

**IBTEX No. 67 of 2025**

**May 30, 2025**

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<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>JPY</b>
<b>85.37</b>	<b>96.92</b>	<b>115.09</b>	<b>0.59</b>

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## INTERNATIONAL NEWS

### **Federal Appeals Court Grants Trump Temporary Relief on Tariff Ruling**

Less than 24 hours after the Court of International Trade (CIT) invalidated President Donald Trump's retaliatory duties on more than 90 countries, the administration has been granted a stay on that decision by a federal appeals court.

The Washington-based United States Court of Appeals for the Federal Circuit on Thursday ruled in favor of temporarily preserving the president's tariff orders as it reviews the details of the cases brought by multiple plaintiffs—including American businesses and attorneys general from states from coast to coast—as well as the CIT's ruling.

The federal judicial panel on trade had ruled on the plaintiffs' behalf, saying that the president overstepped his authority in attempting to impose widespread duties using the International Emergency Economic Powers Act (IEEPA).

On the heels of the CIT's Wednesday decision, which both baffled trading partners and buoyed markets, the Trump administration filed for a stay pending appeal and an immediate administrative stay, calling the injunction “unprecedented and legally indefensible.”

According to the defendants-appellants, including President Trump, U.S. Trade Representative Ambassador Jamieson Greer, Acting Customs and Border Protection Commissioner Pete R. Flores and Secretary of Homeland Security Kristi Noem, the so-called reciprocal duties, which were announced on April 2, are “central to the President's foreign-policy and economic agendas” and the ruling to stop them “unilaterally disarms the United States in the face of the longstanding predatory trade practices of other countries.”

If the appeals court denied the request, the administration said it planned to seek “emergency relief” from the Supreme Court on Friday.

That didn't happen, though. And for now, Trump's controversial tariff scheme remains in place, with a start date for the potential duties a little over a month away. The appeals court moved to consolidate the appeals

from the CIT ruling and to immediately pause the CIT's order that the administration find a way to unwind the tariffs over the course of the next 10 days.

The plaintiffs, including the state attorneys general and businesses, have one week to respond to the administration's stay request. The court said it would offer an answer to their response by June 9.

Liberty Justice Center lawyer Jeffrey Schwab, who represents the business plaintiffs, believes the appeals court's decision is "merely a procedural step as the court considers the government's request for a longer stay pending appeal." "We are confident the Federal Circuit will ultimately deny the government's motion shortly thereafter, recognizing the irreparable harm these tariffs inflict on our clients," he said in a statement.

But the complaints—and court wins—are stacking up against the president and his aggressive tariff regime.

Earlier Thursday, another federal court, based in Illinois, ruled on behalf of two corporate plaintiffs in a case against Trump. U.S. District Judge Rudolph Contreras handed down a decision that the administration could not collect tariffs from two Illinois toy importers, Learning Resources and Hand2Mind, while the case against the president is litigated. The ruling's impact was paused for two weeks, giving the government time to appeal the decision.

The companies, which employ about 500 people across Illinois, California and New York, argued in their suit that the tariffs represent a "crushing burden" that is "felt most immediately and acutely by this country's small and mid-size businesses."

In light of these developments, the president appears to have made the rare decision to step away from the keyboard and refrain from commenting on any of the courts' decisions. Instead, he has opted to communicate his stance in a veiled manner using several memes, including a photoshopped picture of a billboard proclaiming, "PRESIDENT TRUMP WAS RIGHT ABOUT EVERYTHING."

Source: [sourcingjournal.com](https://sourcingjournal.com)– May 29, 2025

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## **USA: April Air Cargo Demand Climbs 5.8% as De Minimis Reform Drives Pre-Deadline Surge**

Air cargo demand escalated in April amid sweeping tariffs implemented on U.S. trade partners as importers rushed to get more product into the country.

Total demand, measured in cargo tonne-kilometers (CTKs), rose by 5.8 percent compared to April 2024 levels, and 6.5 percent for international flights, according to data from the International Air Transport Association (IATA). On a seasonally adjusted basis, CTKs increased by 2.3 percent from the month prior.

The April demand growth was an improvement over the March increase of 4.4 percent and February's rate contraction of 0.1 percent.

“Seasonal demand for fashion and consumer goods—front-loading ahead of U.S. tariff changes—and lower jet fuel prices have combined to boost air cargo,” said Willie Walsh, IATA’s director general, in a statement. “With available capacity at record levels and yields improving, the outlook for air cargo is encouraging.”

Capacity, measured in available cargo tonne-kilometers (ACTKs), is outpacing demand. Air cargo space has increased by 6.3 percent compared to the year prior, and 6.9 percent for international operations.

The closure of the de minimis provision on May 2 also played a role in the demand growth. Under that trade exemption, companies could ship parcels with less than \$800 worth of goods into the U.S. tax free.

In axing that arrangement, e-commerce companies would need to fly out more cargo ahead of the early May deadline to avoid an extra 120 percent import tax. That tax was amended to 54 percent later in the month.

However, a U.S. federal court injunction on the Trump administration’s tariff policies imposed under the International Emergency Economic Powers Act (IEEPA) on Wednesday is putting the future of the tariffs in doubt.

That decision is expected to be appealed to a higher court, and it is likely the administration will look to other legal avenues to implement some form of duties.

The current 30-percent tariffs levied on Chinese imports and the “reciprocal” 10-percent country-specific tariffs on dozens of other trade partners are part of the injunction, which went into effect once the court ruling took place. The de minimis suspension also falls under this purview.

“Shifts in trade policy, particularly in the U.S., are already reshaping demand and export dynamics. Airlines will need to remain flexible as the situation develops over the coming months,” said Walsh in a statement.

This flexibility could be key for airlines, particularly if de minimis remains back on the table for an extended period.

“If the ruling removes the U.S. suspension of de minimis for Chinese goods, we could see a rebound in B2C volumes via air cargo,” said Judah Levine, head of research at Freightos. “But with bipartisan interest in limiting Chinese e-commerce channels, and as platforms like Temu and Shein have already pivoted toward ocean and domestic fulfillment, the rebound may be partial or short-lived.”

Ahead of the de minimis ban, Asia-Pacific airlines saw the second-largest year-over-year demand growth for air cargo at 10 percent, with capacity increasing by 9.4 percent compared to April 2024. Latin American carriers saw the strongest demand growth at 10.1 percent, with capacity jumping 8.5 percent.

In total, cross-border shipments gained 6.5 percent year-over-year in April 2025.

Tariff policy reversals including a 90-day pause on the previous 145-percent tariffs slapped on Chinese goods resulted in a recovery from Asia, as well as the softened import tax on formerly de minimis-eligible goods, prompted a brief spike in trans-Pacific tonnage via air.

According to WorldACD, air cargo from China and Hong Kong to the U.S. rose 19 percent from the week prior in the week of May 12-18.

That followed two weeks of significant week-over-week declines and takes tonnages from China and Hong Kong to the U.S. back up close to their level in early April and in late February, prior to volumes surging in March ahead of the higher “Liberation Day” tariffs.

In total, chargeable weight from China and Hong Kong to all markets increased 8 percent from the week prior.

Regardless of how the tariff situation plays out for goods flown out of China and the Asia Pacific region, the uncertainty is leading the air freight sector to a slower year than originally anticipated.

The IATA is expected to update its prior demand forecast, which had called for a 6-percent increase in 2025, at its annual general meeting in New Delhi from June 1-3.

According to the lobbying group’s director of sustainability and economics, Andrew Matters, a downgrade is likely in order.

