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INTERNATIONAL NEWS

Weak demand drags US textiles & apparel exports down 3.6% in Jan–Sept

The United States' textile and apparel exports declined by 3.63 per cent to $16.732 billion during January–September 2025, from $17.363 billion in the same period of 2024, according to the Office of Textiles and Apparel (OTEXA), a division of the US Department of Commerce.

The decline reflects softer global demand, intensifying price competition from Asian suppliers, and reduced sourcing activity among key regional partners amid cautious retail ordering.

Shipments to major markets including Mexico, Honduras, the Dominican Republic, Canada, the United Kingdom, and China contracted, with declines of up to 17.98 per cent. Exports to Mexico fell 7.56 per cent to $4,958.523 million, signalling slower manufacturing activity in its export-oriented apparel sector, which relies heavily on US yarns and fabrics.

Weakness in Honduras and the Dominican Republic similarly mirrors subdued orders from US brands, weighing on regional supply chains linked through CAFTA-DR as brands rebalance inventories and sourcing volumes.

By contrast, exports to the Netherlands, Japan, and Belgium rose by as much as 14.65 per cent. These gains were supported by steadier demand for technical textiles and niche fabrics, as well as sourcing adjustments by European manufacturers seeking to diversify material suppliers and reduce overdependence on a limited number of Asian inputs.

During the period, the US shipped textiles worth $3,775.505 million to Canada, $949.251 million to Honduras, $364.835 million to the Netherlands, $434.460 million to China, $277.821 million to Guatemala, and $460.272 million to the Dominican Republic, underscoring North America's continued dominance as the primary export market.

However, the decline in shipments to China highlights ongoing structural shifts, as China increasingly produces more upstream textile inputs domestically.

By product category, apparel exports fell 5.49 per cent to $5,039.725 million, largely due to declining cost competitiveness versus lower-cost producers and reduced garment sourcing within US–Mexico–CAFTA production chains. Fabric exports edged down 1.53 per cent to $5,988.366 million, while yarn exports dropped 5.56 per cent to $2,898.142 million, reflecting weaker demand from regional mills facing slower order flows. Made-ups and miscellaneous items slipped 2.59 per cent to $2,806.419 million, indicating moderated demand across home textiles and selected technical segments.

In full-year 2024, the US exported textiles and apparel worth $22.617 billion, a decline of 2.98 per cent from 2023. Apparel exports were valued at $7.084 billion, fabrics at $8.049 billion, and yarn at $4.005 billion. This marked the second consecutive annual decline, reversing the post-pandemic rebound seen in 2022, when supply disruptions and restocking supported higher export demand.

In 2023, US textile and apparel exports fell 5.02 per cent to $23.617 billion, following a strong 9.77 per cent rise in 2022, when exports reached $24.866 billion, up from $22.652 billion in 2021. Over the past decade, annual exports have generally fluctuated between $22 billion and $25 billion, with notable levels of $24.418 billion in 2014, $23.622 billion in 2015, $22.124 billion in 2016, $22.671 billion in 2017, $23.467 billion in 2018, $22.905 billion in 2019, and a pandemic-driven low of $19.330 billion in 2020.

Source: fibre2fashion.com– Dec 15, 2025

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APAC outlook steady for 2026 as US tariffs rise & China slows: Fitch

Most Asia-Pacific sovereigns are expected to retain sufficient buffers in 2026 to absorb higher US tariffs and slower Chinese growth, although several face rising domestic and geopolitical pressures, according to Fitch Ratings. Non-tech exports are set to weaken as demand from the US and China softens, while some economies should continue to benefit from AI-linked trade, albeit at a moderating pace.

China's growth is projected to ease to 4.1 per cent from 4.8 per cent in 2025, weighed down by weak price dynamics, a protracted property downturn, and subdued consumption. Fiscal consolidation across the region is expected to be modest, even as around half of Asia Pacific (APAC) sovereigns should see improved balances. Fiscal risks have nonetheless increased as governments introduce measures supporting jobs and households, Fitch Ratings said in a non-rating action commentary.

The region's median government debt is forecast to rise to 50.1 per cent of gross domestic product (GDP) in 2026, up from 49.1 per cent in 2025 and 46.8 per cent in 2024, with more than a quarter of sovereigns likely to record debt increases exceeding two percentage points (pps) of GDP.

Geopolitical tensions are expected to stay elevated through 2026, while domestic pressures could resurface following widespread protests in 2025 over political corruption, cost-of-living concerns, and limited economic opportunities for the youth.

Most APAC sovereign ratings carry Stable Outlooks heading into 2026. Thailand remains the only sovereign on a Negative Outlook, reflecting mounting fiscal risks stemming from prolonged political uncertainty and persistent growth challenges. The regional landscape follows a 2025 downgrade of China and upgrades for Pakistan and Uzbekistan.

Source: fibre2fashion.com– Dec 15, 2025

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What could be the reasons behind Mexico's tariff move?

Mexico's decision to roll out steep new tariffs from January 1, 2026, has landed like a thunderclap across global trade corridors, and countries without a Free Trade Agreement with it—facing tariffs ranging from 5 per cent to 50 per cent on over 1,460 products—are bracing for the impact.

At the centre of that storm also sits India, for which the implications are immediate and uncomfortable. Mexico has become a crucial export destination, particularly for passenger vehicles, with India ranking just behind South Africa and Saudi Arabia.

With the new tariff regime kicking in (50 per cent from the previous 20 per cent), automobile shipments that have carved out a strong presence in the Mexican market suddenly find themselves under pressure, the competitive edge blunted by higher landed costs.

