

IBTEX No. 38 of 2026

April 16, 2026

Currency Watch			
USD	EUR	GBP	JPY
93.35	110.17	126.77	0.59

INTERNATIONAL NEWS	
No	Topics
1	China shock 2.0: the countries feeling the 'Chinese squeeze'
2	IMF cuts global growth outlook as Iran war deepens economic risks
3	Semafor: Europe Fears 'Stagflation' Amid Strait of Hormuz Slowdown
4	'Do Not Hesitate': Shippers Urged to Lock in Lower Contract Rates Despite Hormuz Disruptions
5	US retail sales accelerate with 6.59% YoY growth in March: NRF
6	Vietnam textile-garment industry remains cautious despite order recovery
7	Bangladesh and Türkiye discuss stronger trade and investment

DISCLAIMER: The information in this message be privileged. If you have received it by mistake please notify "the sender" by return e-mail and delete the message from "your system". Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL - The Cotton Textiles Export Promotion Council.

NATIONAL NEWS	
No	Topics
1	India achieves record exports of USD 860 billion in 2025-26: Piyush Goyal
2	India stands by trade pact with US, trade negotiators to visit Washington next week
3	India rejects USTR allegations, seeks end to Section 301 probe
4	Indian negotiators to resume talks on US trade deal from April 20
5	India's exports in FY26 grow 4% to \$860 billion; trade deficit widens by \$25 billion
6	China becomes India's top trade partner in FY26; deficit widens to \$112 bn
7	India's March WPI inflation 4.91% for textile manufacturing, RMG 1.81%

INTERNATIONAL NEWS

China shock 2.0: the countries feeling the ‘Chinese squeeze’

For several decades much of south-east Asia has sought to slipstream China’s economic miracle — and with considerable success. But such is the scale of Chinese manufacturing, the region is now questioning whether its hopes of developing its own globally competitive industries are being dashed.

South-east Asia faces not so much a “China shock” as a “China squeeze”, says Arvind Subramanian, a former chief economic adviser to Indian prime minister Narendra Modi. Beijing, he warns, risks suffocating the region’s long-term aspirations with its excess exports of low and high-tech goods.

“It is squeezing out space for all the developing countries poorer than itself in these low-skilled sectors,” he told an IMF conference in Bangkok in March. “So the ‘Asia model’ that China, Korea, and Taiwan benefited from is now being squeezed out more and more.”

The concern for regional officials is that this trend could end the so-called “flying geese” paradigm. This is the idea first formulated in Japan in the 1930s that Asia’s less advanced but lower-cost economies can follow a more developed nation rapidly up the industrial value chain, as the leader shifts towards ever more sophisticated manufacturing and services.

China’s market dominance in electric vehicles, solar panels and computer technologies is de facto blocking south-east Asian economies from moving up the manufacturing value chain. At the same time, its increasing exports of low-cost products from shoes to plastics risks gutting their industrial base.

“Because of its scale, you could say that China encompasses a whole flock of geese,” said Mark Williams, chief Asia economist at consultancy Capital Economics.

“The question is whether the 50-year pattern that saw countries like Taiwan and Japan get rich was just a window in time — a window that is now closing.”

At the lower end of the manufacturing value chain, in an industrial estate on the outskirts of Kuala Lumpur, a forlorn-looking factory testifies to the impact that offloading Chinese surplus goods on to its neighbours has.

For three decades MPI Polyester Industries was a major Malaysian producer of polyethylene terephthalate (PET). At its height it produced 38,000 tonnes a year of the lightweight plastic used to make drinks bottles and food containers.

But in January the manufacturer called time on its plastics business, blaming fierce competition from foreign rivals. “The margins are just not there any more because we are being undercut by Chinese imports,” said Mok Chee Kong, marketing manager at MPI.

The story of MPI’s demise — which came despite the Malaysian government’s imposition of anti-dumping duties on Chinese plastic last year — is becoming a familiar tale.

China’s trade surplus with the 11-nation Asean bloc hit a record \$276bn in 2025 — up 45 per cent from the year before — with strong growth in intermediate goods, including electronics and capital goods such as machinery used by manufacturers.

Labour-intensive manufacturing sectors such as shoes and clothing have been particularly affected. In Indonesia, around 60 factories closed between 2022 and 2025, according to the Indonesian Textile Association.

The biggest casualty was Sri Rejeki Isman (Sritex), a company that once supplied garments to Uniqlo and Walmart, but which shut its factories last year and axed more than 10,000 workers. The textile association estimates that 250,000 jobs have been lost in the sector over the past four years.

“The volume of textiles and garments from China flooding the Indonesian market is at a very massive scale, estimated to reach thousands of tonnes per year,” ITA’s executive director Danang Girindrawardana told the FT.

Indonesian finance minister Purbaya Yudhi Sadewa said in March that Jakarta was considering measures to curb the growing dominance of Chinese products on the country’s ecommerce platforms.

“If this continues without intervention, it would be as if we are handing over our domestic market directly to China,” Purbaya said.

At the other end of the value chain, Chinese exports of EVs, batteries and solar panels to members of the Association of Southeast Asian Nations increased more than 50 per cent last year to nearly \$22bn.

Vietnam imported \$84bn in electrical machinery and electronics from China last year, up 43 per cent, according to the Asia Society Policy Institute (ASPI) think-tank.

Asean countries are simultaneously becoming dependent on China for both industrial inputs for manufacturing and also finished goods like EVs and solar panels, according to Shay Wester, director of Asian economic affairs at ASPI.

Vietnam, which has become the base for many manufacturers relocating from China, imports at least half its raw materials from its northern neighbour. Cambodia is also heavily dependent on Beijing, importing around 60 per cent of the raw materials for its crucial garment industry from China.

“These inputs help make Asean exports competitive in markets like the United States and Europe. On the other end, Chinese finished goods are flooding domestic markets across a range of sectors, undercutting local producers,” Wester said.

