metro divide. Omnichannel retail continued to mature, with shoppers researching online and purchasing offline, reaffirming India's 'phygital' model as the dominant path to purchase.

Policy developments also played a pivotal role. Income-tax relief and GST rationalisation supported household purchasing power, while the rollout of national labour codes marked progress toward formalised employment for India's large frontline retail workforce, RAI said in a release. Looking ahead, key priorities for 2026 include a unified One Nation, One Retail Licence and single-window clearances to ease compliance, continued consumption-boosting tax measures, and stronger phygital infrastructure through investments in logistics, digital payments, broadband, and ONDC.

RAI also highlighted the fast-evolving competitive landscape, with new entrants moving from social commerce to marketplaces and ultimately to omnichannel retail. With GST reforms acting as a stimulus and value-driven categories set for sustained demand, RAI anticipates healthier sales growth in 2026 led by the mass market, expanding physical retail networks, and a more mature omnichannel ecosystem.

Source: fibre2fashion.com– Dec 12, 2025

HOME

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Falling rupee supports north Indian cotton yarn; prices up in Ludhiana

North India's cotton yarn market is gaining momentum due to the falling rupee against the US dollar. After the Delhi market, Ludhiana also recorded a price increase of ₹3 per kg as mills showed stronger interest in yarn exports. Rising cotton prices further supported the upward trend.

Market experts indicated that the weaker rupee has created significant room for spinning mills to attract foreign buyers, making them less dependent on domestic sales. However, domestic cotton yarn demand has yet to improve. Traders said payment constraints on the buyers' side are restricting purchasing capacity. Cotton comber prices rose by ₹2 per kg as spinning mills increased rates to offset higher cotton costs.

Ludhiana saw a ₹3 per kg rise in cotton yarn prices due to stronger export demand. A trader from Ludhiana told Fibre2Fashion, "Spinning mills have little interest in selling cotton yarn in the domestic market as export demand is more lucrative. The weaker rupee against the US dollar is providing additional margins, enabling mills to compete with suppliers from other countries."

In Ludhiana, 30 count cotton combed yarn was sold at ₹250-260 (~$2.77-2.88) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹240-250 (~$2.66-2.77) per kg and ₹245-255 (~$2.71-2.82) per kg, respectively; and carded yarn of 30 count was noted at ₹230-235 (~$2.55-2.60) per kg today, according to trade sources.

The Delhi market remained steady after earlier increases this week. Traders noted that demand was average following the recent price rise, with the market still adjusting to higher yarn prices. Spinning mills continue to receive better export demand from China and other countries, as the softer rupee is providing additional cushion. Higher cotton prices are also pushing yarn prices upwards.

In Delhi, 30 count combed knitting yarn was traded at ₹255-256 (~$2.82-2.83) per kg (GST extra), 40 counts combed at ₹280-283 (~$3.10-3.13) per kg, 30 count carded at ₹228-230 (~$2.52-2.55) per kg, and 40 count carded at ₹252-256 (~$2.79-2.83) per kg today.

In Panipat, manufacturing activity has yet to pick up as slow demand in the home textiles value chain continues to limit buying capacity. Winter garment demand remains strong, but the overall trend is still subdued. Recycled yarn prices were stable amid average demand and tight payment flow. Cotton comber prices increased by ₹2 per kg as mills raised rates to reflect rising fibre costs. Traders noted that cotton comber supply remains limited. Recycled yarn is mainly used for winter garments such as jerseys and blankets. Demand for summer bedsheets has not yet begun.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹73-76 (~$0.81-0.84) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹55-58 (~$0.61-0.64) per kg, 20s recycled PC yarn (Grey) at ₹97-100 (~$1.07-1.11) per kg and 30s recycled PC yarn (Grey) at ₹127-132 (~$1.41-1.46) per kg. Meanwhile, 10s recycled cotton yarn were traded at ₹105-106 (~$1.16-1.17) per kg and 18s recycled cotton yarn ₹132-133 (~$1.46-1.47) per kg. Cotton comber prices were noted at ₹114-115 (~$1.26-1.27) per kg and recycled polyester fibre (PET bottle fibre) at ₹77-80 (~$0.85-0.89) per kg today.

Cotton prices in north India further appreciated by ₹10–20 per maund of 37.2 kg as rising cotton seed (binola) supported buying. Market sources said cotton seed prices have increased by ₹100 per quintal in the past couple of days. Higher seed prices have encouraged ginning mills to buy more seed cotton (kapas), although they continue to face tight supply of good-quality fibre. The Cotton Corporation of India (CCI) is procuring large quantities of arriving cotton.

North India recorded cotton arrivals of 25,000 bales, including 1,500 bales in Punjab, 6,500 in Haryana, 11,000 in upper Rajasthan, and 6,000 in lower Rajasthan. Cotton was priced at ₹5,130–5,250 (~$56.78–58.11) per maund of 37.2 kg in Punjab, ₹5,070–5,130 (~$56.12–56.78) in Haryana, ₹5,080–5,270 (~$57.23–58.33) in upper Rajasthan, and ₹49,400–52,400 (~$546.81–580.02) per candy of 356 kg. Seed cotton was sold at ₹6,800–7,200 (~$75.27–79.70) per quintal of 100 kg.

Source: fibre2fashion.com– Dec 11, 2025

HOME

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