The textile and apparel sector also faces a blow. Exports of textiles, garments, and footwear, reportedly valued between $500 million and $600 million, are now looking at duty slabs of 30 per cent to 35 per cent.

Now, if the latest reports are something to go by, Mexico's tariff push could also be seen as a defensive manoeuvre against an overwhelming tide of Chinese goods while also aligning with Washington.

China's trade surplus with Mexico has reportedly surged past $100 billion, which has left many Mexican industries gasping as cheap Chinese imports have been eroding their competitiveness.

Many Chinese firms are also said to have set up manufacturing bases within Mexico, routing goods into the United States—an arrangement that has stirred both economic and political anxieties in Mexico, especially as Trump reportedly believes China is also using Mexico for trans-shipment of goods manufactured in China.

With the US–Mexico–Canada Agreement due for its 2026 review, the pressure on Mexico to demonstrate that it is not a quiet corridor for Chinese goods has apparently escalated.

In that context, Mexico's tariff regime reads not just as an economic intervention alone, but as a calculated diplomatic signal—one crafted to show alignment with the United States and pre-emptively diffuse tension.

Domestic motivations add another layer to the policy shift. As per reports, Mexico's government is under growing pressure to protect local industries and safeguard employment, and tariffs offer a politically palatable way to claim support for domestic manufacturing at a time when the rising competition is reshaping industrial landscapes across the globe.

Then there's also the fiscal aspect: by the government's own estimates, the new tariff grid could reportedly fetch around 70 billion pesos, roughly $3.75 billion annually, an incentive substantial enough for any administration to overlook.

Nevertheless, as 2026 inches closer, India and others in the firing line must now adapt and navigate quickly and effectively.

Source: fibre2fashion.com– Dec 13, 2025

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UK production output down 0.5% QoQ during Aug-Oct 2025, ONS estimates

UK production output was estimated to have decreased by 0.5 per cent quarter on quarter (QoQ) during the quarter to October 2025, according to the Office of National Statistics (ONS). This is the sixth consecutive fall in the QoQ growth.

The largest negative contributor to the QoQ fall in October came from manufacturing, which was down by 0.7 per cent QoQ. Six of the 13 sub-sectors in manufacturing decreased during the quarter.

Monthly production output was estimated to have increased by 1.1 per cent in October this year; this follows a fall in September 2025 (down by 2 per cent) and a rise in August 2025 (up by 0.3 per cent), an ONS release said.

Manufacturing output increased by 0.5 per cent month on month (MoM) in October. Six of the 13 manufacturing sub-sectors saw a monthly increase in the month.

Source: fibre2fashion.com– Dec 14, 2025

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EU Agrees to Gut Sustainability Rules, Undermining Climate Ambitions

The European Union has arrived at a preliminary deal to reverse sustainability requirements that were once hailed as a groundbreaking effort to hold big businesses accountable for their social and environmental impacts but have now taken a U-turn that critics say indicates a "surrender" of the bloc's climate ambitions.

In-scope firms, for one, will no longer need to prepare a transition plan that aligns their business models with the Paris Agreement, reducing their administrative burdens and delivering "historic" cost reductions for businesses, rapporteur Jörgen Warborn, a Swedish Member of Parliament, said in a statement on Tuesday.

But Julia Otten, senior policy officer at public interest law firm Frank Bold, disagreed. By deleting the climate transition plan implementation, she wrote in a statement, the EU is "weakening" the key legislative frameworks that businesses need to prepare for climate risks and other global challenges that can severely disrupt their operations and value chains.

"This is counter-productive for businesses, weakens accountability and jeopardizes the EU's own plans and objectives on climate and the industrial transition," Otten said. "The final omnibus agreement reflects short-sighted political decision-making, forced through with the far right, at a time when the EU needs to stand firm and speed up the transition for its own strategic interests."

Other cuts to the corporate sustainability due diligence directive and the corporate sustainability reporting directive—ostensibly in the name of red-tape reduction but in what appears to be capitulation to pushback from fossil fuel interests, business associations and the Trump administration—have been equally drastic.

In requiring only the largest EU businesses with more than 5,000 employees and a net annual turnover of over 1.5 billion euros ($1.8 billion) to carry out due diligence to minimize potential harms in their supply chains, the original scope of the CSDDD has been slashed by 70 percent, leaving just over 1,000 businesses still needing to comply.

The CSRD, now abridged by 90 percent, will cover only companies with more than 1,000 employees and a net annual turnover of more than 450 million euros ($528 million), freezing out all but 4,800 businesses.

The tentative agreement also absolves businesses from systematic scrutiny, allowing them to take a looser risk-based approach while at the same time barring them from soliciting “unnecessary information” from companies not beholden to the same rules.

Doing so, its detractors say, not only allows companies to skirt responsibility for serious abuses occurring beyond their immediate business relationships, but it also severely undercuts the EU’s credibility as a trustworthy global actor on climate action, human rights and responsible business conduct.

“That the European Council, led by the Danish EU presidency, and members of the European Parliament agreed to undermine world-leading climate commitments is a colossal EU own goal,” Lotte Leicht, advocacy director at Climate Rights International, a climate and human rights monitoring and advocacy group, said in a statement. “The companies removed from reporting and due diligence obligations operate in sectors with well-documented risks, from deforestation to forced labor to toxic pollution.”