Source: [sourcingjournal.com](http://sourcingjournal.com)– May 29, 2025

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## **Global apparel industry a mixed bag of growth and caution in 2025: Wazir Advisors Report**

The global apparel industry has entered the second quarter of 2025 with renewed momentum, marked by strong import demand, shifting export patterns, and evolving retail dynamics. Data from Wazir Advisors 'Apparel trade scenario in key global markets and India', reflects the trade and retail landscape in March and April 2025, and provides valuable insight into the changing contours of this consumer-driven sector.

### Developed markets drive import growth

Apparel imports grew across developed markets in March 2025, underscoring a recovery in consumer demand and a broader stabilization of global supply chains. The US imported apparel worth \$6.6 billion, registering a 12 per cent year-on-year (YoY) increase. The European Union led the charts with imports worth \$8.7 billion, a 23 per cent jump YoY, highlighting strong retail restocking activity. The UK, too, saw an impressive 36 per cent YoY rise, with imports valued at \$1.9 billion. Japan followed closely with a 29 per cent YoY growth, importing \$2.2 billion worth of apparel.

These figures point to rising consumer confidence in these regions and reflect the industry's preparation for upcoming seasons. The strong numbers also indicate a renewed reliance on global sourcing networks after pandemic-era supply disruptions and a rebound in brick-and-mortar retail activity.

### Export patterns reflect regional shifts in competitiveness

While importers reported strong demand, the export scenario revealed diverging performances among the leading apparel manufacturing countries. China, still the largest global exporter, reported a marginal 1 per cent decline in April 2025, with total exports standing at \$11.2 billion. This slight downturn reflects ongoing pressures, including increasing labor costs, trade tensions, and global buyers' continued efforts to reduce dependence on a single country.

In contrast, South Asian and Southeast Asian countries fared better. India emerged as a strong performer with a 17 per cent YoY rise in apparel exports, totaling \$1.4 billion. This increase reflects India's growing

competitiveness driven by policy support, favorable exchange rates, and increased buyer interest in sustainable sourcing. Vietnam continued its upward movement as well, with exports rising 15 per cent YoY to \$3.1 billion. Meanwhile, Bangladesh maintained its performance with stable exports of \$2.4 billion, showing resilience amid shifting market dynamics.

These trends underscore the gradual diversification of global sourcing patterns. Retailers are increasingly hedging risks by distributing their orders across multiple countries to ensure supply chain resilience, cost efficiency, and quicker turnaround times.

### Retail growth returns, but online sales weaken

Retail performance in April 2025 reflects a positive sentiment in the apparel sector, particularly in physical retail channels. In the US, apparel store sales increased 6 per cent YoY, suggesting a rebound in in-person shopping experiences. Interestingly, however, the country's online apparel sales witnessed a 6 per cent decline in Q1 2025 compared to the same quarter last year. This could point to a normalization of consumer behavior post-pandemic, as shoppers return to physical stores, seeking tactile engagement and immediate gratification.

The UK also posted a healthy 9 per cent YoY growth in apparel store sales in April 2025, reaching £3.6 billion. This suggests continued resilience in consumer spending despite broader macroeconomic uncertainties. In India, apparel retail sales in March 2025 rose by 6 per cent YoY, highlighting the country's growing domestic consumption and urban retail expansion.

In contrast, the US home furnishings segment showed a 1 per cent decline in store sales, indicating a shift in discretionary spending priorities, possibly favoring fashion and lifestyle purchases over home improvement categories.

### Macroeconomic indicators reflect mixed signals

April 2025's macroeconomic indicators present a mixed backdrop for the apparel industry, particularly in the US. While inflation eased to 2.3 per cent, offering some relief to consumers and retailers alike, consumer confidence index dropped sharply to 86.0 from 92.9 in the previous month. This drop suggests rising consumer caution, possibly linked to

broader economic concerns such as employment uncertainty, geopolitical risks, or slowing wage growth.

The decline in consumer confidence could temper future retail performance despite current positive trends in store sales. Retailers may need to adopt a more conservative approach to inventory planning and promotional strategies to navigate potential volatility in demand.

#### Resilience with caution in future

The data from early 2025 shows highlights an industry in recovery, yet one that remains sensitive to macroeconomic and geopolitical factors. Strong import demand from developed markets and encouraging export performances by countries like India and Vietnam point to sustained momentum. At the same time, the drop in US consumer confidence and declining online sales indicate that the path forward may not be entirely smooth.

The global apparel industry must now balance optimism with prudence. Retailers and suppliers alike will need to remain agile, focus on cost control, invest in digital transformation, and strengthen their sustainability credentials to remain competitive in an increasingly fragmented and dynamic global market.

Source: fashionatingworld.com– May 29, 2025

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## **Global Sourcing Expo spotlights Australia's sustainable fashion growth amid supply chain challenges**

Australia's demand for sustainable fashion is reaching new heights, driven by increasing consumer awareness and a rising wave of conscious shoppers seeking brands committed to ethical production and circular fashion practices. With the local slow fashion market currently valued at \$1.98 billion and a projected growth rate of 7 per cent by 2028, industry experts believe this is just the beginning of a much larger movement. The Global Sourcing Expo will take place from 17-19 June at ICC Sydney.

### **A market poised for growth, but underestimated**

Julie Holt, Global Exhibitions Director at Global Sourcing Expo, believes the actual size of the green fashion market is significantly underreported. “A large portion of sustainable fashion trade happens through small businesses, local makers, and the growing trend of thrifting and upcycling, which aren’t always captured in official figures,” Holt said. She added that sustainable fashion is no longer seen as a premium add-on but as a defining brand value. “Today, sustainability is a clear differentiator in the market it’s what consumers are actively looking for.”

Anaita Sarkar, Co-Founder and CEO of Hero Packaging and a speaker at the upcoming Global Sourcing Expo, cited new consumer data to reinforce this shift. “A recent PwC survey showed that Australians are willing to spend an average of 9.7 per cent more on products that are sustainably produced or sourced,” Sarkar said. “Even during periods of economic uncertainty, we’re seeing people gravitate towards brands that align with their values.” Holt cautioned, however, that sustainable fashion will only thrive if it becomes more attainable. “To move beyond current projections, sustainable choices must be affordable and accessible. Competing with fast fashion remains a major challenge for ethical brands,” she added.

### **Digital Product Passports set to shape the future**

As the industry moves towards greater transparency, Holt points to Digital Product Passports (DPPs) as a critical accountability tool. “There’s increasing pressure on ethical brands to lead in transparency, education, and accessibility, and DPPs are a powerful way to support this,” she said. Although Australia has yet to announce an official launch date, she confirmed that Europe is targeting implementation by 2030. “Many

Australian brands are already auditing their supply chains from the first thread to the final package in preparation.”

Holt explained that DPPs, typically accessed via a QR code, allow consumers to trace a garment’s origin, composition, and full lifecycle. “This technology is essential for supporting circular economy goals. It ensures product data is accessible, accurate, and comprehensive,” she said. “But the traceability process itself is complex, and we need to foster more industry-wide dialogue around how to manage and implement it effectively.”

### Packaging innovation adds value and trust

Packaging has emerged as another major area where sustainability and brand identity intersect. Sarkar shared insights from Trivium Packaging’s Buying Green Report. “The report found that 82 per cent of consumers across all age groups are willing to pay more for products with sustainable packaging. That’s a significant shift from previous years,” she said. Robert Lockyer, Founder and Chief Client Officer at Delta Global and also a speaker at the Expo, believes Australian brands are well-positioned to lead globally. “There’s a real opportunity for Australia to showcase that luxury and sustainability can go hand in hand,” Lockyer said. “However, limited access to sustainable materials, rising costs, and supply chain complexity remain major hurdles.”