The threat posed by China’s expanding market share at both ends of the value chain was a key focus of an IMF conference on “Asia in 2050” in Bangkok in March.

South-east Asia faces a difficult balancing act trying to deal with both the threat and opportunity provided by China. “It isn’t black and white,” said Trissia Wijaya, a McKenzie research fellow at the University of Melbourne, since China’s capital and technology base remained a major driver of industrial development. “There’s always an input to the south-east Asian economy from China, although it’s not without flaws.”

A few Asean members have attempted to protect their markets against what they say is the dumping of Chinese goods, but the region has often struggled to respond effectively because of the fear of angering Beijing.

Liew Chin Tong, Malaysia’s deputy finance minister, has warned that Asian countries that long relied on the US as their export destination of “first and last resort” now risk crashing each other’s markets, “resulting in

cut-throat price wars, involution and deindustrialisation of fellow Asian economies”.

“To prevent this from happening, China and all other Asian economies will have to open up for candid conversations about managing or even curtailing manufacturing capacity at home and offering voluntary export restraints,” Liew wrote in December.

China dismisses accusations of widespread dumping of products. In an article in the official China Daily last year, researchers at a commerce ministry think-tank said the country’s exporters were creating “rich cross-border production and supply systems that help Southeast Asia accelerate transformation and upgrading”.

The bind for Asean governments is that while Chinese investment brings short-term benefits to the region, it also reduces incentives for longer term investment in home-grown technology, workforce education and structural reforms to drive them up the value chain.

The challenges that led to the closure of MPI Polyester’s plastic factory are starkly revealed in Zhangmutou, one of China’s largest plastics trading hubs situated in the southern manufacturing city of Dongguan.

Despite the vast needs of Dongguan’s manufacturers, local supply comfortably exceeds demand thanks to a combination of US President Donald Trump’s tariffs hitting trade with the US and a softening of China’s own economy following a property market crisis.

“No matter how great [China’s] domestic demand is, it’s never enough,” said Xia Yongfu, who runs Dongguan Aohua Plastic Trading.

Xia added that while some demand came from south-east Asian companies, the majority of his clients in the region were Chinese business people who had opened factories there.

Huang Yongxin, who runs Yuanxin Lianhe Plastics Manufacturing, another Dongguan company, conceded the system did nothing to incentivise Vietnamese industrial development, either in creating new production processes or cultivating workers’ skills.

“Vietnam can never match China’s manufacturing supply chain. Many of Vietnam’s senior engineers are recruited from China, travelling back and

forth by plane every week,” he said, adding that new plastics formulations were much more easily made in China.

Wester of ASPI said there were already signs China’s dominance was likely to deepen in the long term as technology became increasingly important to production of both goods and services.

“Digital infrastructure is an area to watch, as Chinese firms invest heavily in data centres across south-east Asia,” Wester said. “[These] firms are exporting not just products, but entire technology and industrial ecosystems.”

Source: ft.com – Apr 15, 2026

[HOME](#)

IMF cuts global growth outlook as Iran war deepens economic risks

Washington — The International Monetary Fund has downgraded its global growth outlook, warning that escalating conflict in the Middle East — now compounded by a near shutdown of the Strait of Hormuz — is disrupting trade, fueling inflation and complicating policymaking worldwide.

In an April 14 blog post, the IMF said global growth momentum entering 2026 has been “halted” by the conflict, which has driven up energy prices and heightened uncertainty.

Growth is now expected to slow to roughly 3.1% in 2026, down from earlier projections of about 3.4%, with risks tilted further to the downside.

Strait of Hormuz disruption amplifies shock

The economic impact has intensified following new developments in the region. On April 12, Donald Trump announced a blockade of “any and all ships” attempting to pass through the Strait of Hormuz, a critical global shipping corridor.

The move followed weeks of threats from Iran targeting vessels that did not pay multimillion-dollar transit fees. Together, the actions have effectively halted traffic through one of the world’s most important commodity routes.

According to analysis from the Atlantic Council, the closure represents a dual shock: an immediate supply disruption and a longer-term restructuring of global trade flows.

Before the conflict, the Gulf region accounted for a significant share of global commodity exports, including roughly 20% of seaborne jet fuel, 10% of diesel, 23% of ammonia and 33% of helium production. It also supplied half of global seaborne sulfur and about 9% of aluminum.

Supply shock spreads as longer term disruption looms

The sudden collapse of shipping through the strait is forcing producers worldwide to scramble for alternative sources of key inputs. That

competition is driving up costs across multiple sectors, from agriculture to manufacturing.

In addition to direct impacts on fuel and diesel prices, higher oil prices will exact tolls throughout the supply chain on which furniture manufacturing relies, especially plastics, which is primarily made from hydrocarbon feedstocks, and aluminum.

As supply tightens, the burden is expected to fall unevenly. Wealthier nations are more likely to secure limited resources at higher prices, while middle-income countries may resort to rationing or reduced consumption. Lower-income regions — including manufacturing hubs like Vietnam and China — face the most severe consequences, with shortages likely to limit access altogether.

Even if shipping resumes in the near term, the IMF and Atlantic Council warn that the effects of the disruption could persist for months or longer. Damage to regional refining capacity and export infrastructure may take years to fully repair, while uncertainty surrounding the conflict could deter a swift return to normal shipping patterns.

In some scenarios, companies may continue relying on alternative supply chains developed during the war, particularly if a cease-fire proves fragile. Inflation, policy trade-offs intensify

The IMF said rising energy and commodity prices are expected to push inflation higher, complicating central bank efforts to stabilize prices without undermining growth.

Emerging markets and energy-importing economies are particularly vulnerable, facing currency volatility, higher import costs and reduced capital inflows. Growth forecasts for these economies have been revised downward accordingly.

