Apparel INDIA

YR 25 ISSUE 09

APPAREL EXPORT PROMOTION COUNCIL MAGAZINE | SEPTEMBER 2025 | RNI NO. HARENG/2012/45083 ₹ 100

India–UK CETA: Stitching a New Era for Apparel Exports

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YR 25 | ISSUE 09 | September, 2025 | PAGES 60

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Dear member exporters,

Greetings of the day!

I am writing to you at a critical juncture for the Indian apparel export industry. The global trade continues to face headwinds, with the World Trade Organization (WTO) projecting a moderation in export growth due to subdued demand, geopolitical uncertainties, and inflationary pressures across key markets. The apparel sector is particularly feeling the pinch as global retail orders remain tepid and inventory levels high.

Higher tariff rates and trade policy uncertainties are set to eventually moderate some of the effects of earlier front loading. Already, rising input prices and a slowdown in trade shipments suggest increase in inflation in late 2025 as inventories shrink in tariff-affected sectors. World merchandise trade volume growth is expected to slow from 2.4% in 2025 to 0.5% in 2026.

The apparel exports have been significantly impacted by recent developments in US trade tariffs and global competitive pressures. The US, our largest market constituting 33% of Indian garment exports in 2024, has imposed a steep 50% tariff effective August 2025. This unprecedented increase has dealt a severe blow to our labor-intensive sector that heavily depends on the American market.

The tariff escalation comes at a time when the Indian apparel sector had just begun to regain momentum following political instability in Bangladesh which had diverted orders to India. Compared to our competitors—Vietnam, Bangladesh, and Sri Lanka—who face tariffs averaging around 20%, India's effective tariff burden is more than double, creating an excessively adverse market disadvantage scenario.

The silver lining is the India–EFTA Free Trade Agreement which got operationalized from 1st October 2025 which will open new opportunities for India's apparel and textile sector in European markets. With enhanced access, reduced tariffs, and a stronger trade environment, this pact will drive competitiveness, innovation, and job creation.

A high-level Indian delegation led by Ms. Neelam Shami Rao, Secretary (Textiles), participated in the London Textile Roadshow on 22 September 2025 and held sectoral meetings with UK buyers. The AEPC team was also part of the delegation. Addressing the gathering, the Secretary underlined India's ambition to double textile exports by 2030 and emphasized the need for resilient and transparent supply chains tailored for UK partners. I had also addressed the gathering during the roadshow; the theme was- "India–UK Textile Dialogue: Advancing Trade and Investment under CETA."

On a positive note, Indian industry is responding proactively to the government's Free Trade Agreement (FTA) with the partner countries, Ongoing negotiations with other major markets promise further new opportunities. Domestic support measures—including increased budget allocation for textiles and robust schemes to improve cotton productivity—are helping position India as a competitive global supplier. The sector also benefits immensely from initiatives like the Production Linked Incentive and the establishment of textile parks, strengthening our capabilities and boosting order books.

India's apparel export journey is at a crossroads and for sustained growth it requires urgent government support and proactive encouragement. Expansion to alternative export markets to reduce over-dependence on the US is the need of the hour.

Industry expresses its sincere gratitude to the Government for its decision to revise and broaden the scope of Production Linked Incentive (PLI) Scheme for Textiles. The inclusion of 8 new HSN codes for MMF Apparel and 9 new HSN codes for MMF Fabrics, along with greater flexibility for existing companies to set up project units, marks a forward-looking step towards making India a global leader in man-made fibre-based textiles and technical textiles.

The reduction in minimum investment thresholds effective from 1st August 2025 will further democratize the scheme, encouraging wider participation from medium and emerging enterprises. This will not only attract new investments but also help existing players to expand capacity, enhance technology adoption, and generate employment across the textile value chain.

The revised PLI framework reflects the Government's responsiveness to industry feedback and its continued commitment to strengthening India's textile manufacturing ecosystem. AEPC believes these changes will infuse new energy into the sector, boost exports, and align with the vision of "Make in India for the World."