He stressed that sustainable packaging must be beautiful, reusable or recyclable, and ethically sourced. “Smart packaging builds trust, creates a competitive edge, and reinforces long-term brand equity,” Lockyer said. “Mono-material packaging, in particular, simplifies the recycling process without sacrificing quality or design.” He added that digital tools like QR codes can guide consumers in how to reuse or recycle packaging and improve traceability and return processes.

### Strategies for sustainable brand growth

For brands looking to grow under a sustainable banner, Sarkar offered three strategic tips. “First, use social listening monitor reviews and comments on social media like a live focus group to guide real-time decisions,” she said. “Second, make every product launch an opportunity to innovate improve materials, logistics and reduce waste. Third, partner with artists, charities, and other values-aligned organisations to expand your impact and stay culturally relevant.”

Looking ahead, Holt is optimistic about the sector’s potential. “This is the perfect moment to capitalise on growing demand for sustainability,” she said. “But brands must invest in building transparent and resilient supply chains. At the Global Sourcing Expo, we bring manufacturers and brands together to collaborate, innovate and build the trust needed for long-term growth.”

Source: fashionatingworld.com– May 29, 2025

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## **ICE cotton futures dip on Texas rains, stronger dollar, weak sentiment**

ICE cotton futures dropped further, reaching their lowest level in over a week. The market declined due to favourable weather in the US cotton-growing region, a stronger dollar, and weak market sentiment. Recent rainfall in Texas has raised prospects for the cotton crop.

The ICE cotton July 2025 contract settled at 65.33 cents per pound (0.453 kg), down 0.24 cent from the previous day. The contract touched 64.91 cents, the lowest level since May 19. The December 2025 contract settled at 68.10 cents, down 22 points.

The US dollar index strengthened for the second consecutive day, making US cotton more expensive for overseas buyers. This dampened prospects for US cotton export demand. The dollar rose on optimism surrounding a potential trade deal and an improving outlook for the US economy.

Market analysts noted that the market is facing pressure from both weather-related improvements in Texas and weakness in grain prices.

A key factor behind the decline was recent rainfall in West Texas, a major cotton-growing region, which improved crop conditions and added supply-side pressure.

According to ICE data released on May 27, the deliverable No. 2 cotton futures contract inventory rose to 46,517 bales, up from 42,240 bales the previous trading day, indicating rising available stocks. The increase in deliverable stocks reflects improved crop conditions and higher supply expectations, which is bearish for prices.

In the grain markets, CBOT (Chicago Board of Trade) wheat prices rose slightly but remained near five-year lows due to favourable harvest prospects in the Northern Hemisphere and weak global demand. Corn and soybean prices declined, contributing to broader weakness across the agricultural commodity complex.

Meanwhile, US stock indexes closed lower as investors digested the Federal Reserve's latest meeting minutes, while chip design companies saw declines in late trading.

Overall, the cotton market is under pressure from a combination of favourable US crop weather, a stronger dollar, rising inventories, and bearish sentiment in other commodity and equity markets, with prices nearing key technical support levels.

Presently, ICE cotton for July 2025 was traded at 65.78 cents per pound (up 0.45 cent), cash cotton at 63.58 cents (down 0.24 cent), the October 2025 contract at 67.76 cents (down 0.26 cent), the December 2025 contract at 68.52 cents (up 0.42 cent), the March 2026 contract at 70.04 cents per pound (up 0.46 cent), and the May 2026 contract at 71.07 cents (up 0.42 cent). A few contracts remained at their previous closing levels, with no trading recorded today.

Source: fibre2fashion.com– May 29, 2025

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## Europe's ports face delays amid labour shortages, strikes

Port congestion is intensifying across major global trade routes, with Northern Europe's key hubs—including Antwerp, Rotterdam, Hamburg, and Bremerhaven—facing escalating backlogs and severe inland transport disruptions, according to Drewry.

Bremerhaven has been particularly affected due to labour shortages during the recent holiday period, while low water levels on the Rhine have curtailed barge capacity out of Antwerp and Rotterdam, compounding logistical strain.

At the Port of Antwerp-Bruges, operations were further strained by a nationwide strike on May 20, which temporarily disrupted vessel traffic. Kallo and Boudewijn Locks were affected, with Boudewijn Lock later restored to full operation by the evening. Although the impact was short-lived, it added pressure to already congested conditions across the region, maritime research and consulting firm Drewry said in its Logistics Executive Briefing.

Berth waiting times reflect the severity of the congestion. At Antwerp, average waiting time rose from 32 hours in Week 13 to 44 hours in Week 20—a 37 per cent increase. Hamburg witnessed a 49 per cent jump from 34 to 50 hours, while Bremerhaven saw a 77 per cent surge over the same period.

These port delays are having a cascading effect across the supply chain. Supply chain reliability is falling, logistics costs are climbing, and inland transport is becoming increasingly complex. The congestion is not confined to Europe alone.

Similar trends have emerged in Shenzhen, Los Angeles, and New York, where the number of containerships waiting to berth has steadily increased since Week 17. At peak levels, up to 50 ships were waiting in Shenzhen, 42 in Los Angeles, and 14 in New York.

Extended port delays are stretching transit times, disrupting inventory planning, and forcing shippers to carry surplus stock. Carriers are responding with rerouting strategies and congestion surcharges. Mediterranean Shipping Company (MSC), for example, is set to implement a congestion surcharge from June 1 on all shipments from

Northern Europe to the Far East, further elevating freight costs, added the report.

The strain is compounded by a potential early peak season in Transpacific eastbound trade, driven by a temporary 90-day pause in US—China tariffs, which expires on August 14. As a result, container spot rates have surged 27 per cent since early May.

Rates from Shanghai to Los Angeles climbed from \$2,590 on May 1 to \$3,197 by May 22, 2025, according to Drewry’s World Container Index (WCI). Similarly, rates to New York rose from \$3,500 to \$4,527 in the same period. General Rate Increases (GRIs) were successfully implemented on May 15, 2025, with additional GRIs and Peak Season Surcharges (PSSs) scheduled for June 1, 2025.

The worsening congestion underscores the vulnerability of container shipping to disruption and reinforces the urgent need for resilient, adaptive supply chain strategies. In such a volatile landscape, access to real-time market insights—covering key indicators such as port congestion, blank sailings, and capacity—is critical for cargo owners seeking to make informed decisions, mitigate risks, and navigate continued uncertainty effectively, said Drewry.

Source: fibre2fashion.com– May 29, 2025

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## **Brazil's cotton exports to China drop as Pakistan becomes top buyer**

Brazilian cotton (HS code 5201) exports to China declined by 78 per cent to \$215.745 million in January–April 2025. The country also dropped to fifth place among the largest markets for Brazilian cotton, with its share in outbound trade decreasing significantly. Interestingly, Pakistan became the top market for Brazilian cotton exports, with shipments to the country soaring during the period.

China was the top destination for Brazilian cotton in January–April 2024, accounting for a 50.77 per cent share. During that period, Brazil exported cotton worth \$979.540 million to China. However, in the first four months of 2025, China's share dropped sharply to just 11.02 per cent. Despite this, Brazil's overall cotton exports recorded a modest increase to \$1,957.633 million in January–April 2025, compared to \$1,929.369 million in the corresponding period of the previous year, according to Fibre2Fashion's market insight tool TexPro.

Brazilian cotton exports to Pakistan surged by 318 per cent to \$435.798 million in January–April 2025, up from \$104.623 million during the same period last year. Pakistan became the top market, accounting for 22.26 per cent of total exports, compared to 5.42 per cent a year earlier, when it ranked fifth.