The inflation worries come as mounting political pressure on the United States Federal Reserve is adding another layer of uncertainty to the outlook, particularly as policymakers weigh how to respond to energy-driven price increases. President Donald Trump has threatened to remove Fed Chair Jerome Powell if he does not step down after his term ends next month, intensifying a longstanding public dispute centered on interest rates and inflation strategy.

Global ripple effects

The disruption is already reverberating across regions. Asia — including India, China and Southeast Asia — relies heavily on Gulf commodity imports, while Africa depends significantly on diesel supplies from the region. Aluminum shortages, in particular, could affect manufacturing in the Americas.

The IMF emphasized that policymakers now face a narrow path forward: balancing inflation control with economic support while maintaining financial stability in an increasingly uncertain global environment.

While the baseline outlook assumes the conflict remains contained, the fund warned that a prolonged or escalating crisis could push global growth closer to 2%, raising the risk of a broader downturn.

Source: hometextilestoday.com – Apr 15, 2026

[HOME](#)

Semafor: Europe Fears ‘Stagflation’ Amid Strait of Hormuz Slowdown

European nations are largely willing to support the United States to ensure the free flow of cargo through the Strait of Hormuz once the conflict with Iran reaches its conclusion—but they’re not going to enter the fray ahead of that point, officials intimated at the Semafor conference this week in Washington, D.C.

French Finance Minister Roland Lescure said, “France is willing, with the U.K. and others, to make sure that we can fortify the Strait of Hormuz once de-escalation takes place, not before.”

“This is going to be a peacetime operation to stabilize the strait if we get there, but first we have to get there. That requires negotiations between Iran and the U.S.,” he added. As such, France won’t be sending convoy ships to join in the war anytime soon, Lescure said, noting, “We are not a belligerent; we are not a part of this conflict.”

The comments took place mere days after Vice President JD Vance and a group of U.S. negotiators returned from marathon talks with Iranian officials in Pakistan over the weekend without a deal. The tense negotiations, which lasted over 20 hours, ended due to Iran’s refusal to abandon its nuclear program.

Afterward, President Donald Trump said the U.S. would blockade the strait, preventing ships from passing through entirely. On Monday, more than 15 U.S. warships were in place in the Middle East to support the operation.

Asked about the war’s cost to France, Lescure said the country is “less exposed than others” to price shocks when it comes to the flow of energy products through the strait. He noted, “There’s about 12 million barrels [of oil] missing every day, and most of those barrels are missing in Asia.”

Still, Lescure is sensitive to the macro impacts that protracted constraints on cargo flow could have on the world economy, including in Europe, where some officials warned that “stagflation” is brewing. A lethal combination of stagnating growth and heightened inflation could be imminent if the strait, which carries about 20 percent of the world’s oil, remains unsafe to pass through.

“What matters for me—I’m the finance minister—is that we find ways of de-escalating. I don’t want to escalate,” Lescure said.

“We need this to be sorted in weeks, because we know that once this is beginning to be sorted geopolitically and hopefully peacefully, that still will be quite a few weeks of turbulence to go through before we go back to normal, if we ever could go back to normal,” he added.

Greek Finance Minister Kyriakos Pierrakakis approached the issue with a cool head but a sense of urgency.

Asked what the “Iran shock” looks like, at a high level, for Europe, he said, “Let me start by addressing this question and repeating what Fatih Birol, the executive director of the International Energy Agency, said recently, which is quite alarming—that we’re potentially facing the greatest energy crisis in history if we don’t address it properly.”

“If the Strait of Hormuz remains closed for a prolonged period of time, it’s going to be big,” he added. And it’s not just about the flow of oil. One-third of the world’s fertilizer passes through the strait, along with half of the sulfur consumed globally.

Asia is feeling the impacts of the constraints on natural gas acutely, “But the prices are global to a very large extent, so we’re all feeling it,” Pierrakakis said.

The official, who is also the president of Eurogroup, the collective of 21 European finance ministers whose countries use the euro as their official currency, said that stagflation in the region would be the “worst case scenario,” but “we’re not yet there.”

However, he added, “The calculation that the International Energy Agency is making is, unfortunately, even in the best case scenario, also a bit worrisome.” Over 80 Gulf energy facilities have been affected so far—and some “severely.” It could take two months to get supply flowing at all, and not at previously seen levels.

What’s not at risk, he emphasized, is the future of the relationship between the U.S. and its European allies, even though they’re unwilling to back up the Americans militarily in the conflict.

“I firmly believe in the strategic nature of the relationship between the U.S. and the EU; we have been very close for hundreds of years. There can be turbulence in that relationship. There are disagreements in that relationship that we have seen, be that in trade relations, be that the question of Greenland previously,” he said.

“But I firmly believe that the strategic interest of both the U.S. and the EU is to have a close and collaborative relationship on every front,” he added, whether it’s on geopolitics or technology, like the AI race. “I think that all of us need good friends, and all of us, at the end of the day, will act fully strategically.”

Source: wwd.com– Apr 15, 2026

[HOME](#)

‘Do Not Hesitate’: Shippers Urged to Lock in Lower Contract Rates Despite Hormuz Disruptions

As the U.S. naval blockade of Iranian ports passes into its third day, importers and exporters remain in wait-and-see mode amid increasing fuel surcharges and a lack of safety guarantees for cargo shipping surrounding the Persian Gulf and the Strait of Hormuz.

But while spot freight rates across the board have soared since the start of the Iran war, shippers can still benefit from lower contract rates by soliciting competitive bids from ocean carriers, according to maritime research consultancy Drewry. With contract season entering its final stretch, shippers are still negotiating rates and leveraging carrier offers ahead of traditional May 1 start dates.