AEPC as part of its export promotion drive participated in the Saudi Fashion & Tex at Jeddah, Saudi Arabia for the first time. Going forward, AEPC will be participating in the Global Sourcing Expo Australia, Melbourne in the month of November 2025.

For capacity building and keeping industry abreast of the latest trends AEPC organized several webinars and seminars. This month we had webinars on the Global Wool Trends, Transforming Apparel Exports Through Artificial Intelligence (AI), Navigating EU and French Compliance for Export Growth, Advancing Sustainability & Compliance with OEKO-TEX® Certifications, etc.

Looking ahead, sustaining industry growth will hinge on expanding capacities, driving supply chain efficiencies, and maintaining cost competitiveness. As global brands diversify their sourcing to reduce reliance on China, Indian manufacturers—especially those with advanced capabilities in garments and technical textiles—are poised to capture incremental export volumes and consolidate a stronger share of the global market.

Despite recent hurdles, optimism prevails among Indian apparel exporters. With innovation in product development, government support, and a renewed focus on quality and sustainability, India can continue to thrive as a leading apparel supplier. Together, we must forge deeper collaborations, embrace new technologies, and advocate for fair trade practices on the WTO stage to secure a prosperous future for our industry.

Keep sending me your suggestions and feedback to me at chairman@aepcindia.com

Sudhir Sekhri
Chairman AEPC

India's Index of Industrial Production (IIP)

Textiles & Wearing Apparel update for India's Index of Industrial Production (IIP) for the month of July in FY 2025-26

Month	Manufacture of Textiles		Growth Rate (In %)	Manufacture of Wearing Apparel		Growth Rate (In %)
	2024-25	2025-26	2025-26 over 2024-25	2024-25	2025-26	2025-26 over 2024-25
April	105.3	105.7	0.4	105.1	114.2	8.7
May	107.0	103.8	-3.0	123.6	126.5	2.3
June	106.2	107.8	1.5	122.6	127.7	4.0
July	109.1	107.6	-1.4	111.7	115.3	3.2
August	109.4			112.5		
September	109.3			103.7		
October	111.1			104.0		
November	106.2			110.3		
December	113.9			119.1		
January	113.7			120.2		
February	106.6			120.1		
March	112.1			144.8		
Cumulative Index (Apr-Jul)	**106.9**	**106.2**	**-0.7**	**115.8**	**120.9**	**4.4**

Source: CSO, 2025
***Figures for July 2025 are Quick Estimates. (Base: 2011-12=100)**

- ***Manufacturing of Textiles Index*** *for the month of July, 2025 is 107.6, which has decline by 1.4% as compared to July, 2024.*

- *Manufacturing of Textiles Index for the financial year 2025-26 (April-July) is 106.2, which has shown a decline of 0.7% to as compared to the year 2024-25 (April-July).*

- ***Manufacturing of Wearing Apparel Index*** *for the month of July, 2025 is 115.3, which has increased by 3.2% as compared to July, 2024.*

- *Manufacturing of Wearing Apparel Index for the financial year 2025-26 (April-July) is 120.9, which has shown a growth of 4.4% as compared to the financial year 2024-25 (April-July).*

INDIA'S READY-MADE GARMENT (RMG)

India's RMG Export to World

Month	(In US$ Mn.)			YoY Growth (%)	
	2023-24	2024-25	2025-26	2024-25 Over 2023-24	2025-26 Over 2024-25
April	1210.9	1198.4	1371.3	-1.0	14.4
May	1235.8	1357.4	1511.5	9.8	11.4
June	1248.0	1293.9	1309.8	3.7	1.2
July	1142.0	1278.0	1338.7	11.9	4.7
August	1133.5	1268.2	1234.6	11.9	-2.6
September	946.3	1110.1		17.3	
October	908.8	1227.4		35.1	
November	1021.2	1121.4		9.8	
December	1295.3	1462.3		12.9	
January	1441.4	1606.4		11.5	
February	1476.3	1534.9		4.0	
March	1472.8	1531.3		4.0	
Total	**14532.2**	**15989.7**	**6765.8**	**10.0**	**5.8**