During the first four months of 2025, Brazil's cotton exports stood at \$341.749 million to Vietnam (17.46 per cent of total exports), \$322.411 million to Bangladesh (16.98 per cent), and \$305.849 million to Turkiye (15.62 per cent). In the same period last year, exports were \$327.046 million to Vietnam (16.95 per cent), \$229.594 million to Bangladesh (11.90 per cent), and \$114.306 million to Turkiye (5.92 per cent), as per TexPro.

Brazil's total cotton exports stood at \$5.154 billion in 2024, up 67.71 per cent from \$3.073 billion in 2023. Among the top markets in 2024, China accounted for 33.57 per cent, Vietnam 19.60 per cent, Bangladesh 11.85 per cent, Pakistan 10.10 per cent, and Turkiye 8.94 per cent.

Source: fibre2fashion.com– May 29, 2025

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## **Economic sentiment, employment expectations up in EU, euro area in May**

The economic sentiment indicator (ESI) improved in both the European Union (EU) and the euro area by 0.6 points to 95.2 and by 1 point to 94.8 respectively in May this year after two months of decline, according to the European Commission.

After April's steep increase, the economic uncertainty indicator (EUI) receded in May by 1.9 points to 18.5. The decrease was largely driven by abating uncertainty of consumers regarding their future financial situation. Also managers in the industry and retail trade sectors revised their assessment of uncertainty about their future business situation downwards.

The employment expectations indicator (EEI) also picked up in both areas: by 0.6 points to 97.5 in the EU and by 0.5 point to 97 in the euro area. Despite the partial recovery of previous months' losses, both indicators remain below their long-term average of 100.

The rise in the ESI for the EU was primarily driven by a partial rebound of confidence in the retail trade sector and among consumers, with a moderate contribution also from the construction sector.

Confidence in both the industry and services sectors remained broadly stable.

Among the largest EU economies, the ESI increased in Italy (plus 2.8) and in Germany (plus 1.5). By contrast, the ESI declined markedly in France (minus 3.5), and more marginally in the Netherlands (minus 0.8), Poland (minus 0.6) and Spain (minus 0.4).

Industry confidence remained broadly stable for the third consecutive month in May (plus 0.2). The stability was due to managers' unchanged assessments of the current level of order books and the stocks of finished products, while their production expectations improved slightly.

Among the questions not entering the confidence indicator, managers' assessments of past production and export order books improved significantly.

Consumer confidence recovered in the month (plus 1.4), driven by receding pessimism about the general economic situation. Also consumers' assessment of their households' expected financial situation and their intentions to make major purchases rebounded. Their perceptions of their past financial situation, however, remained largely unchanged.

Retail trade confidence too recovered in the month (plus 1.4), largely attributable to the recovery of retailers' assessment of the past business situation and more favourable assessments of the volume of stocks. However, this was tempered by a further decline in retailers' expectations of their business situation over the next three months.

Selling price expectations dropped in industry, services, retail trade and construction. Despite these decreases, selling price expectations remain above their long-term averages in all four sectors, albeit only slightly so in the industry and construction sectors.

Consumers' price expectations for the next twelve months more than reverted the sharp increase of the previous month, thereby also halting the upward trend observed since late 2024.

By contrast, consumers' perceived price developments over the past twelve months increased after three months of decreases or stability, keeping the indicator at a high level, an official release from the European Commission said.

Source: fibre2fashion.com– May 29, 2025

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## **Global bizs rethink strategy, investments as costs, tariffs up: HSBC**

Affected by rising costs, supply chain disruptions, tariffs and shifting trade policies, global businesses are rethinking their strategy and planned investments, according to HSBC's 2025 Global Trade Pulse Survey.

While two thirds of corporations have already experienced cost increases due to tariff and trade uncertainty, with the worst expected in future, companies expect costs to escalate further in both the short-term (73 per cent) and the long-term (72 per cent), the survey revealed.

Businesses also expect an average decline in revenues of 18 per cent due to supply chain delays, found the survey that covered over 5,700 firms across 13 markets.

Fifty-one per cent of respondents feel rising costs are the topmost concern for supply chain strategies and 85 per cent of corporations have revised or plan to revise their pricing strategy upwards to reflect higher costs or market changes.

Seventy-eight per cent of corporations is rethinking long-term business model. If tariff instability continues over the next two years, 43 per cent of companies will rethink their international expansion strategy and 39 per cent will shift their focus to domestic or regional markets.

Despite these headwinds, optimism about expanding global trade is strong. Eighty-nine per cent of businesses are confident in their ability to grow international trade over the next two years.

Businesses are also reconfiguring their supply chains and reassessing how and where they operate. Most are taking action or planning to carry out nearshoring (83 per cent) and reshoring (77 per cent).

Seventy-seven per cent said trade pressure has encouraged them to evolve and seek new opportunities. Many (58 per cent) have already adopted new technologies or platforms, 56 per cent have improved internal efficiency or cost structures and 51 per cent have developed new products or services.

The survey points to the emergence of new trade corridors in some of the markets surveyed and global businesses were noticed strengthening their relationships with key markets outside their borders.

Malaysia (61 per cent), Vietnam (52 per cent) and Bangladesh (54 per cent) are expanding their relationships with China; Bangladesh (65 per cent) India (54 per cent) and the United States (51 per cent) with Europe; and the United Kingdom (46 per cent), India (62 per cent) and Bangladesh (58 per cent) with the United States.

In some markets, optimism about international trade growth endures, led by India (96 per cent), to include Bangladesh (95 per cent) and the United Arab Emirates (94 per cent).

In line with the global positive outlook, larger businesses (those with a revenue over \$2 billion) are confident about their ability to grow international trade over the next two years (82 per cent), although less so than the average (89 per cent).

They are also more likely to have adopted new technology or digital platforms in response to trade uncertainty in comparison to smaller businesses (those with a revenue of less than \$500 million) at 63 per cent versus 56 per cent.

Larger firms are more cautious than smaller ones about their decision making and are more likely to have already delayed or paused investments.

This is despite larger companies having a much wider access to pools of working capital. Smaller firms on the other hand, are often more agile and quicker to make decisions despite lacking the capital depth of their larger counterparts, the survey revealed.

Source: fibre2fashion.com– May 28, 2025

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## **Sri Lanka's apparel industry grows by 15.14 % Y-o-Y in April 2025: JAAF**

Signaling a significant recovery in demand from key international markets, Sri Lanka's apparel industry recorded a 15.14 per cent Y-o-Y growth in April 2025.

Data from the Joint Apparel Association Forum (JAAF) shows, the nation's exports to the EU (excluding the UK) increased by 27.04 per cent, while shipments to the US and UK grew by 6.83 per cent and 7.45 per cent, respectively. Exports to other regions rose by 21.18 per cent, highlighting the industry's expanding global presence.

In the first four months of 2025, Sri Lanka's cumulative apparel exports increased by 12.4 per cent to \$1.66 billion, compared to the same period last year. This growth was mainly led by the EU with an 18.13 per cent rise, followed by the US with 10.06 per cent, other markets 13.56 per cent, and the UK 6.26 per cent.

This growth occurred despite ongoing volatility in the global trade environment and changing consumer preferences, JAAF points out. The industry's strong performance underscores the flexibility of Sri Lankan manufacturers in adapting to evolving market trends while upholding high standards in quality, compliance, and sustainability.

This momentum reflects the tireless efforts of the country's manufacturers, workers, and exporters in remaining globally competitive, states JAAF. These figures not only demonstrate resilience but also indicate the increasing recognition of Sri Lanka as a dependable source for ethical, high-value apparel.