That actions are being taken to weaken oversight and curtail accountability when climate breakdown is happening at full throttle is particularly disheartening, she said. It was only this week that the world’s largest single market set a legally binding climate target of a 90 percent reduction in net greenhouse gas emissions by 2040. The revised legislation seems to make this challenge harder to square.

“These changes mark a profound shift in the EU’s direction,” Leicht said. “Europe must decide whether it wants to be a continent reshaped in Trump’s image, where corporate lobbyists successfully scrap rules, impunity for abuses continues and the climate crisis is ignored, or a place where facts, science, rights, the rule of law and the planet are defended and protected.”

But others have praised the deal for cutting complexity. They include Oliver Moullin, managing director for sustainable finance at the Association for Financial Markets in Europe, who welcomed “clear, workable rules” that will “support the mobilization of finance for the transition while minimizing unnecessary regulatory burdens and supporting competitiveness.”

In fact, the easing of requirements could go further, he said, adding that policymakers must “continue with efforts to streamline regulation and support competitiveness—including through the simplification of the European sustainability reporting standards, the review of EU taxonomy reporting and, as acknowledged in the omnibus agreement, reviewing banking legislation and supervisory requirements—to ensure it remains effective, proportionate and internationally competitive.”

Even so, as regulatory requirements become less comprehensive, so too will the risk of fragmentation increase. More rules are set to be whittled further, such as the waste framework directive, which could see the repeal of the only database that contains information on chemicals of concern used in Europe. The European Commission is also eyeing a version of the Circular Economy Act, poised for 2026, that will deliver “simpler” harmonized rules and lower costs for cross-border transactions. These could lead to gaps in implementation and enforcement, erode legal certainty and thwart investor confidence.

“While the omnibus agreement weakens key aspects of the CSRD and CSDDD, expectations across global value chains are not diminishing,” Gabriele Ballero, manager of public affairs at Cascale, the multi-stakeholder organization formerly known as the Sustainable Apparel Coalition, wrote in an email. “Even with fewer entities covered, multinational buyers, investors and consumers will continue to expect credible due diligence, transparent reporting and measurable progress.”

It’s Cascale’s job, he said, to continue to provide the tools, frameworks and shared expertise to help companies “navigate this shifting landscape, avoid duplicated effort and demonstrate leadership based on evidence rather than minimum thresholds.” Responsibilities to promote climate action and decent work across the value chain “do not disappear when legislation is weakened,” Ballero added.

The EU’s ombudswoman has called out the European Commission for what she described as a number of “procedural shortcomings,” amounting to “maladministration,” in the way it has rushed through the omnibus process. The CSDDD entered into force in July 2024 with significant compromises to its original vision. It would only be five months later that the European Commission would float the idea of simplification, and another two before the first amendments were tabled.

"With a self-declared urgency, the Commission essentially avoided input and potential pushback on its deregulatory plans," Lara Wolters, the Dutch politician who was the European Parliament's lead negotiator on the CSDDD, wrote on LinkedIn. "The stakeholder consultation was not 'public,' the internal consultation was barely existent and the Commission can't demonstrate for certain they did the climate assessment they are legally obliged to conduct."

Wolters said that in a "world of populists making it up as they go along," the EU should "pride itself on weighing up evidence and expertise." Instead, this European Commission is "pandering to 'feelings' instead as well as to lobbying that frankly, is starting to resemble pillaging," she added.

But even the new rules, once rubberstamped, will take a while to go into effect. The revised CSRD will apply from January 2027. The updated CSDDD must be transposed by member states by mid-2028 for entry into force in mid-2029. For those who have decried the omnibus package as deregulation by another name, the regulations come too little, too late.

Faustine Bas-Defossez, director for nature, health and environment at the European Environmental Bureau, a network of 180 environmental citizens' organizations based in more than 40 countries, describes the omnibus maneuverings as no less than a "coordinated attack" on the laws that protect Europe's health, climate and nature. She cited a recent European Environment Agency report that found that the EU is "likely off track" or "off track" for most of its 2030 environmental goals.

"The Commission is breaking its own rules to tear up the laws that keep us safe. This is not simplification, it is self-sabotage," she said in a statement. "It puts our health and environment at risk, weakens Europe's competitiveness and creates chaos for businesses who rely on legal certainty. Who exactly are they doing this for?"

Source: sourcingjournal.com– Dec 12, 2025

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Indonesia's thrift surge fuels waste and textile industry woes

Indonesia's second-hand clothing boom, despite a long-standing ban on importing used clothes (since 2015) aimed at protecting the domestic textile industry, preventing health and environmental risks, and promoting local production, is fast becoming one of the country's most troubling economic and environmental dilemmas.

What began as an underground trade catering to budget-conscious shoppers has evolved into a full-blown national concern—one that is hollowing out the industry, overwhelming landfills, and upending the domestic market.

According to reports, between January and July of this year, used clothing imports reportedly reached $1.31 million, crossing 1.09 million kilograms.

These shipments, which are allegedly smuggled mostly through porous maritime routes, have become the lifeblood of a thriving thrift ecosystem that caters to millions of Indonesians.

But the apparent bargain hides a far steeper cost.

For the country's textile sector, this influx has been nothing short of devastating. Industry leaders have repeatedly warned that the torrent of ultra-cheap second-hand garments—many of unknown origin and questionable sanitation—has collided with other headwinds, including rising US tariffs and weaker global demand, to form a perfect storm.

"The impact of these illegal imports is far-reaching," reportedly claimed the chairman of the Indonesian Textile Association, speaking to the media.