“If you’re a shipper and you’re preparing to go to bid, do not hesitate,” said Philip Damas, managing director and head of Drewry Supply Chain Advisors, during a Wednesday briefing. “Go ahead, because the situation is still favorable. You will be able to secure lower contract rates than last year.”

These contract rates are forecast to remain manageable since the Iran conflict has not slowed down the underlying trend towards global container shipping overcapacity. Damas maintained the supply-and-demand balance “will still weaken during the rest of this year and next year.”

Damas did note one caveat. Rates on Middle East-connected routes are best left outside standard bids for now, he said, as those routes are still “extremely unstable.”

For example, cargo shipped from Shanghai to the Port of Jebel Ali has quadrupled from Feb. 27 to April 10, after most container lines suspended Persian Gulf-bound bookings. The increased price per 40-foot container on that route sits at roughly \$6,600 as boxes are mostly discharged at ports outside the Gulf and redirected inland via road networks.

To counteract “out of control” fuel surcharges being implemented by the ocean carriers, Drewry advises importers and exporters to take two steps: ensure that any partial normalization of fuel prices leads to a reduction of

bunker adjustment surcharges and implement a “standard bunker policy” across all carriers.

Shippers have limited direct control over bunker surcharges, but they can push for more transparency by tying them to published fuel indices and ensuring contracts include mechanisms for downward adjustments when prices ease.

In practice, larger shippers may be able to standardize bunker terms across carriers during bid cycles, while others rely on benchmarking and forwarder agreements to keep surcharges in check.

“For the fuel surcharges, we see that marine fuel prices will stay above the pre-conflict situation for a number of months, depending on the scenario, and we expect that some carriers will slow down their ships to economize on fuel,” said Damas.

While importers and exporters navigate the intricacies of the evolving situation as the two-week ceasefire between the U.S. and Iran hangs in the balance, shipping activity in the war-torn region appears to be more predictable than in previous weeks.

The U.S. naval blockade has effectively prevented vessels from coming and going to Iran, although the Strait of Hormuz is still seeing light traffic.

According to U.S. Central Command (CENTCOM), no vessels impacted by the blockade made it past American forces in the first 48 hours of the operation. Additionally, nine oil tankers have complied with direction from U.S. forces to turn around and return toward an Iranian port or coastal area.

Total crossings through the Strait of Hormuz rose on Tuesday to 16 vessels, but commercial traffic remained limited to eight crossings, two higher than the day prior.

According to data from maritime visibility platform Windward, 810 ships remain in the Persian Gulf.

Despite President Donald Trump’s insistence Tuesday that the Iran war is “very close to over,” and reports from MS NOW Wednesday that the U.S. and Iran could return to negotiations in Pakistan as soon as next week,

Iranian military officials have insisted they are willing to expand the scope of the conflict.

Early Wednesday, General Ali Abdollahi Aliabadi, the leader of Iran's joint military command that oversees Iran's army and Islamic Revolutionary Guard Corps (IRGC), threatened that the armed forces would block exports and imports across the Persian Gulf region, the Gulf of Oman and the Red Sea if the U.S. did not end its blockade.

Aliabadi added that the U.S. blockade is "a prelude to violating the ceasefire."

Container vessels from major ocean carriers have largely avoided the Red Sea even after the Iran-aligned Houthis suspended their attacks on commercial ships in the waterway last fall.

The threat of safety in the Persian Gulf has led to a slight bump in Red Sea container traffic since the start of the conflict.

According to Drewry, Red Sea mainline service capacity—measured by TEUs transported per week—increased 11 percent from Feb. 26 to March 26. During the same time frame, mainline service capacity to the Gulf ports and on combined Gulf-Indian Ocean loops has been cut by 46 percent.

But while Drewry had previously been anticipating that Suez Canal transits would gradually phase back to a normal state "by about this time next year," the company has reversed course.

"It would have been a gradual increment initially focused on backhaul transits," said Simon Heaney, senior manager of container research at Drewry, during the briefing. "Thanks to this conflict in the Middle East, that has now been deferred. Until this situation is resolved, we believe that the Red Sea diversions will continue for the foreseeable future."

On Wednesday afternoon, Reuters reported that Iran could propose to the U.S. in a potential deal that it would consider allowing ships to sail on Oman's side of the Hormuz strait without the worry of interference or attack.

The proposal would be the first visible step by Tehran to pull back from more aggressive pursuits, which included charging a toll for ships to pass through the oil conduit and imposing sovereignty on the strait.

Source: wwd.com– Apr 15, 2026

[HOME](#)

US retail sales accelerate with 6.59% YoY growth in March: NRF

US retail sales rose for a sixth consecutive month in March, supported by higher-than-usual tax refunds that helped offset rising gasoline prices, according to the CNBC/NRF Retail Monitor powered by Affinity Solutions. The data highlighted continued consumer spending resilience despite inflationary pressures and weak sentiment.

Total retail sales, excluding automobile dealers and gasoline stations, increased 0.4 per cent month over month (MoM) on a seasonally adjusted basis and rose 6.59 per cent year over year (YoY) in March. This compares with gains of 0.28 per cent MoM and 6.24 per cent YoY in February, indicating an acceleration in spending.

“Retail sales grew for a sixth consecutive month in March as the first wave of tax refunds offset higher gas prices resulting from the conflict in the Middle East,” said Matthew Shay president and CEO at NRF. “Despite record low consumer sentiment and the highest inflation rate in two years, consumers continued to spend on household priorities. As consumers focus on costs, retailers remain laser-focused on keeping prices competitive and affordable.”

Category-wise, sales increased across most segments on an annual basis, led by clothing and sporting goods stores. Clothing and accessories stores recorded a 0.57 per cent MoM rise and a strong 10.89 per cent YoY increase, while general merchandise stores posted gains of 0.38 per cent MoM and 8.77 per cent YoY, NRF said in a press release.