As the industry continues to navigate complex macroeconomic and geopolitical challenges, JAAF reiterated its appeal for consistent policy support and stronger international trade connections to maintain growth and uncover new opportunities for value addition and innovation throughout the sector.

Source: fashionatingworld.com – May 28, 2025

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## **Mexico's apparel trade falls in Q1 2025 amid import, export drop**

Mexico's apparel imports dipped by 11.94 per cent to \$1,408.761 million in the first quarter of the current year, 2025. China remained the top apparel supplier, accounting for 39.49 per cent of the country's total imports. Mexico also exported apparel in significant value, although exports showed a declining trend this year.

Mexico's apparel imports from China were valued at \$556.293 million during January–March 2025, making it the largest supplier in Mexico's inbound trade. Imports from Bangladesh stood at \$165.292 million (11.73 per cent), Vietnam \$136.717 million (9.70 per cent), Cambodia \$90.263 million (6.41 per cent), and India \$80.576 million (5.72 per cent), according to Fibre2Fashion's market insight tool TexPro.

The country had imported apparel worth \$1,599.959 million in the first quarter of 2024. Its total apparel imports reached \$7.323 billion in 2024, slightly lower than \$7.531 billion in 2023. However, Mexico had witnessed 8.39 per cent growth in apparel imports in 2023 compared to \$6.948 billion in 2022.

Mexico exported apparel worth \$1,103.272 million in the first quarter of 2025. Its apparel exports are heavily reliant on the United States, which accounted for 94.54 per cent of the total, amounting to \$1,042.983 million during the period under review.

Canada, Guatemala, El Salvador, and Belize also featured among the top five markets for Mexico's apparel exports, although their combined share was under 4 per cent.

The country's apparel exports declined by 14.29 per cent in January–March 2025, compared to \$1,287.954 million in the same period last year. Mexico's apparel exports stood at \$5.783 billion in 2024, down from \$5.983 billion in 2023. In 2022, apparel exports were valued at \$5.347 billion, as per TexPro.

Source: fibre2fashion.com– May 30, 2025

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## **Vietnam: Textile stocks look positive amid global supply chain shifts**

Việt Nam's textile and garment sector is experiencing a significant upswing, driven by favourable global dynamics and robust export performance.

Recent statements from the US President Donald Trump, suggesting a shift in American industrial focus away from traditional manufacturing, have been interpreted by investors as an opportunity for Việt Nam to expand its role in global apparel supply chains.

Speaking in New Jersey, Trump emphasised that the US should concentrate on advanced industries such as artificial intelligence and military equipment, rather than traditional manufacturing like apparel.

This perspective has been perceived as an indication that the US may further outsource textile production, benefiting countries like Việt Nam.

The Vietnamese stock market responded positively to these developments.

On May 26, shares of several textile companies, including Vinatex (VGT), TNG Investment and Trading JSC (TNG), Hòa Thọ Textile & Garment JSC (HTG), Thành Công Textile Garment Investment Trading JSC (TCM), Sông Hồng Garment (MSH) and Gilimex (GIL), hit their daily biggest gains.

The momentum continued into the following day, with HTG maintaining its upper limit and other stocks like TNG, VGT and TCM posting gains exceeding 6 per cent. This surge reflects renewed investor confidence in the sector's growth prospects

Việt Nam's position as the world's second-largest textile exporter, trailing only China, underscores its significance in the global market.

According to the General Department of Việt Nam Customs, the country's textile and garment exports reached US\$8.69 billion in the first quarter of 2025, with the US accounting for 43.6 per cent of this figure.

April saw a 15 per cent year-over-year increase, totalling \$3.64 billion.

Several factors contribute to this positive outlook.

Major US retailers are reportedly facing low inventory levels, particularly for fall and winter apparel, with stock sufficient for only six to eight weeks.

The decline in Chinese market share in Japan and South Korea may be attributed to increased scrutiny of tax evasion practices by Chinese companies amid ongoing trade negotiations between the US and its trading partners.

Simultaneously, competitors like Bangladesh and Pakistan are grappling with energy shortages and political instability, hindering their production capabilities.

This scenario positions Việt Nam as a reliable alternative for international buyers seeking stable supply chains.

Domestic garment production also remains robust, as evidenced by the Industrial Production Index (IIP) and labour indices consistently showing upward trends without any months of contraction since the beginning of this year. Typically, textile production experiences one or two months of contraction in the first quarter due to seasonal low demand and holidays.

Previously, during the May seminar organised by Vinatex, Dr Lê Tiến Trường, chairman of Vinatex's Board of Directors, highlighted the significant opportunities for orders in the textile industry during the first six months of the year, suggesting that this positive trend could extend through the end of the third quarter of 2025.

Trường also said that between now and July 10, the US may introduce temporary countervailing tax policies for Việt Nam, pending the outcomes of negotiations between the Ministry of Industry and Trade and the government.

Even though orders in Q3 could remain strong due to low US inventories, Q4 may experience a decline of around 10 per cent due to reduced consumer demand in the US, he added.

Industry experts suggest that the current market conditions could herald a new growth phase for Vietnamese textile stocks.

Technical analyses indicate that these stocks have surpassed medium-term resistance levels, and any supportive international policies or increased order volumes could further propel their ascent.

However, challenges persist. A recent increase in domestic electricity prices, effective from May 10, has raised production costs, particularly affecting yarn manufacturers with narrow profit margins.

Companies must navigate these cost pressures while capitalising on emerging global opportunities.

Source: vietnamnews.vn – May 30, 2025

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## NATIONAL NEWS

### **US trade team to visit India next week, official says**

A team of US officials will visit New Delhi next week as the two nations work to hammer out an interim trade agreement before July 9, an Indian official said on Thursday.

Trade negotiations between the countries are on track and a US team will be in the Indian capital from June 5-6 to continue discussions on a mutually beneficial deal, the official told reporters in New Delhi.

The South Asian nation is currently in talks with US for a trade deal structured in three tranches and is aiming for an early pact by July, when President Donald Trump's reciprocal tariffs are set to kick in. Following a visit to the US earlier this month, India's Commerce Minister Piyush Goyal said that he had a constructive meeting with his counterpart Howard Lutnick.

India is also studying the impact of the US court order on tariffs, the official said, asking not to be named citing rules.

US President Donald Trump's global tariffs were deemed illegal and blocked by the US trade court on Wednesday, dealing a major blow to a pillar of his economic agenda.

Source: thehindubusinessline.com– May 30, 2025

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## **Cotton key to \$350 bn textile goal by 2030: Giriraj Singh**

Cotton productivity will play a vital role in helping the Indian textile industry achieve its \$350 billion target by 2030, said India's Minister of Textiles Giriraj Singh, while chairing the Textile Advisory Group (TAG) meeting on cotton and man-made fibres (MMF), which reviewed the progress of key initiatives aimed at strengthening the entire textile value chain.

Singh highlighted the mission for cotton productivity, and underscored the critical need to enhance cotton productivity and quality to match the 5F vision of Prime Minister. He emphasised that innovation and collaboration will be centric to boosting farm productivity and ensuring benefits are received at all levels of the value chain. Singh also suggested that data mapping will ensure a more targeted and data-driven approach to policy interventions. Further, he also called upon all stakeholders to conduct a comprehensive gap analysis across the demand-supply spectrum of the industry, the Ministry of Textiles said in a press release.