These used clothes sold at exceptionally low prices, besides hurting the small and medium-sized enterprises badly, also impact the domestic market dynamics.

Meanwhile, economists reportedly claimed the damage is now measurable at the market level, even as some estimates suggest that imported used clothing has carved away around 15 per cent of the domestic textile industry's market share.

The crisis is not only economic, but it is environmental as well.

According to an estimate, in 2023, thrift sellers bought roughly 14 million rupiah's worth of second-hand clothing bundles—sometimes containing up to 300 pieces each. They could recover their investment by selling only about 20 per cent of the items, while the rest—often torn, stained, or otherwise unsellable— reportedly ended up being thrown away.

These mountains of unwanted textiles ultimately make their way to landfills already straining under the weight of Indonesia's solid waste woes, and as things worsened, the Indonesian government has stepped up efforts to crack down on the illegal import of second-hand clothing, even as authorities have started working with major e-commerce companies to prevent the sale of imported second-hand clothes online.

As per reports, the Ministry of Micro, Small and Medium Enterprises also held a meeting with representatives of the Indonesian E-commerce Association to strengthen coordination, even as Finance Minister Purbaya Yudhi Sadewa said in late October that the government would impose fines, penalties, and blacklist those involved in smuggling second-hand clothes.

He added that authorities would tighten supervision at ports and encourage used-clothes traders to shift toward locally made textile products to help revive the country's textile industry.

"The goal is to revive Indonesia's textile industry and create jobs for local producers," he reportedly underlined.

As Indonesia struggles with the surge of second-hand clothing, one reality stands out: what seems like a bargain at the counter is, in fact, a costly gamble—borne by the nation's textile industry, economy, and environment alike.

Source: fibre2fashion.com– Dec 14, 2025

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ADB lifts Vietnam 2025 growth forecast to 7.4%

Vietnam's GDP growth for 2025 is forecast at 7.4 per cent, up from 6.7 per cent in September 2025, citing stronger-than-expected export growth and sustained foreign direct investment in Q3 2025. Growth in 2026 is now projected at 6.4 per cent, up from 6 per cent, according to the Asian Development Outlook (ADO) December 2025 report.

The export-led manufacturing sector continues to benefit from resilient external demand, while robust performance in domestic services is supporting overall economic momentum. Improved public investment disbursement and reforms focused on national priority transport projects are also expected to boost activity in the coming months, the Asian Development Bank (ADB) said in the report.

However, the bank cautioned that risks remain, including natural hazards, currency depreciation, moderate domestic consumption, and external uncertainties, underscoring the need for continued policy vigilance.

Inflation forecasts were unchanged at 3.9 per cent for 2025 and 3.8 per cent for 2026, remaining within the government's target range. However, headline inflation year on year in October rose to 3.3 per cent from 2.9 per cent a year earlier.

ADB also raised Southeast Asia's growth outlook to 4.5 per cent for 2025 and 4.4 per cent for 2026, reflecting strong Q3 performance across several major economies, including Vietnam.

Source: fibre2fashion.com– Dec 15, 2025

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Bangladesh's RMG exports to non-traditional markets fall 3.19% in Jul-Nov

Garment exports to non-traditional markets declined by 3.19 percent year-on-year to $2.67 billion in the July–November period of the current fiscal year.

Due to higher reciprocal tariffs in the USA, other major players are exporting higher volumes of garment items to non-traditional markets, which is why exports from Bangladesh declined, local exporters said.

Bangladesh considers all markets as non-traditional or emerging markets except the EU, the USA, Canada and the UK, according to data from the Export Promotion Bureau, compiled by the Bangladesh Garment Manufacturers and Exporters Association.

During the same period, Bangladesh's RMG exports to the USA rose 3.06 percent year-on-year to $3.22 billion, representing 19.98 percent of total apparel shipments. Exports to Canada and the United Kingdom also showed positive momentum, posting year-on-year growth of 6.51 percent and 3 percent, respectively.

Around $554.47 million worth of garments were shipped to Canada, while $1.85 billion went to the United Kingdom. The EU remained Bangladesh's largest export destination for RMG, accounting for 48.57 percent of total exports in this category.

Export earnings from the EU stood at $7.83 billion, down 1.03 percent year-on-year. According to EPB data, overall apparel exports in the July–November period reached $16.13 billion, reflecting a 0.09 percent increase compared to the previous year.

In terms of product category performance within the RMG basket, knitwear recorded a 1 percent decrease, indicating modest but stable performance. Woven garments performed comparatively better, posting a 1.44 percent increase during the period.

Source: thedailystar.net– Dec 14, 2025

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NATIONAL NEWS

India a significant trade partner for Ethiopia and Jordan, shows data

Prime Minister Narendra Modi will be travelling to Ethiopia and Jordan, beginning Monday to boost bilateral ties with these countries. Let's take a look at the size of the trade with both the countries:

The size of India-Ethiopia bilateral trade was only $550 million in FY25, but India was the second largest trading partner for the African nation.

India's key exports to the country include primary and semi-finished iron and steel products, drugs and pharmaceuticals, machinery, chemical, paper products, plastic products. About 40 per cent of all exports to the country comprises pharmaceuticals.

Key imports include pulses, flax yarn, precious and semi-precious stones, vegetables, seeds, leather and spices. Trade balance is in favour of India.

The size of the trade between India and Jordan stood at $2.67 billion in FY25. India's key exports to the country include engineering goods, leather, textiles, food items, among others.

Imports include organic and inorganic chemicals, fertilisers, calcium phosphate. Trade balance is in favour of Jordan.