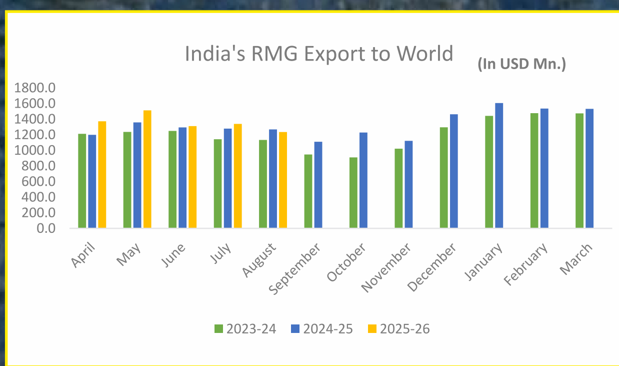
Note- 1) Data for the month of August 2025 is provisional data released on PIB by Ministry of Commerce on 15.09.2025

2) Sum of the value for (Apr-Aug) 2023-24 is USD 5970.1 mn and (Apr-Aug) 2024-25 is USD 6395.9 mn. and (Apr-Aug) 2025-26 is USD 6765.8 mn.

3) Source: DGCI&S 2025

RMG exports for the month of August 2025 has decreased by 2.6% as compared to August 2024 and increased by 8.9 % as compared to August 2023.

Similarly, cumulative RMG exports for the period April- August 2025-26 is USD 6765.8 mn. showing a growth of 5.8% over April- August 2024-25 and a growth of 13.3 % over April- August 2023-24.



11th Handloom Day Celebrated in AEPC

On August 7, 2025, the Council celebrated the 11th National Handloom Day in recognition of handloom weavers and workers and their distinctive contribution to the socio cultural advancement of the nation.

The Council also urged its members from the trade and industry to support this nationwide initiative to use Indian handlooms and also encourage their staff members, colleagues and friends to do so. The employees and the member exporters were also requested be a part of this endeavour by buying and wearing handloom products and post pictures of the same in their social media accounts.

Winners of the Council's Yoga-Quiz

In a bid to encourage health and wellbeing of the employees, AEPC organized a yoga quiz for wider participation and awareness. Later the winners were awarded.

SG AEPC felicitating
Ms. Cherry Murarkar the 1st Winner

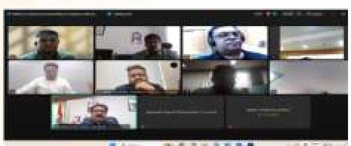
SG AEPC felicitating
Mr. Sudhir Dahiya the 2nd Winner

Webinar on Advancing Sustainability & Compliance with OEKO-TEX® Certifications

AEPC, in collaboration with Hohenstein, organized a focused webinar on OEKO-TEX® certifications and their growing relevance for the Indian apparel export industry. As sustainability has moved from being a "value add" to a non-negotiable requirement in international trade, the session equipped exporters with a comprehensive understanding of certification systems that assure safety, transparency, and traceability across the supply chain.

The programme covered the full OEKO-TEX® suite—STANDARD 100, ECO PASSPORT, STeP, MADE IN GREEN, LEATHER STANDARD, and ORGANIC COTTON—along with detailed insights into certification processes, quality assurance audits, restricted substance criteria, and consumer-facing benefits. The session reinforced how these certifications are widely trusted by global brands and retailers, thereby enhancing market access for Indian exporters.

Speakers: The session featured expert insights from Mr. Kunwar Venkteshwar Singh, Product Manager , OEKO-TEX. Shri Mithileshwar Thakur, SG AEPC gave opening remark. Almost 60 people across regions attended this webinar.



Discussions highlighted the need for exporters to integrate certification into their strategic planning to remain competitive, meet buyer requirements, and demonstrate leadership in sustainability.

About Hohenstein

Hohenstein is a founding member of the OEKO-TEX® Association and an internationally accredited laboratory with over 75 years of experience, 1,000+ employees worldwide, and strong expertise in textile technology, chemical and biological testing, and regulatory compliance. As a global leader in testing and certification, Hohenstein supports companies in achieving internationally recognized assurance and credibility.