Core retail sales, which exclude restaurants in addition to auto dealers and gas stations, climbed 0.41 per cent MoM and 7.05 per cent YoY, up from 0.27 per cent MoM and 5.87 per cent YoY in February. For the first quarter overall, total retail sales rose 6.18 per cent YoY, while core sales increased 6.14 per cent. The growth was supported by larger tax refunds, with the IRS reporting that average refunds reached \$3,521 as of late March 2026, up 11.1 per cent compared to the previous year following recent tax law changes.

Source: fibre2fashion.com – Apr 15, 2026

[HOME](#)

Vietnam textile-garment industry remains cautious despite order recovery

Vietnam's textile and garment industry is targeting \$50 billion in export turnover in 2026, but rising costs driven by U.S. tariff shifts and geopolitical tensions in the Middle East are keeping businesses cautious, even as orders show signs of recovery.

Exports remain the backbone

According to the National Statistics Office, Vietnam's textile and garment exports in Q1/2026 reached over \$10.54 billion, up 2.3% year-on-year. March alone generated \$3.82 billion, marking a 4.4% increase.

While growth remains modest, it underscores the relative stability of export markets, which continue to serve as a key pillar for the industry.

Vietnam National Textile and Garment Group (Vinatex – UPCoM: VGT) reported solid Q1 results, with estimated garment segment profit of VND198 billion (\$7.52 million), fulfilling 26% of the year's target and rising 4% year-on-year.

Many subsidiaries have secured orders through the end of Q2, with some locking in contracts for the full year.

Vinatex's revenue structure remains relatively balanced between domestic and export markets. In 2025, of its total revenue exceeding VND18 trillion (\$683.71 million), nearly VND10 trillion came from the domestic market, with the remainder from exports. Core segments such as yarn, textiles, and garments accounted for approximately 95.8% of total revenue.

Similarly, Thanh Cong Textile Garment Investment Trading JSC (HoSE: TCM) derived the bulk of its revenue from core operations. In 2025, textile and garment activities generated over VND3.54 trillion (\$134.46 million), representing about 97.3% of total revenue. Of which, export turnover reached VND3.1 trillion, or roughly 85.2%.

This reflects the company's structure, as its parent, E-Land Asia (Singapore), is part of South Korea's E-Land Group, resulting in significant intra-group transactions. Related-party revenue totaled nearly VND1 trillion during the year.

Meanwhile, Song Hong Garment JSC (HoSE: MSH) demonstrates an even stronger reliance on exports. Although its financial statements do not break down revenue by market, its client base including Columbia Sportswear, Haddad Brands, Walmart, and Target suggests it is almost entirely export-driven. According to estimates by Asia Commercial Bank Securities (ACBS), the U.S. accounts for about 80% of MSH's export revenue.

MSH's profit structure also stands out. In 2025, revenue from semi-finished goods reached VND3.62 trillion (\$137.5 million), with cost of goods sold at VND3.13 trillion, implying a gross margin of about 13.5%.

In contrast, its services segment generated nearly VND1.92 trillion (\$72.93 million) in revenue with costs of only VND1.23 trillion, resulting in a much higher gross margin of 35.8%. This indicates that contract manufacturing (CMT) continues to yield higher margins than finished goods (FOB), as it avoids raw material costs.

Overall, Vietnam's textile and garment companies remain heavily dependent on export markets, particularly the U.S. and the EU. This dependence, however, leaves the sector vulnerable to rising logistics costs and raw material prices, especially petroleum-based polyester, amid geopolitical instability in the Middle East.

Against this backdrop, the \$50 billion export target for 2026 appears ambitious and challenging.

Cautious plans for 2026

Despite improving order flows, companies are maintaining conservative growth strategies.

Thanh Cong targets revenue of VND4.39 trillion (\$166.75 million) and after-tax profit of VND293 billion (\$11.13 million) for 2026, implying modest profit growth of about 8.1% compared to 2025. The company is also accelerating its domestic retail expansion in collaboration with E-Land to enhance margins. Following a strong 2025, when after-tax profit exceeded the year's plan by 137%, Song Hong aims for 2026 revenue of VND6 trillion (\$227.9 million) and profit of VND900 billion (\$34.19 million), representing increases of 8.34% and 9.34%, respectively. It also plans to maintain a high dividend payout ratio of 40-50%.

Meanwhile, TNG Investment and Trading JSC targets revenue of VND9.5 trillion (\$360.85 million) and after-tax profit of VND450 billion (\$17.09 million), up approximately 9.2% and 14.5% year-on-year, respectively.

Industry players generally expect continued uncertainties in 2026, prioritizing stability and improved growth quality over aggressive expansion.

A notable trend is the shift from traditional contract manufacturing models such as CMT (Cut, Make, Trim) and FOB (Free On Board) toward ODM (Original Design Manufacturer), which allows companies to take on design and product development. This transition is seen as key to boosting value-added and improving long-term margins.

At the same time, elevated U.S. tariffs on Chinese goods continue to create opportunities for Vietnamese exporters to gain market share. However, competition is intensifying, particularly from countries like India and Bangladesh, which retain advantages in labor costs.

As a result, many companies are moving away from large-volume, low-margin orders toward more complex, higher-value contracts with shorter delivery times to optimize profitability. This shift also raises challenges in securing a skilled workforce.

According to the Vietnam Textile and Apparel Association, companies are actively working to meet increasingly stringent sustainability standards in key markets such as the U.S., EU, Japan, and South Korea. Requirements related to traceability, supply chain transparency, and ESG (Environmental, Social, and Governance) reporting are becoming mandatory, requiring more comprehensive preparation from businesses.

Source: theinvestor.vn – Apr 16, 2026

[HOME](#)

Bangladesh and Türkiye discuss stronger trade and investment

The meeting focused on expanding bilateral trade, increasing investment, and strengthening overall economic cooperation between the two countries.