Source: business-standard.com– Dec 14, 2025

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India-Russia trade ties: Official says 300 products hold huge potential for Indian exporters

As many as 300 products, including that of engineering goods, pharma, agri, and chemicals, hold huge potential for Indian exporters to push their shipments to Russia as the two countries target $100 billion trade by 2030, an official said.

At present, India's exports of these goods to Russia stand at $1.7 billion, as against Russia's $37.4 billion in imports.

"This stark disparity demonstrates the substantial complementary export space India can target," the official said, adding increasing exports will also help India bridge its trade deficit with Russia, which stood at $59 billion.

These high-potential products have been selected by the commerce ministry by analysing complementary basket of products -- mapping India's supply visa-a-vis Russia's demand across key sectors, the official added.

The most promising areas that mirror India's rising global strengths are engineering goods, pharmaceuticals, chemicals and agriculture, all of which correspond to substantial unmet demand in the Russian market.

India's share in Russia's import basket remains modest around 2.3 per cent.

New Delhi's imports from Moscow surged from $5.94 billion in 2020 to $64.24 billion in 2024 which is a more than tenfold jump driven almost entirely by mineral fuels or crude oil increasing from $2 billion in 2020 to $57 billion in 2024.

Oil accounts for nearly 21 per cent of total India's imports of oil, cementing Russia's role as a key trading partner. Beyond hydrocarbons, fertilisers and vegetable oils are other imported products.

On the exports front, agriculture and allied products reveal particularly strong promise.

India currently exports $452 million of products (opportunity products) to Russia against their global import demand of $3.9 billion.

Meanwhile, engineering goods present one of the widest gaps with India exporting $90 million, while Russia imports $2.7 billion in this segment, with growing room as Russia diversifies away from China.

Chemicals and plastics show a similar pattern, with India contributing $135 million to a demand of $2.06 billion.

Further pharmaceuticals remain a strategic corridor, too, as India supplies $546 million, but Russia's pharma import bill touches $9.7 billion, making generics and APIs (active pharma ingredients) significant growth levers.

Beyond these high-value sectors, India's labour-intensive industries -- textiles, apparel, leather goods, handicrafts, processed foods and light engineering -- hold substantial promise given Russia's large consumer base and India's cost competitiveness, the official said.

Electronics and textiles currently have a market share below 1 per cent, yet demand is sizeable, offering space for scale if supported by stronger distribution networks.

Source: thehindubusinessline.com– Dec 14, 2025

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'India-Sweden economic corridor positioned for robust expansion'

Business Sweden -- the Swedish Trade and Invest Council -- expects its investments in India to grow sharply over the next five years, potentially doubling from current levels.

"India-Sweden economic corridor is set for a robust expansion," Heinonen said.

This optimistic outlook builds on the fact that Swedish companies invested a total of $2.5 billion in India over the last six years, highlighting the expanding economic corridor between the two nations.

Swedish companies continue to expand in India as well led by Volvo, Ericsson, and IKEA with sustainability emerging as a major area of collaboration. Heinonen said Sweden's value system, particularly around clean energy and responsible production, aligns closely with India's long-term priorities.

"The foundations are in place. The complementarities are strong. The only direction we see is upward," Heinonen said. While referring to the soaring Indian investments in the European nation, Heinonen said that the last two to three years have marked a shift in how Indian firms view Sweden not just as a European entry point but as an innovation hub.

"We only see the beginning of the promise of Indian investments in Sweden," Heinonen said, adding that the investment flow is now entering a "sweet spot" where capabilities and ambitions on both sides align.

Around 70 Indian companies are currently present in Sweden, employing more than 7,000 people, with new entrants such as KPIT and UST Global adding momentum.

Historically dominated by IT services giants like TCS, Infosys, and L&T, the profile of Indian investors is now expanding into automotive, life sciences, AI, and advanced manufacturing.

Recent successes include Tata Autocomp, which this week launched a new Swedish venture, Artifex, after acquiring distressed assets from a bankrupt US owned firm. Tata Autocomp already runs TitanX in southern

Sweden, a model Heinonen described as a “responsible, innovation-oriented” investment that has preserved jobs and expanded capabilities.

Although Heinonen avoided putting a specific number on future inflows, he said current trends point to strong, sustained growth and that doubling Indian investment in Sweden over the next five years is well within reach, provided geopolitical conditions remain stable.

“Each Indian investment becomes an ambassador for Sweden,” he said. “There is a domino effect. As companies succeed, they demonstrate why Sweden makes sense as an innovation partner.”

Heinonen said Sweden’s open business environment, strong R&D ecosystem and leadership in sustainability make it an attractive investment destination particularly for companies seeking technological competitiveness.

Sweden offers a compelling proposition for global investors, anchored by its advanced manufacturing strengths across automotive, heavy engineering and industrial technologies, and supported by a deep innovation ecosystem built around leading universities, research institutes and a long tradition of industrial reinvention.

The country’s 99.9 per cent fossil-free energy mix enables companies to operate fully green facilities, while its mature digital and AI landscape is home to global tech players such as Spotify and Klarna and a new generation of AI innovators like Lovable further enhances its appeal as a destination for future-ready investment.

“Any company looking for future-ready R&D and sustainable production should look at Sweden,” Heinonen said, adding, “If an Indian company looks at Europe and ignores the Nordics, they are missing something.”

With industries worldwide struggling to scale AI adoption, Sweden sees strong complementarities with India. Several Indian firms including KPIT and UST are helping Swedish manufacturers integrate AI into production, automation, and enterprise functions.