OEKO-TEX® Global Network

OEKO-TEX® was founded in 1992 and has since evolved into a globally recognized framework for sustainable textile certification. Today, it works with more than 35,000 companies across 100 countries, with over 55,000 valid certificates and labels in circulation.

According to Hohenstein, global survey underscores its importance, with 92% of manufacturers and 73% of consumers stating that product safety is a growing priority.

OEKO-TEX® STANDARD 100

This is the most widely recognized certification for textile safety. It verifies that products are free from harmful substances, with testing that covers more than one thousand chemicals including pesticides, phthalates, PFAS, heavy metals, azo and carcinogenic dyes, organotin compounds, chlorinated hydrocarbons, flame retardants, and allergenic dyes.

Certification applies to four product classes ranging from baby and toddler articles (Class I) to decorative furnishings (Class IV). Certificates are valid for one year, with renewals requiring resubmission and on-site audits within one year and every three years thereafter.

ECO PASSPORT

This certification addresses chemicals, dyes, and auxiliaries used in production. It involves a self-assessment, an on-site audit, and independent laboratory testing. By ensuring that chemical inputs meet strict environmental and occupational health standards, ECO PASSPORT reduces risk at the earliest stage of the supply chain.

STeP – Sustainable Textile & Leather Production

STeP provides facility-level certification, assessing environmental protection, chemical management, worker safety, social responsibility, and continuous improvement. Entry requires compliance with more than sixty exclusion criteria (such as no child labour, safe emergency exits, wastewater analysis, and quality management systems). Accepted third-party certifications can reduce audit costs, and facilities are rated on comparable performance scales that support long-term sustainability strategies.

MADE IN GREEN [STANDARD 100 + STeP]

MADE IN GREEN is a traceable product label that provides direct consumer assurance. It certifies that a product has been tested for harmful substances and sustainably produced. Consumers can scan a QR code or enter a product ID online to view the certified supply chain. Requirements include STANDARD 100 for finished products, and STeP certification for wet processing and sewing facilities.

Engagement & Q&A Highlights

The interactive session provided exporters with clarifications on key aspects, including renewal timelines and audit schedules, documentation requirements for the MADE IN GREEN certification, integration of OEKO-TEX® standards with buyer compliance programs, and practical adoption pathways for small and medium enterprises.

AEPC participates in the 13th Meeting of the India-UAE High-Level Joint Task Force on Investments and the UAE-India Business Council Roundtable

Dr A. Sakthivel, Vice- Chairman AEPC had the prestigious opportunity to be part of a highly significant engagement in the UAE, where the 13th Meeting of the India-UAE High-Level Joint Task Force on Investments and the UAE-India Business Council Roundtable was held. The event witnessed the esteemed presence of Hon'ble Minister of Commerce & Industry, Shri Piyush Goyal, along with senior delegates from the UAE, underscoring the importance of strengthening bilateral economic ties.

Over the course of this two-day visit, Dr Sakthivel participated in constructive discussions focusing on expanding collaboration across diverse sectors and identifying new avenues for investment opportunities while also engaging in meaningful interactions with key dignitaries, business leaders, and potential investors, exploring pathways for deeper cooperation between India and the UAE.

With both nations committed to shared growth and prosperity, the India-UAE strategic partnership continues to chart the way for larger investments, stronger engagements, and greater business opportunities.

The Hon'ble Minister of Commerce and Industry, Shri Piyush Goyal, held a series of meetings in the United Arab Emirates (UAE) focused strengthening bilateral trade, deepening investment ties, and exploring new avenues of cooperation to further enhance India-UAE relations.

His Highness Sheikh Hamed bin Zayed Al Nahyan, Managing Director of the Abu Dhabi Investment Authority ("ADIA"), and Hon'ble Shri Piyush Goyal, Minister of Commerce & Industry, Government of India, Co-Chaired the meeting of the India-UAE High Level Joint Task Force on Investments ("Joint Task Force") in Abu Dhabi.