The Commerce Minister highlighted the long-standing friendly relations between Bangladesh and Türkiye. He emphasized the scope for enhanced collaboration in ready-made garments, textiles, agro-based industries, and light engineering sectors.

He also invited Turkish entrepreneurs to invest in Bangladesh's leather and jute industries. He noted that the country offers competitive production costs, creating strong potential for profitable investment.

Ambassador Ramis Sen appreciated the steady growth of Bangladesh's economy. He identified skilled human resources as a key strength that can attract foreign investment. He also praised Bangladesh's eco-friendly jute products and noted their increasing popularity in the Turkish market.

The meeting was attended by Md. Abdur Rahim Khan, Additional Secretary (Export) of the Ministry of Commerce, along with other senior officials.

Source: textiletoday.com.bd – Apr 16, 2026

[HOME](#)

NATIONAL NEWS

India achieves record exports of USD 860 billion in 2025-26: Piyush Goyal

New Delhi: Commerce and Industry Minister Piyush Goyal on Wednesday said India has achieved a record in exports of goods and services, with total shipments crossing USD 860 billion in 2025-26.

Total merchandise and services exports were worth USD 825 billion in 2024-25.

"Bharat sets a new export record!. A matter of great pride as India achieves record exports of \$860 billion in FY 2025-26," he said in a post on social media.

This milestone, he said, has been achieved despite global headwinds, reflecting the country's resilience and growing strength in expanding its global trading footprint.

He added that the nine trade agreements concluded by India would further accelerate this momentum, as they would open new markets and unlock greater opportunities across sectors.

Source: economictimes.com – Apr 15, 2026

[HOME](#)

India stands by trade pact with US, trade negotiators to visit Washington next week

New Delhi: An Indian trade team led by chief negotiator Darpan Jain will visit the US from April 20 to 22 to advance negotiations on the proposed bilateral trade agreement (BTA), marking the first in-person meeting since October.

Officials said India remains committed to the agreement but given the changed circumstances around the tariffs, it has to be seen how the deal is structured and what issues are to be addressed. “So the agreement will have to be recalibrated, redrafted...that amount of change will take place from their side,” said an official.

“We are engaging with them on the contours, limits and commitments which the US will give us and the comparative advantage and commitment we get. The trade-off from the other side is something that we like to hear from them,” the official said.

The visit to Washington follows a 40-minute phone call between Prime Minister Narendra Modi and US President Donald Trump on Tuesday.

Another official said the team is going with an “open mind”.

“Every other country is now recalibrating its earlier agreement, so India is also looking at what will be a legal agreement and the trade-offs,” said the official, adding that “In our case, since the agreement has not been signed and announced, we have got the option where we can right now change whatever needs to be changed...and if we sign it, it will not be proper”.

On February 7, the US removed a 25% penal tariff on India for buying Russian oil and announced to cut the reciprocal tariff to 18% from 25%. The US Supreme Court on February 20 struck down tariffs imposed under the International Emergency Economic Powers Act. However, on February 24, Washington imposed a 10% blanket tariff on all countries for 150 days after the court invalidated the earlier levies.

“We are looking at finalising the legal agreement, which is a logical follow-up of the joint statement released on February 7. There is a need for further discussions and follow-up engagement to take this forward. India

and the US will work together to finalise timelines and next steps as part of the ongoing engagement,” commerce secretary Rajesh Agrawal said.

Exports, 301 issues

China has overtaken the US to emerge as India’s largest trading partner in FY26, with bilateral trade reaching \$151.1 billion even as the trade deficit with Beijing widened to \$112.16 billion from \$99.2 billion in FY25. The US was India’s largest trading partner for four consecutive years till 2024-25. India’s exports to China rose 36.66% to \$19.47 billion in FY26 while imports increased 16% to \$131.63 billion.

New Delhi's merchandise exports to the US in FY26 were \$87.31 billion, compared with \$86.51 billion in FY25. Imports rose to \$52.9 billion from \$45.63 billion.

Officials said higher imports from the US were driven by energy and LPG shipments from the US, resulting in a marginal narrowing of India’s trade surplus.

“Our trade surplus with the US has gone down,” said the official. The trade surplus declined to \$34.4 billion from \$40.89 billion in FY25.

The US has also initiated investigations involving several countries, including India, under Section 301 of the Trade Act.

“The US has initiated investigations involving several countries. Both sides will sit together and discuss how these issues need to be structured and addressed,” the secretary said.

Officials added that India has submitted its response to the request for consultations by the US trade representative.

Source: economictimes.com– Apr 15, 2026

[HOME](#)

India rejects USTR allegations, seeks end to Section 301 probe

India has strongly rejected allegations by the US Trade Representative in its investigations on excess structural capacity and production involving several countries, including India, asserting that the initiation notice has failed to provide “cogent rationale” to substantiate the claims.

India requests that the USTR issue a negative determination with respect to India and terminate the investigation against it, according to a submission from New Delhi to the USTR.

On March 11, the US announced initiation of investigations against its trading partners, including India, China, Japan and the EU, to look into and address “unfair foreign practices” that adversely impact American manufacturing.

Section 301 investigations explained

United States Trade Representative (USTR) Jamieson Greer announced the initiation of a probe regarding the “acts, policies, and practices” of various economies under Section 301(b) of the Trade Act of 1974, relating to structural excess capacity and production in manufacturing sectors.

The economies subject to these investigations are Bangladesh, Cambodia, China, the European Union, India, Indonesia, Japan, Korea, Malaysia, Mexico, Norway, Singapore, Switzerland, Taiwan, Thailand and Vietnam. India rejects allegations outright

The Government of India in response to the notice issued by the US Trade Representative (USTR) on the initiation of Section 301 investigation relating to structural excess capacity and production in manufacturing sectors, “firmly denies all allegations made in the initiation notice”.