“We will not have enough skilled support for AI uptake across Swedish industries,” Heinonen said, adding “This is a major area where Indian partnerships can accelerate innovation.”

To facilitate rising interest, Business Sweden has expanded its India footprint. After long-standing offices in Delhi and Bengaluru, it opened a Mumbai office in March 2024.

Heinonen said this expansion is meant to strengthen Sweden's pitch to Indian investors and provide closer, on-ground support.

"Mumbai is central to our engagement with Indian investors-funds, corporates, and innovation-led companies. We see a big opportunity to grow our operations here," he said.

Source: business-standard.com– Dec 12, 2025

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India, Georgia review bilateral relations at 8th Foreign Office Consultations

India and Georgia held the 8th round of Foreign Office Consultations (FOC) in Tbilisi on Saturday to review and strengthen their bilateral relations and exchange views on regional and global developments.

According to a statement issued by the Ministry of External Affairs, the two sides discussed the full spectrum of bilateral engagement, including political cooperation, trade and economic ties, cultural exchanges, and people-to-people contacts.

The Indian delegation was led by Secretary (West) Sibi George, while the Georgian side was headed by Deputy Foreign Minister Alexander Khvitisiashvili.

"The 8th India-Georgia Foreign Office Consultations (FOC) was held in Tbilisi on 13 December 2025. The Indian delegation was led by Shri Sibi George, Secretary (West), Ministry of External Affairs and the Georgian delegation was led by Deputy Foreign Minister of the Republic of Georgia, H.E. Mr Alexander Khvitisiashvili.

Both sides reviewed the entire gamut of bilateral relations, including political engagement, trade and economic cooperation, cultural exchanges and people-to-people ties as well as ways to further expanding cooperation in new areas. Views were also exchanged on regional and global issues of mutual interest," MEA said in its statement.

Both countries also agreed to maintain regular official exchanges to consolidate cooperation and explore new areas of partnership, further deepening the strategic relationship between India and Georgia.

The MEA also shared details of the meeting in a post on X, stating, "Secretary (West) Sibi George co-chaired the 8th round of India-Georgia Foreign Office Consultations with Deputy Foreign Minister Alexander Khvtisiashvili. They reviewed the entire range of bilateral issues and discussed ways to further strengthen ties between India & Georgia, along with exchanging views on regional and global issues of mutual interest."

According to the MEA, India recognised Georgia's independence in December 1991 and established a resident mission in Tbilisi in July 2024. Prior to this, the Indian Embassy in Yerevan, Armenia, was concurrently accredited to Georgia. Georgia opened its Embassy in New Delhi in 2009. The historical and cultural connections between the two countries date back centuries. Indian folklore, particularly the Panchatantra, has influenced Georgian folk legends, and Georgians served in the Mughal courts in India. The 19th-century Georgian painter Niko Pirosmdepicted India in his artwork "Hunting in India".

Additionally, the relics of Queen St Ketevan, discovered in Goa's St Augustine Church, were partly returned to Georgia in 2021, a gesture facilitated by External Affairs Minister S Jaishankar, further highlighting the longstanding historical and cultural links between the two nations.

Source: economictimes.com– Dec 14, 2025

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Mexico tariff: Exporters push for FTA, supply-chain rejig

After Mexico decided to impose steep tariffs — ranging from about 5% to as high as 50% — on a wide range of goods from countries without free-trade agreements (including India, China, South Korea, Thailand and Indonesia), affected Indian sectors have approached the government seeking relief measures.

Industry bodies representing automobile and engineering goods exporters have written to the Ministry of Commerce, seeking support to navigate the challenges that could arise if the Mexican tariff hike takes effect on January 1, 2026.

While some exporters are urging the government to begin talks for a Free Trade Agreement (FTA) with Mexico, others are looking to rework supply-chain routes to mitigate the impact. Uncertainty remains high for sectors such as textiles and automobiles, as Mexico has not yet clarified product-wise tariff slabs.

According to the Global Trade Research Initiative (GTRI), nearly 75% of India's $5.75 billion exports to Mexico will be hit, with tariffs rising from the current 0–15% range to around 35%. Labour-intensive sectors including garments, textiles and ceramics face duty hikes of 25–35%, posing serious risks to MSME exporters.

The Engineering Export Promotion Council (EEPC) of India has urged the government to initiate FTA negotiations, highlighting Mexico's strategic importance as a market for Indian engineering goods. In its communication to the government, EEPC underlined the urgent "need for a Free Trade Agreement (FTA) or at least a Preferential Trade Agreement (PTA) between India and Mexico covering the affected sectors."

Engineering exports to Mexico have already slowed following US tariff actions in August. EEPC data shows that India's total engineering exports to Mexico fell 12% during April–October 2025, with steep declines across categories: steel (-7%), iron and steel products (-26%), aluminium and products (-56%), auto components (-20%) and two- and three-wheelers (-32%).

The automobile sector is expected to be the worst hit. Mexico is India's third-largest car export market after South Africa and Saudi Arabia. India shipped around 1.94 lakh passenger vehicles to Mexico last fiscal year, valued at nearly $2 billion. For OEMs such as Skoda Auto, Hyundai, Maruti Suzuki and Bajaj Auto, Mexico is a critical destination for India-made vehicles. Auto component makers have also raised concerns about reduced access to the US market, as several components were routed to the US via Mexico.

Auto industry lobby SIAM, in a letter to the government last month, warned that the tariff hike would directly impact India's automobile exports to Mexico and sought New Delhi's intervention with the Mexican government.