The Hon'ble Minister engaged with CEOs of prominent Indian and UAE companies during the UAE–India Business Council (UIBC) Roundtable, which he co-chaired alongside His Excellency Dr. Thani bin Ahmed Al Zeyoudi, Minister of Foreign Trade, UAE. Both leaders expressed deep satisfaction over the ever-growing economic partnership between India and UAE. They highlighted the significant role played by the business community in furthering the relationship between the two countries. There were discussions around exchange of views on enhancing bilateral trade and investment flows, strengthening business partnerships, and identifying new areas of economic collaboration. Progress on key cornerstone projects like Bharat Mart and India UAE Friendship Hospital were also discussed and the role they would play in enhancing bilateral trade and investments as well as impact on the wider Indian diaspora in UAE were also outlined.

The Hon'ble Minister and His Excellency Dr. Thani also noted the increasing role of business leaders in philanthropic initiatives and further commented on the constructive role of these initiatives for the wider community. Both the leaders invited businesses to not just explore opportunities in India and in the UAE but also widen their scope and ambition to other regions, such as Africa, Europe and Central Asia.

An interaction session between Hon'ble Minister and prominent UAE business leaders' discussions focused on expanding the investment outreach and highlighting India's potential to support UAE companies' regional and global ambitions.

During these engagements, UAE investors shared constructive perspectives on further enhancing the investment environment, including issues related to market access, regulatory processes, and dispute resolution.

UAE is amongst India's most important strategic partners. Their comprehensive strategic partnership is marked by deep political engagement, strong economic integration through landmark agreements, and collaboration across sectors like energy, defence, technology, and food security.

Apparel Export Promotion Council (AEPC) participates in Saudi Fashion & Tex at Jeddah, Saudi Arabia, India Pavilion inaugurated

The fair was inaugurated on 25th September 2025 by the Chairman of the Jeddah Chamber of Commerce, in the presence of consulates from all participating countries. Following the main fair inauguration, Mr. Fahad Ahmed Khan Suri, Consul General of India (CGI), Jeddah, along with other senior officers of the CGI office, inaugurated the Indian Pavilion. They also visited the AEPC stall, and interacted with AEPC exhibitors.

The Saudi Fashion & Tex Expo, Jeddah, was held at the Jeddah Exhibition Centre, KSA, between 25th to 28th September 2025. AEPC is participated with 17 Indian exhibitors, while a total of 51 Indian companies are showcasing their products at the event. The inaugural day witnessed encouraging buyer footfall.

Shri Sudhir Sekhri, Chairman AEPC, visited the exhibition, interacted with all AEPC participants, and gathered feedback on their experience. He also held a meeting with Mr. Mohammad Hashim, Consul (Commerce & PIC), CGI Jeddah, to discuss future activities aimed at strengthening trade relations between India and Saudi Arabia.

This event is Saudi Arabia's biggest Fashion & Textile Show and is dedicated to the latest innovations, trends and advancements in apparel & fashion, textiles and leather products and this show provides an unparalleled platform to connect with key industry players, potential buyers and global fashion leaders.

The 3rd (edition) Saudi Fashion Tex – Saudi International Fashion, Textiles & Leather Exhibition opened its doors in Jeddah International Exhibition & Convention Center with the participation of leading garment exhibitors and brands from the most prestigious fashion and textile producers of the region.

This platform allows national and international companies of different industry sectors with the support of the Riyadh Chamber of Commerce, to show and promote their skills, meet partners and venture into a new and thriving market.

This year approximately 350 exhibitors participated in Saudi Fashion & Tex Fair featuring thousands of latest trends and textiles products besides gathering fashion specialists and textiles buyers from the Gulf and African countries.