At the event, Minister of State for Textiles, Pabitra Margherita appealed to all industry stakeholders to work together to achieve Vision 2030 in a cohesive manner, enhance value returns to farmers by adopting sustainability in farming and augment supply of good quality cotton to the industry by adopting best of technology and processing practices.

Neelam Shami Rao, secretary, textiles, emphasised that all stakeholders should work together to strengthen the entire textile value chain and urged industry leaders for a concerted effort to develop a comprehensive roadmap, including integration across the value chain and adoption of advanced technologies.

Industry leaders welcomed the Textiles Minister's vision, appreciating the government's proactive approach in fostering technology adoption, promoting sustainable fibres, and strengthening farmer-industry partnerships.

Source: fibre2fashion.com– May 27, 2025

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## **India to Remain Fastest-Growing Economy for Next 30 Years: Union Minister of Commerce & Industry Shri Piyush Goyal**

India to remain fastest-growing large economy in the world for next 30 years, said Union Minister for Commerce & Industry Shri Piyush Goyal at CII Annual Business Summit 2025 today in New Delhi.

On India's economic trajectory, Shri Goyal stated that the country has maintained sustained growth of 6–7% and hopes to push it to 8% at constant prices. "Even amidst international upheavals, we are among the better-performing emerging markets. Today, India holds the 4th largest foreign exchange reserves in the world at about 690 billion dollars. Our inflation has remained below 4% for the last three months. The Reserve Bank has done a commendable job balancing liquidity and currency management," he said.

Shri Goyal highlighted India as an attractive investment destination. "Over the past 20–25 years, Indian companies have delivered nearly 20% CAGR returns, making India a compulsive investment destination. FDI inflows are consistently breaking records. We are back on track on the growth trajectory, working through international trading relations," he added.

He cited progress on various Free Trade Agreements (FTAs), including those with the UAE, Australia, the UK, the four EFTA countries (Iceland, Liechtenstein, Norway, and Switzerland), and the ongoing bilateral trade agreement negotiations with the USA. "We are well on track with our bilateral trade agreement with the USA and making fast progress with the European Union's 27-nation bloc. We have also launched negotiations with New Zealand," he stated.

The EFTA countries have committed \$100 billion in Foreign Direct Investment (FDI) to India over the next 15 years. This is expected to crystallise into a total investment of \$500 billion. Furthermore, the large ecosystem that will be created around this investment has the potential to attract an additional \$500 billion. "We are not aiming small," said Shri Goyal, emphasising that this figure does not include investments from the Norwegian Pension Fund and represents pure FDI. He further highlighted that this is the first Free Trade Agreement (FTA) in the world to include such a forward-looking investment clause.

Shri Goyal expressed pride at India's continued economic progress and stated that the IMF has projected that by 2027, India will be the world's third largest GDP. He added that despite global volatility, uncertainty and complexity, India remains the fastest-growing economy and continues to power global growth through growth in India.

The Minister underlined that growth through trade, resilient supply chains and innovation would remain incomplete without inclusive growth.

Highlighting the Government's sustained push for ease of doing business, the Minister said that over 40,000 compliances have been reduced, several laws have been decriminalised, and nearly 2,000 obsolete laws have been removed from the statute book. He noted that the Jan Vishwas Bill reflects the trust between the people of India and the Government of India. "The Act promotes self-certification, encourages businesses to offer suggestions to improve ease of doing business, and simplifies people's lives. It reflects a government that trusts its stakeholders," he said, acknowledging CII's important role in this journey.

Speaking on the role of technology and future-readiness, Shri Goyal appreciated the continuous engagement between CII and the Government. "CII has acted as a bridge between aspirations and Government actions. As the Government promotes Artificial Intelligence (AI), we recognise CII's role in skilling people, MSMEs and industries, understanding regulatory frameworks, and ensuring responsible AI adoption. This includes assessing AI's impact on business and employment, as well as the need for skilling and reskilling professionals to embrace smarter, more efficient technologies in public interest," he said.

He further stated that renewable energy coupled with storage is now available at ₹3.30 per kilowatt hour in India — among the lowest globally. "Solar and wind plus storage make a compelling case for data centres to come to India. We have a large interconnected grid with low-cost clean energy to power these centres," he noted, adding, "This is not just about sustainability — it is an economic case."

Touching on inclusive growth, Shri Goyal reiterated Prime Minister Narendra Modi's vision to ensure dignity for every individual, especially the last person at the bottom of the pyramid. "Free healthcare, quality education and basic needs are being addressed. We are now seeing employment growth, and skill development centres are playing a key role. No child should be deprived, and no man should be left behind," he said.

In conclusion, Shri Goyal said, “India’s growth is based on three tracks — strong macroeconomic fundamentals; a nation respected across the world as a trusted partner; and a nation of 140 crore aspirational Indians. On these three tracks, we are preparing for Viksit Bharat 2047 — a journey of growth through speed, skill and scale.”

Source: pib.gov.in– May 29, 2025

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## **India's outward FDI positively impacted by host country's nominal GDP: RBI**

The economic size of the recipient country, along with India's bilateral merchandise exports, shape India's Foreign Direct Investment (FDI) outflows, according to the RBI's latest annual report.

India's net outward FDI rose to \$29.2 billion in FY25 against \$16.7 billion in FY24.

"India's outward investment has significantly increased, particularly during the post-pandemic period. Also, India's outward investment has witnessed a shift towards developed economies, with the average share rising to 51.1 per cent during 2019-2024," said RBI staffers in the report.

According to the United Nations Conference on Trade and Development (UNCTAD), India is emerging as a major source of global FDI, ranking among the top 20 source countries in 2023.

Major destinations for India's outward FDI were Singapore, the US, the UAE, Mauritius, and the Netherlands. Financial, insurance and business services, manufacturing, and wholesale, retail trade, restaurants and hotels were main sectors for India's overseas direct investment during FY25.

Citing various studies, the report said macroeconomic factors such as physical distance, tax regimes, and availability of natural and strategic resources are amongst the key determinants of outward FDI flows.

Further, economies also transition from being net FDI recipients to net outward investors, gaining benefits from economies of scale, enhanced competitiveness, and productivity spillovers to domestic enterprises.

The RBI staffers noted that their regression results indicate that India's outward FDI is positively impacted by the host country's nominal GDP, emphasising the significance of market size.

Bilateral trade

Moreover, exports to the host country show a strong positive impact on outward FDI, indicating that robust bilateral trade relations strengthen economic linkages and foster investment.

“The negative association with distance highlights the importance of geographic and economic proximity in outbound investments. The availability of natural resources in host country boosts outward FDI bolstered by secured essential resources and stable supply chains. Further, higher corporate tax rates in host economies act as a deterrent for outward FDI.” the officials said.

Source: thehindubusinessline.com– May 29, 2025

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## **Biz collaborations for a circular economy via FTA to boost EU-India ties**

With ongoing free trade agreement (FTA) talks, businesses for the circular economy will unlock circular value and further enhance collaborations and relations between India and the European Union (EU), said an EU official on Thursday, indicating that circular economy is part of the FTA talks.

In June 2022, India and the 27-nation EU bloc resumed negotiations for a comprehensive FTA, an investment protection agreement and a pact on geographical indications after a gap of over eight years. Key areas of discussion include agriculture and dairy, government procurement, labour standards, sustainable development, and investment-related issues.

“In 2025, with ongoing FTA negotiations, recent EU colleagues’ visits and further strengthening of EU-India relations, and business space for circular economy, it may mean unlocking circular value for this dynamic and further enhanced collaboration between the EU and India,” Ewa Suwara, Deputy Head of Delegation of the European Union, said on Thursday at the Confederation of Indian Industry (CII) Business Summit.