"Mexico's tariff move is more than a cost issue. It signals a shift in how Indian auto and textile exporters need to position themselves in that region. The smart play now is to rethink routing strategy, reassess market entry plans, and build pricing models that can absorb policy swings without hurting demand," said Jitendra Srivastava, CEO of Triton Logistics & Maritime.

Textile exporters, already under pressure due to uncertainty over potential US tariffs, fear Mexico's move will further erode their price competitiveness — especially in value-focused apparel lines where margins are thin. "For certain product lines, duty increases in the mid-30% range may alter landed-cost economics," said Abhishek Dua, Co-founder, ShowroomB2B.

Source: newindianexpress.com– Dec 13, 2025

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Dhar PM MITRA Park attracts over 20,000 crore investment proposals

The PM Mega Integrated Textile Region and Apparel (PM MITRA) Park in Dhar, Madhya Pradesh, is rapidly transitioning from concept to a global production powerhouse, confirmed by investment proposals exceeding Rs 20,000 crore from over a hundred leading textile firms. The park's unique advantage is its strong backward linkage to agriculture, as Madhya Pradesh is the largest contributor to India's organic cotton production, accounting for 43 per cent of the national output. This organic supply provides a critical, sustainable raw material edge, which is currently in high global demand.

Inditex partnership: A green value chain

Owner of brands like Zara, the Inditex Group has actively engaged with the state, exploring a partnership to anchor a sustainable, ESG-certified value chain within the Dhar park. This potential collaboration aligns perfectly with Inditex's commitment to source 100 per cent of its raw materials from sustainable sources by 2030 and its existing efforts on regenerative agriculture in the region.

The state is accelerating this interest through policy incentives, including a massive 90 per cent subsidy on land and 40 per cent capital assistance for machinery, designed to attract global supply chain leaders. The overall project is expected to generate 3 lakh employment opportunities, transforming Madhya Pradesh's annual textile exports, currently over Rs 7,000 crore, toward a new high.

Inditex (Industria de Diseño Textil S.A.) is one of the world's largest fashion retail groups, operating eight major brands globally, including Zara, Massimo Dutti, and Bershka. It is renowned for its fast-fashion business model, which relies on a highly integrated and responsive supply chain. Inditex is a leader in setting ambitious sustainability targets, aiming for net zero emissions by 2040 and focusing on circularity, water management, and the use of preferred fibers, including organic and regenerative cotton.

Source: fashionatingworld.com– Dec 13, 2025

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National Technical Textiles Mission sets up demo farms for agro textiles

A farm to demonstrate the use of agro textiles, especially nets, has been set up at Navsari, Gujarat, at ₹4 crore, and another is coming up at Pusa, Bihar, under the National Technical Textiles Mission, said Mission Director Ashok Kumar Malhotra.

Mr. Malhotra, who was in Coimbatore on Thursday (December 11, 2025), told The Hindu that among the 12 major segments of technical textiles, agro, geo, and industrial textile production have picked up in India. In agro textiles, the use of value-added nets, which are made in India, is becoming popular. If an agricultural university in south India comes forward, a demonstration farm can be set up in the south too, he said.

The Mission has signed MoUs with 45 educational institutes to teach technical textiles to students in undergraduate and postgraduate programmes, including courses on geo textiles for civil engineering students. So far, 130 of the 240 students are placed in technical textile industries. The textile research associations and skill development councils also offer short-term training in technical textiles and have, so far, trained 1,400 candidates.

For research and development and innovation, the Mission gives ₹50-lakh grant to startups that are linked to incubation centres. So far, 24 startups are in different stages of product development. Funds are also available for the development of machinery for technical textiles. The Mission gives 50% of the project cost and so far, three machines are developed indigenously, he said.

Of the ₹1,480 crore allocated for the Mission that was launched in 2019-2020, ₹720 crore is used, he added. Of the total funds, ₹1,000 crore is earmarked for research and development, and ₹520 crore has been used. Of the ₹400 crore earmarked for education, ₹210 crore has been spent, he added.

Source: thehindu.com– Dec 13, 2025

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FTAs for a start: On India and trade pacts

According to the World Trade Organization, India has entered into 20 regional or free trade agreements (FTA). This count excludes the most recent pacts signed with the United Kingdom in July and with the European Free Trade Association (EFTA), which came into effect in October. Also under way are negotiations, most notably with the United States, the European Union, Canada and the Southern African Customs Union.

With India now facing American tariffs of up to 50% on key exports, there are intensive efforts to fast-track these agreements. Some reports have even suggested discussions around a re-engagement with the Regional Comprehensive Economic Partnership, which India walked away from in 2019 over concerns related to farm sectors and rules of origin.

However, New Delhi has not accepted accession; at most, it has explored consultative channels. Yet, trade diversification demands far more — a deep, deliberate transformation of the country's productive sectors and integration into global value chains.

Commerce Ministry data show that some earlier FTAs — with ASEAN, Japan and South Korea — have tilted the trade balance sharply against India. The trade deficit with ASEAN widened from about $10 billion in 2017 to nearly $44 billion by 2023. A similar pattern holds for Japan — despite India's exports rising, imports of high-value, capital-intensive goods have grown even faster.

The reasons are structural and policy-driven. While FTAs opened the door, mutual recognition arrangements on quality standards, certifications, rules of origin and other non-tariff barriers were not adequately negotiated. Many FTAs were not custom-designed to reflect India's sectoral strengths, nor were consultations with industry bodies sufficiently robust.