“The initiation Notice is premised on aggregate macroeconomic indicators, without identifying any specific act, policy or practice of the Government of India that could be considered ‘unreasonable or discriminatory’ and that ‘burdens or restricts United States commerce’ as required by Section 301(b) of the Act,” according to the submission made by India.

No evidence, says India

The notice, it said, provides no cogent rationale or prima facie evidence to substantiate its allegation that India has “structural excess capacity” in its major industries, leading to a trade surplus with the United States.

“India submits that the present investigation does not satisfy the requirements for the initiation of this investigation pursuant to Sections 301 and 302 of the Trade Act of 1974. India calls upon the USTR to make a negative determination and terminate the investigation forthwith,” it said.

Bilateral talks preferred route

It added that since India and the US have initiated a process of negotiating a Bilateral Trade Agreement, any trade concerns should be addressed within the framework of the trade negotiations and not through unilateral measures.

“India remains willing to constructively engage with the United States in the underlying investigation, including any consultation,” it said.

Forced labour probe also challenged

Similarly, in its response to another investigations launched by the USTR on March 12 against number of nations including India on failure to take action on forced labour, India has submitted that the probe does not satisfy the legal requirements for the initiation.

“India requests the USTR to make a negative determination and terminate the investigation against India. Additionally, India remains willing to constructively engage with the United States in the underlying investigation, including any consultation,” according to India’s submission.

On behalf of the government of india, the submissions have been made by the commerce and industry ministry.

On March 12, the United States Trade Representative (USTR) launched a Section 301 probe, covering 60 economies, including India and China.

The investigation will determine whether acts, policies, and practices of each of these economies related to the failure to impose and effectively

enforce a ban on the importation of goods produced with forced labour are unreasonable or discriminatory, and burden or restrict US commerce.

On March 11, the USTR launched a separate Section 301 trade investigation, targeting policies and industrial practices of 16 economies, including India and China.

It has stated that these are public non-confidential summary of the Government of India's written submission filed with USTR. The full submission is filed separately and marked as confidential.

Source: thehindubusinessline.com – Apr 15, 2026

[HOME](#)

Indian negotiators to resume talks on US trade deal from April 20

An Indian delegation led by Chief Negotiator Darpan Jain will visit Washington from April 20 to 22 to resume talks on the India-US trade deal, Commerce Secretary Rajesh Agrawal announced on Wednesday.

The move comes as the government separately unveiled an aggressive 2026 roadmap for several major free trade agreements (FTAs), including the long-awaited deal with the UK, which is now expected to come into force by May.

The visit to Washington follows a 40-minute phone call between Prime Minister Narendra Modi and US President Donald Trump on Tuesday. Negotiators will focus on finalising the legal text of the Bilateral Trade Agreement (BTA) while addressing the impact of the new 10 per cent global import tariff introduced by the US in February

Free trade agreements

	Progress	Expected timeline
India-US	Team going to US on April 20	Not indicated
India-UK	Finalised	Likely to be effective from May
India-Oman	Finalised	To be effective from June 1
India-New Zealand	Deal to be signed on April 27	Likely to be effective from October
India-EU	Likely to be signed by end CY2026	Likely to be effective from end FY27
India-EAEU	First round of negotiation done	Not indicated
India-Isreal	First round of negotiation done	Not indicated
India-Australia CECA	11 rounds of negotiations done	Not indicated
India-Canada CEPA	First round of negotiation done	Not indicated

Source: Commerce Ministry

According to officials, India and the US will work together to finalise timelines and next steps as part of the ongoing engagement. The fresh bout of negotiations comes amid evolving tariff rules in the US, with officials indicating that clarity on Washington's trade stance remains crucial before any final deal. Earlier this year, India and the US agreed on an interim arrangement to reduce tariffs on Indian

exports to 18 per cent.

According to data released by the Commerce Ministry, India's exports to the US stood at \$87.31 billion during April 2025-March 2026, registering only a marginal rise from \$86.51 billion in the previous financial year. However, imports from the US increased sharply to \$52.90 billion from \$45.63 billion. Consequently, India's trade surplus with the US declined to \$34.41 billion in FY26, down from \$40.88 billion in FY25.

Other FTAs

Agarwal gave detail on the progress of various other FTAs “We expect the free trade agreement related to the UK to come into operation in May sometime,” the Commerce Secretary said. Further, the negotiations for the India-EU FTA are also set to conclude with the signing expected before the end of the current calendar year. The Ministry aims to bring the pact into force within the current financial year.

“FTA with the EU is likely to be signed before the end of this calendar year and try to get it into operation before the end of this financial year,” Agarwal said. India concluded negotiations for the India-New Zealand FTA, where domestic processes for signing and ratification now take place. Reviews for existing agreements continue, including the 11th round of negotiations for the India-Korea Comprehensive Economic Partnership Agreement (CEPA). Negotiations continue with Australia for a Comprehensive Economic Cooperation Agreement (CECA) and with Sri Lanka for an Economic and Technology Cooperation Agreement (ETCA).

Agarwal highlighted other active discussions involving Peru, Chile, Israel, Canada, and the Eurasian Economic Union. Terms of Reference are finalised for negotiations with the Philippines, Maldives and the Gulf Cooperation Council.

Source: thehindubusinessline.com – Apr 15, 2026

[HOME](#)

India's exports in FY26 grow 4% to \$860 billion; trade deficit widens by \$25 billion

India's merchandise exports grew by over 4 per cent in the 2025-26 fiscal year, though the overall trade deficit widened by more than 26 per cent for the full year, according to data released by the Commerce Ministry on Wednesday. Despite the annual expansion of the gap, the trade deficit narrowed in March as both exports and imports saw a synchronised dip during the final month of the fiscal year.