The EU and India are working on multiple projects together to promote a circular economy, aiming to reduce waste, increase resource efficiency, and foster sustainable development. Projects like the EU-India Resource Efficiency and Circular Economy Initiative (EU-I RECEI) aim to foster sustainable value chains and create new economic and job opportunities, particularly for entrepreneurs and MSMEs, through circular economy solutions by leveraging EU expertise and best practices.

India is increasingly focusing on a circular economy to minimise waste, maximise resource efficiency, and drive economic growth while reducing environmental impact. The circular economy in India is estimated to be worth \$2 trillion and create 10 million jobs by 2050.

EU-I RECEI also aims to support India in implementing the global sustainable consumption and production (SCP) agenda through the adoption of international standards and best practices in business on resource efficiency and circular economy.

In February, the India-EU Trade and Technology Council (TTC) launched two major research and innovation initiatives, with a joint investment of ₹391 crore (€41 million), to address marine plastic pollution and develop waste-to-green hydrogen technologies.

These aim to bring together researchers, start-ups, and industries from both India and the EU to find sustainable and global solutions.

These initiatives are part of the EU-India Trade and Technology Council (TTC) and are coordinated under the EU's Horizon Europe programme, with co-funding from Indian ministries such as the Ministry of Earth Sciences and the Ministry of New and Renewable Energy. The goal is to find innovative and sustainable solutions to combat marine pollution and promote technological advancements.

Source: [business-standard.com](https://www.business-standard.com)– May 29, 2025

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## **What's in store for Reliance Retail, Arvind Fashions and V-Mart & top retailers? Aggressive expansion**

After shutting hundreds of unviable stores over the last two years, top ten listed retailers such as Reliance Retail, Arvind Fashions and V-Mart are entering a new phase of aggressive and strategic expansion focused on profitability, signalling a recovery in demand. These firms including Aditya Birla Fashion & Retail (ABFRL), Spencer's Retail and Shoppers Stop said their "clean up" phase is over, and they would apply strict operational benchmarks and other criteria to ensure the new stores remain profitable.

Reliance shut more than 2,100 underperforming stores across grocery and fashion formats last financial year to cut costs and improve profitability amid a slowdown in consumer demand, particularly in mass and mid-range segments and in smaller towns. Arvind and Aditya Birla Fashion closed 70 and over 200 stores, respectively, while Spencer's shut 47. Shoppers Stop and V-Mart closed nine large-format department stores each.

Many stores that retailers opened during the post-pandemic surge in demand across segments from clothes to cars had stopped making money as 'revenge shopping' settled and consumers cut back on discretionary spending amid persistent inflation in food and other essentials.

"We have also shut down because some stores were too small, not strategic. Their sell-throughs were not good, discounting was higher, and we took a tough decision because our growth has to be profitable," Shailesh Chaturvedi, MD of Arvind Fashions, told investors recently. "But most of this cleaning up is behind us."

Now these retailers are upbeat on new store openings, with focus on bigger outlets in larger cities. Arvind—which owns the rights for Calvin Klien, US Polo, and Tommy Hilfiger brands among others in India—said it will add 150,000 square feet of retail space in FY26, higher than 120,000 sq ft in FY25.

Aditya Birla Fashion—which owns Pantaloons fashion chain and brands such as Louis Phillipe, Van Heusen and Allen Solly—said it will open 300 new brand stores and 20 Pantaloon outlets this year.

## Learning From Past Mistakes

Aditya Birla Fashion had shut over 190 brand stores and 15 Pantaloons in FY25.

“While we rationalised stores which were not in line with our strategy, the new stores that we are opening obviously are with a stronger set of guardrails,” said Sangeeta Tanwani, chief executive officer of Pantaloons. She said the brand will opt for “larger stores, focused largely on metros and mini metros and class 1 towns.”

Shoppers Stop plans to open seven stores and 60 value fashion stores in FY26, having already done “bulk of our store closures,” its managing director Kavindra Mishra said. “We are also at times hampered by the availability of the right location, right mall. So, I think fundamentally, we are not limiting it (store expansion),” he added.

An ET analysis of a dozen top listed quick-service restaurant (QSR) chains, apparel and grocery retailers showed collective additions of an average of ten stores per day in 2023. However, the number of new stores per day was just three on average in 2024, as consistent low sales growth pushed retailers to shutter several stores.

This helped improve profitability. For instance, Reliance Retail’s earnings before interest, taxes, depreciation, and amortisation (Ebitda) expanded 20 basis points last fiscal, according to its chief financial officer Dinesh Taluja. Also, all its operating metrics including number of transactions and registered customers grew in double digits.

“On the store side, we continue to add new stores while we weeded out all the stores which did not make sense,” Taluja told analysts during the firm’s post-fourth quarter earnings call. “We are...pretty much done with the streamlining that we had started during the year,” he added.

Some retailers said they will opt for calibrated store expansion, without many store closures like earlier.

“We are trying to learn from our past mistakes because we have closed down a lot of stores,” said Lalit Agarwal, chairman of V-Mart. “There is a list of the learnings that we have and how do we not make those mistakes and then open those stores which have a higher rate of success.”

V-Mart, which largely operates in small towns, said it will be economical in property selection and conservative in rentals.

Spencer's said it has set fairly high benchmarks for evaluating any investment recommendations for opening stores and wants all stores to be profitable in the first six months.

“We have embarked upon focusing on geographies and driving store level profitability... That's something which we do not want to slip by opening stores and then incurring losses in the new stores,” said Anuj Singh, CEO of Spencer's Retail.

Clearly, as they start expanding their networks once again, Indian retailers are careful not to repeat past mistakes. They are pursuing sustainable and strategic growth, and not reactive expansion.

Source: [economictimes.com](http://economictimes.com)– May 29, 2025

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## **Cabinet approves Minimum Support Prices (MSP) for Kharif Crops for Marketing Season 2025-26**

The Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSP) for 14 Kharif Crops for Marketing Season 2025-26.

Government has increased the MSP of Kharif Crops for Marketing Season 2025-26, to ensure remunerative prices to the growers for their produce. The highest absolute increase in MSP over the previous year has been recommended for nigerseed (Rs.820 per quintal) followed by Ragi (Rs.596 per quintal), Cotton (Rs.589 per quintal) and Sesamum (Rs.579 per quintal).

\*Refers to cost which includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc., miscellaneous expenses and imputed value of family labour.

^ Cost data are not separately compiled for Paddy (Grade A), Jowar (Maldandi) and Cotton (Long staple)

The increase in MSP for Kharif Crops for Marketing Season 2025-26 is in line with the Union Budget 2018-19 announcement of fixing the MSP at a level of at least 1.5 times of the All-India weighted average cost of production, The expected margin to farmers over their cost of production are estimated to be highest in case of bajra (63%) followed by maize (59%), tur (59%) and urad (53%). For rest of the crops, margin to farmers over their cost of production is estimated to be at 50%.

In the recent years, Government has been promoting the cultivation of crops, other than cereals such as pulses and oilseeds, and Nutri-cereals/ Shree Anna, by offering a higher MSP for these crops.

During the period 2014-15 to 2024-25, procurement of paddy was 7608 LMT while during the period 2004-05 to 2013-14, procurement of paddy was 4590 LMT.

During the period 2014-15 to 2024-25, procurement of 14 Kharif crops was 7871 LMT while during the period 2004-05 to 2013-14, procurement was 4679 LMT.

During the period 2014-15 to 2024-25, MSP amount paid to Paddy growing famers was Rs. 14.16 Lakh Crore while during the period 2004-05 to 2013-14, amount paid to farmers was Rs. 4.44 Lakh Crore.