The government did too little to popularise these agreements domestically, even as partner economies made full use of the preferential margins. A review of the ASEAN, Japan and Korea FTAs has brought some course correction. This is reflected in the more balanced outcomes under the India-UAE Comprehensive Economic Partnership Agreement — non-oil trade touched about $100 billion in FY25 (DGFT data).

As India accelerates negotiations with the EU and the U.S., it must internalise these lessons. In the case of the U.S., consultations with services, seafood, engineering goods and textiles exporters must shape India's negotiating stance.

With the EU, the focus must be on carbon-intensive sectors such as iron and steel and cement, especially given the Carbon Border Adjustment Mechanism. A trade agreement is only the beginning. The arduous task of supporting India's exporters — through standards, infrastructure, technology and market intelligence — must follow if these pacts are to deliver lasting gains.

Source: thehindu.com– Dec 13, 2025

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India-EU FTA nears completion: CTA Apparels calls it game-changer for apparel industry

Indian garment manufacturer CTA Apparels has applauded the Government of India's encouraging progress on the India-EU Free Trade Agreement (FTA), with the blueprint now in advanced stages.

Union Commerce and Industry Minister Piyush Goyal confirmed that negotiations have been "very positive," with both sides showing readiness to arrive at a mutually beneficial agreement soon.

The European Union is India's second-largest apparel export destination, accounting for nearly 27 per cent of India's garment exports, valued at over USD 7.5 billion annually.

Currently, Indian apparel products face import duties ranging from 8 per cent to 12 per cent in the EU--tariffs that key competitors such as Bangladesh, Vietnam, and Turkey do not face due to preferential trade arrangements.

A well-structured India-EU FTA could significantly narrow this competitive gap by reducing or eliminating tariffs, thereby enabling Indian exporters to offer more price-competitive, value-added products in Europe, CTA Apparels said in a statement.

"This move is expected to boost India's apparel exports by an estimated 20-25% over the next three years, according to industry trade projections," the statement added.

Additionally, the agreement's focus on rules of origin, market access, sustainability, and technical standards will help in creating a predictable and stable environment for long-term investments in the textile value chain.
For responsible and sustainability-driven manufacturers, the FTA presents an opportunity to scale global partnerships and strengthen India's presence in premium European markets.

Mukesh Kansal, Chairman, CTA Apparels, said, "The progress on the India-EU FTA is a welcome development for India's apparel sector. The European Union is one of our most important partners, and a fair, forward-looking trade agreement will unlock new opportunities for growth, technology adoption, and sustainable value creation. CTA Apparels stands fully aligned with India's vision of strengthening global trade partnerships rooted in quality, transparency, and innovation."

A 40-member European Union negotiating team was in New Delhi earlier this month, marking the most intensive phase of the India-EU free trade agreement (FTA) discussions, aimed initially at concluding it by the end of this year.

India-EU FTA talks were relaunched in 2022.

Source: economictimes.com– Dec 13, 2025

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Godrej honcho upbeat on Vidarbha cotton, says need to upgrade BT

Nagpur: Agri sector major, Godrej Agrovet's executive director, Burjis Godrej, said the company is working closely with the Maharashtra govt as well as Confederation of Indian Industries (CII) to promote cotton cultivation.

The idea is to reduce preference for imported cotton by the textile industry. This can happen by raising the yield, resilience to pests and reducing cultivation cost so that prices of Indian-grown cotton come at par with imports. Agrovet is also working closely with universities across the country in this direction.

Godrej said it's time for the govt to think on the relevance of genetically modified or BT cotton. Over a time, anything can lose its efficiency and develop resistance. He raised concern over penetration of illegal herbicide-tolerant (HT) cotton seeds in farmland too. The govt needs to crack down on illegal trade channels, but at the same time consider why farmers want the technology.

BT and HT cotton are both genetically engineered. The former was introduced nearly two decades ago as a type resistant to bollworm — the common pest damaging cotton crop. HT seeds, which make the cotton crop resistant to glyphosate-based herbicides, have not been approved for commercial use.

Yet, the seeds are illegally available in the market for nearly 10 years. Using the seeds makes clearing weeds easy, particularly in current times when there's a crunch in farm labour, say farmers.

On both the seeds, Burjis Godrej said "farmers must get an upgraded BT technology, and if at all HT needs to be introduced, it should come through the legal channel. Health concerns over use of HT can be looked into. However, these have been largely raised in the US and not in other geographies," he said.

Godrej said the tariff tension remains a concern. Although US has backtracked to a certain extent to control its food inflation, it has also threatened to impose anti-dumping duty on rice.

"The issues should be taken up to ensure fair trade. If it does not work out, we can diversify into other markets. EU is one such geography, and we are also making inroads into Japan. There was a recent delegation from Russia and they are keen on buying more dairy products. Former Soviet-era countries can be eyed too," he said.

On CII's plans, Godrej said, "It's working on a project to reduce methane emissions from the dairy industry through its Environment Defence Fund (EDF) initiative. This can be done by bringing more suitable fodder. It would not only help productivity, but also reduce waste.

"The CII-Maharashtra FDA laboratory project is for certifying that a given produce is suitable for export to a specific geography. Earlier, during the CII event he said the food processing sector has the potential 9 million jobs by 2030. There is a need to boost ready-to-eat food. Even the Nagpur orange which won the silver medal in the govt's one-district-one-product programme has an immense scope.

Source: timesofindia.com– Dec 14, 2025

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