The fair is the key hub for textile producers who aim to reach wholesalers, retailers, chain stores, boutique owners, agents, distributers, designers, department stores, purchasing offices. Dedicated to innovative and the latest designs Saudi Fashion & Tex Fair is the unique textile platform to expand trader's network and experience the latest technologies and trends.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3rd International Fashion & Textile Exhibition
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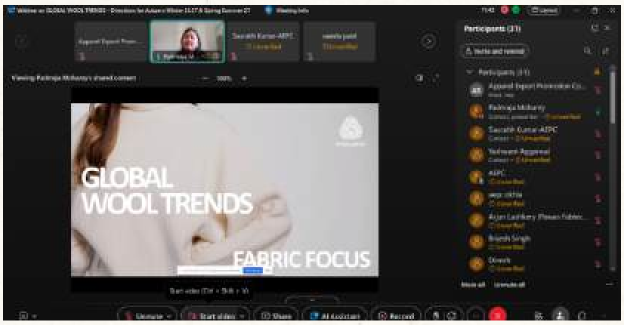
AEPC hosts webinar on the Global Wool Trends & Strategic Insights for Indian Exporters

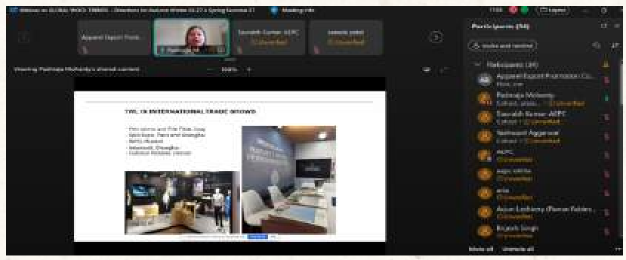
AEPC organized a forward-looking webinar aimed at equipping Indian apparel exporters with strategic insights into global wool trends, evolving consumer preferences, and innovation pathways in wool-based fashion. The session was designed to bridge the knowledge gap between traditional wool production and contemporary market expectations, with a strong emphasis on sustainability, performance, and storytelling.



Drawing from international fashion forecasts, fibre science, and trade data, the presentation offered a comprehensive roadmap for Indian exporters to reposition wool as a premium, versatile, and future-ready textile. The session underscored the importance of provenance, ethical sourcing, and technical excellence in capturing high-value markets across Europe, East Asia, and Oceania. It also highlighted the role of AEPC in facilitating certification, design collaboration, and buyer engagement to elevate India's wool export profile.

The session opened with a contextual overview of wool's historical significance and its resurgence in modern fashion. Wool, once considered a seasonal or niche fibre, is now being reimagined as a year-round, multifunctional material with applications ranging from luxury fashion to performance wear. The presentation traced wool's journey from traditional suiting and knitwear to its integration into athleisure, travel apparel, and sustainable fashion capsules. It emphasized that wool's natural properties—such as breathability, odour resistance, and biodegradability—align perfectly with current consumer demands for comfort, durability, and environmental responsibility. The speakers also noted that India, despite having a strong wool processing base, remains underrepresented in global wool fashion exports, and must pivot towards innovation, certification, and storytelling to unlock new opportunities.

The session explored the shifting consumer landscape that is redefining wool's market positioning. Sustainability emerged as a dominant theme, with buyers prioritizing fibres that are renewable, biodegradable, and traceable. Wool's low environmental footprint, combined with its natural performance features, makes it an ideal candidate for eco-conscious fashion. The speakers discussed how consumers are increasingly drawn to garments that offer comfort, versatility, and a sense of authenticity.



The session concluded with strategic recommendations for export planning and market access. Exporters were advised to target premium retailers, boutique brands, and ethical fashion platforms in Europe, East Asia, and Oceania. Participation in global trade shows such as Pitti Uomo, Première Vision, and Tokyo Fashion Week was recommended to build visibility and network with buyers. The speakers emphasized the importance of long-term relationship building, transparency, and consistent quality in securing repeat orders. AEPC's support in buyer outreach, design collaboration, and export facilitation was highlighted as a key resource for exporters seeking to scale their wool business.