[Click here for more details](#)

Source: pib.gov.in – May 29, 2025

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## **Risk of barriers after US tariff pause expires key weakness for India**

The potential risk of trade barriers, after the 90-day pause on the 26-per cent tariff on Indian exports to the United States expires on July 9, is a key external vulnerability for the Indian economy, and the outcome of a pause in the US-China reciprocal tariffs is also important, the country's finance ministry noted in its Monthly Economic Review for April.

“A successful [US-India] trade deal could mitigate these risks and boost exports, even as private investment remains cautious in the face of global uncertainty,” officials from the department of economic affairs (DEA) wrote in the review.

“In the future, India will benefit from supply chain adjustments, diverse foreign direct investment sources, and greater collaboration with global investors seeking resilience and growth, supported by its existing trade connections,” they wrote.

The external sector performance remains resilient, with fiscal 2025-26 commencing on a favourable note, they noted. The country's foreign exchange reserves remain adequate, providing an import cover of approximately eleven months.

The trade-related and other global uncertainties faced by India are faced by several other nations but most of them lack the advantages that India has: macroeconomic stability, fiscal policy that is focused on quality of expenditure and prudence delivering lower cost of capital to the country, a benign inflation and monetary policy backdrop and financial and corporate sectors with strong balance sheets, they added.

Source: fibre2fashion.com– May 29, 2025

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## **India's index of industrial production up 2.7% YoY in Apr 2025: Govt**

India's index of industrial production (IIP) grew by 2.7 per cent year on year (YoY) in April this year and by 3 per cent YoY in March, according to quick estimates by the ministry of statistics and programme implementation.

The IIP stood at 152 in April 2025 against 148 in the same month last year.

The IIP for manufacturing grew by 3.4 per cent YoY to 149.5 in April.

Within the manufacturing sector, 16 out of 23 industry groups at national industrial classification (NIC) 2 digit-level recorded a positive YoY growth in April 2025.

The indices stood at 151.6 for primary goods, 114.3 for capital goods, 164.2 for intermediate goods and 191.6 for infrastructure/construction goods for April 2025, a release from the ministry said.

Further, the indices for consumer durables and consumer non-durables stood at 127.2 and 148.4 respectively in the month.

Source: fibre2fashion.com – May 29, 2025

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## Indian govt raises cotton MSP up to 11.84% for 2025-26 season

The Indian government has increased the Minimum Support Price (MSP) of cotton by up to 11.84 per cent for the upcoming 2025–26 season (October–September). MSP is the price at which the government purchases cotton from farmers through its nodal agency, the Cotton Corporation of India (CCI).

The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi, has approved the increase in MSP for 14 Kharif crops, including cotton, for the next marketing season 2025–26.

According to a government press release issued on Wednesday, the MSP for medium staple seed cotton has been raised by 8.27 per cent to ₹7,710 (\$90.18) per quintal. The purchase price for long staple fibre has been increased by 11.84 per cent to ₹8,110 (\$94.86) per quintal. Over the past 12 years, the government has increased MSP by up to 108 per cent, with medium staple cotton rising 108 per cent and long staple cotton 103 per cent during this period.

However, the increase in cotton MSP has not been well received by the trading community. Traders believe that excessive MSP hikes make Indian cotton uncompetitive in the global market and place the Indian textile industry in a difficult position.

Jagdish Soni, a trader from Ahmedabad, compared pricing dynamics, noting that Indian cotton would cost around ₹63,000 per candy of 356 kg or 94 cents per pound, while Brazilian cotton (ICE cotton December 2025 contract) would be available at ₹60,600 per candy (90.45 cents per pound) on a CIF basis.

Source: fibre2fashion.com– May 29, 2025

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## **North India's cotton yarn market stays muted amid MSP hike concerns**

Cotton yarn trade continued to witness muted buying, with prices remaining stable in the Delhi and Ludhiana markets. Cotton and yarn traders in North India expressed concern over the announcement of higher Minimum Support Price (MSP), which they say will affect the competitiveness of Indian cotton fibre, yarn, and related products in the global market.

The Ludhiana market observed limited buying due to reduced consumption of cotton yarn. However, prices remained unchanged. A trader from Ludhiana told Fibre2Fashion, "Workers have not yet returned to factories from their native places. As a result, weaving and other activities across the textile value chain remain slow. Buyers are not placing new orders as factory consumption is still very limited."

Traders also noted that the MSP hike is not a supportive measure and may pose challenges for Indian exporters.

In Ludhiana, 30 count cotton combed yarn was sold at ₹258-268 (approximately \$3.02-3.13) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹248-258 (approximately \$2.90-3.02) per kg and ₹253-263 (approximately \$2.96-3.08) per kg, respectively; and carded yarn of 30 count was noted at ₹238-243 (approximately \$2.78-2.84) per kg today, according to trade sources.

The Delhi market witnessed a bearish tone in cotton yarn trade. A trader from the Delhi market said that the government has been increasing the MSP every year, which is making Indian cotton and its products less competitive in the global market. Cotton prices remain lower than the MSP, creating a disparity for the domestic ginning industry. Cotton yarn buyers have also become more cautious about entering new deals due to this recent development.

In Delhi, 30 count combed knitting yarn was traded at ₹260-261 (approximately \$3.04-3.05) per kg (GST extra), 40 count combed at ₹285-286 (approximately \$3.33-3.34) per kg, 30 count carded at ₹234-236 (approximately \$2.74-2.76) per kg, and 40 count carded at ₹259-261 (approximately \$3.03-3.05) per kg today.

India's home textile hub, Panipat, was also facing poor demand for recycled yarn. The market witnessed very slow demand for coarse counts of recycled yarn, while finer counts saw slightly better buying. The market continued to experience payment issues and a labour shortage, which also contributed to the sluggish demand for recycled yarn. Raw materials were traded steadily.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹75-78 (approximately \$0.88-0.91) per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (Black) at ₹52-55 (approximately \$0.61-0.64) per kg, 20s recycled PC yarn (Grey) at ₹95-99 (approximately \$1.11-1.16) per kg and 30s recycled PC yarn (Grey) at ₹128-134 (approximately \$1.50-1.57) per kg. Cotton comber prices were noted at ₹108-110 (approximately \$1.26-1.29) per kg and recycled polyester fibre (PET bottle fibre) at ₹75-78 (approximately \$0.88-0.91) per kg today.

In North India, cotton prices further dipped by ₹10 per maund (37.2 kg) due to slow demand from spinning mills and a bearish outlook. The higher Minimum Support Price (MSP) also failed to improve sentiment in the cotton trade. The Indian government has increased the MSP by up to 11.84 per cent for the next season, beginning in October 2025. The higher MSP for seed cotton is expected to raise cotton prices in the upcoming season. However, traders said that the current demand outlook remains very bearish, which has overshadowed the impact of the MSP hike. The price increase will come into effect after four months.

North India's cotton arrivals totalled 750 bales (170 kg each), comprising 500 bales in Haryana, 200 in upper Rajasthan, and 50 in lower Rajasthan. Punjab reported no fresh arrivals. Cotton prices in Punjab ranged from ₹5,720 to ₹5,730 (approximately \$66.90–67.02) per maund of 37.2 kg; in Haryana, ₹5,540–5,590 (approximately \$64.80–65.38); in upper Rajasthan, ₹5,720–5,740 (approximately \$66.90–67.14). In lower Rajasthan, prices stood at ₹53,500–₹54,800 (approximately \$625.77–640.97) per candy of 356 kg.

Source: fibre2fashion.com – May 29, 2025

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