Commerce Secretary Rajesh Agrawal said India's exports are doing well despite challenges. The country's merchandise exports during April-March 2025-26 went up 1 per cent to \$441.78 billion from \$437.7 billion. Imports also increased to \$774.98 billion during the period from \$721.2 billion in 2024-25. Services exports are estimated at \$418.31 billion in 2025-26, showing a growth of around 8 per cent.

For March, India's total exports (merchandise and services combined) are estimated at \$74.11 billion, registering a negative growth of (-)4.58 per cent as against March 2025.

Total imports (merchandise and services combined) for March 2026 are estimated at \$76.55 billion, registering a negative growth of (-) 5.76 per cent as against March 2025. Accordingly, trade deficit narrowed to \$2.44 billion as against \$3.55 billion in March.

West Asia conflict

Due to the war involving the US, Israel and Iran, which began on February 28, India's exports to West Asia fell 57.95 per cent in March, Agrawal said, adding that total imports from that region also declined by 51.64 per cent last month.

Imports of crude oil and related products fell nearly 36 per cent year-on-year to \$12.18 billion in March, while gold imports declined 31.6 per cent to \$3.06 billion.

Commenting on the yearly data, SC Ralhan, President of FIEO, said: "Crossing \$860 billion in exports is a notable achievement, particularly amid global uncertainties, supply chain disruptions, and fluctuating demand. It highlights the adaptability and strength of Indian exporters."

Growth drivers

He said that export growth was driven by a diversified basket, including engineering goods, petroleum products, electronics, pharmaceuticals, chemicals, textiles, gems & jewellery, rice and marine products, strengthening India's position in global value chains. The US, UAE, China, the Netherlands, and the UK remained key export destinations. FIEO emphasized the need to further diversify markets and effectively leverage Free Trade Agreements to expand India's global footprint.

According to Aditi Nayar, Chief Economist at ICRA Ltd, amidst a sharp YoY dip in oil imports following the West Asia crisis, India's merchandise trade deficit eased to \$20.7 billion in March 2026 from \$21.7 billion in the year ago month, after having displayed a steep increase in January-February 2026.

"This would provide some respite to the current account balance in Q4 FY2026, which would nevertheless likely witness a deficit to the tune of 0.6 per cent of GDP in the quarter, in contrast with the typical seasonal surplus that is seen during the last quarter of the fiscal," she said while adding that India's CAD is expected to widen to 0.9 per cent of GDP in FY2026 from 0.6 per cent in FY2025, reflecting a combination of tariff-related issues and the gold price spike.

Source: thehindubusinessline.com – Apr 15, 2026

[HOME](#)

China becomes India's top trade partner in FY26; deficit widens to \$112 bn

China has overtaken the US to emerge as India's largest trading partner in 2025-26, with bilateral trade reaching \$151.1 billion, while the country's trade deficit with Beijing widened to \$112.16 billion during the period, government data showed.

The US was India's largest trading partner for four consecutive years till 2024-25. India's exports to China rose 36.66 per cent to \$19.47 billion during the last fiscal year, while imports increased 16 per cent to \$131.63 billion. The trade deficit swelled to an all-time high of \$112.6 billion in 2025-26 as against \$99.2 billion in 2024-25.

On the other hand, the country's outbound shipments to the US grew marginally 0.92 per cent to \$87.3 billion during the last fiscal year, while imports increased 15.95 per cent to \$52.9 billion. The trade surplus declined to \$34.4 billion in 2025-26 from \$40.89 billion in 2024-25.

According to commerce ministry data, China was India's top trading partner from 2013-14 till 2017-18 and also in 2020-21. Before China, the UAE was the country's largest trading partner. The US has been the largest partner since 2021-22. The major trading partners with which India recorded negative exports growth in 2025-26 include the Netherlands, the UK, Singapore, Bangladesh, Saudi Arabia, Australia, France, South Africa, and Malaysia.

However, exports to the UAE, Germany, Hong Kong, Italy, Nepal, Brazil, Spain, Belgium, and Vietnam registered positive growth last fiscal year. The major trading partners with which India recorded negative imports growth in 2025-26 include Russia, Iraq, Indonesia, Australia, Qatar, and Taiwan.

However, imports from the UAE, Saudi Arabia, Hong Kong, Switzerland, Singapore, Japan, Korea, Germany, Thailand, and Malaysia registered positive growth in the last fiscal year.

Source: business-standard.com – Apr 15, 2026

[HOME](#)

India's March WPI inflation 4.91% for textile manufacturing, RMG 1.81%

India's wholesale price inflation (WPI) rose sharply to a 38-month high of 3.88 per cent in March this year, according to provisional data from Ministry of Commerce & Industry.

This was largely driven by an increase in prices of crude petroleum and natural gas, other manufacturing, food and non-food articles and manufacturing of basic metals, a release from the ministry said.

The WPI inflation in February was 2.13 per cent.

Inflation in primary articles surged to 6.36 per cent in March from 3.27 per cent a month earlier.

However, fuel and power inflation turned positive at 1.05 per cent in March, reversing a contraction of 3.78 per cent in February. The increase was attributed to rising prices of electricity, coal and mineral oils.

Manufactured products inflation—the largest component of the WPI basket—rose to 3.39 per cent from 2.92 per cent in February, signalling cost pressures across sectors like chemicals and textiles.

The WPI inflation for manufacturing of textiles and leather and related products rose to 4.91 per cent and 3.03 per cent respectively in March from February's 3.29 per cent and 1.58 per cent. The same for wearing apparel dropped to 1.81 per cent in March from February's 2.14 per cent.

India's consumer price index (CPI)-based inflation (retail inflation) saw a 3.4 per cent year-on-year uptick in March.

India's WPI rose to 2.13 per cent year-on-year (YoY) in February 2026, up from 1.81 per cent in January, reflecting rising prices of manufactured goods, food articles and textiles.

Source: fibre2fashion.com – Apr 15, 2026

[HOME](#)