The Q&A session saw active participation from exporters seeking clarity on sourcing certified Merino wool, navigating Japanese and Korean market entry, and building brand narratives around wool. The speakers provided practical guidance on supplier selection, certification timelines, and storytelling techniques. They reiterated the importance of harmonizing product descriptions across certificates and commercial documents, initiating certification processes early, and leveraging AEPC's support for technical and market access challenges. Exporters were encouraged to adopt a proactive, innovation-led approach to wool fashion, positioning India as a credible and creative player in the global wool ecosystem.

AEPC organizes webinar on *Transforming Apparel Exports Through Artificial Intelligence*

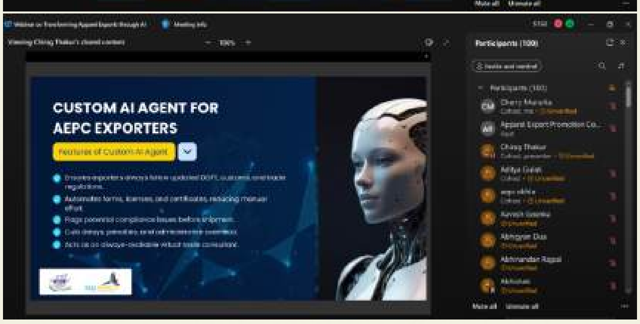
The Apparel Export Promotion Council (AEPC) organized a detailed training session on "Artificial Intelligence (AI) Applications for Apparel Exporters" on 19th September 2025. The session aimed to equip Indian apparel exporters with practical knowledge on how AI can enhance productivity, streamline operations, and support decision-making in global trade. Over a hundred participants joined the training, reflecting the industry's interest in adopting advanced technologies to stay competitive and meet evolving market demands.

The training highlighted the fundamentals of AI, its evolution, and various types including Machine Learning, Generative AI, and Agentic AI. It provided an overview of practical AI tools such as ChatGPT, Grammarly, Google Lens, and Canva AI, and explained how these tools can automate documentation, improve product design, and support communication and research. The concept of prompt engineering was introduced to help exporters effectively instruct AI systems for better outcomes.

A key highlight of the session was the discussion on a custom AI agent for AEPC exporters, designed to assist with compliance, documentation, and regulatory guidance. Participants were also introduced to AI applications in business functions such as forecasting, lead generation, competitive analysis, and customer retention. The training emphasized collaboration between humans and AI, and highlighted cybersecurity best practices to protect sensitive business data.

The session concluded with an interactive Q&A, addressing participants' queries and providing practical insights for implementing AI in their operations. Overall, the training equipped exporters with actionable knowledge to leverage AI for efficiency, growth, and enhanced competitiveness in global markets.

Shri Mithileshwar Thakur, SG AEPC made the opening remark and did the context setting for the webinar.



Durability in Apparel: Navigating EU and *French Compliance for Export Growth*

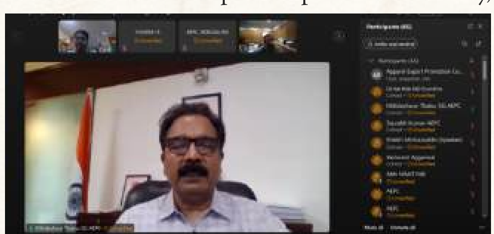
AEPC, in collaboration with Eurofins Consumer Product Testing (CPT), hosted a technical webinar on 26 September 2025 focused on the strategic role of durability in sustainable apparel production. The session was designed to provide Indian exporters with a deep understanding of how product longevity contributes to environmental goals, regulatory compliance, and buyer expectations. Eurofins CPT presented a structured framework for evaluating durability in textiles, linking physical performance with sustainability metrics and emerging global standards. The webinar emphasized that durability is no longer a secondary feature—it is now central to product design, certification, and competitive positioning in international markets.

The context setting for the webinar was done by Shri Mithileshwar Thakur, Secretary General AEPC in his opening remark. Eurofins CPT is part of the Eurofins Scientific Group, a global leader in laboratory testing, inspection, and certification services. With a presence in over 50 countries and more than 900 laboratories worldwide, Eurofins offers comprehensive solutions across industries including textiles, apparel, footwear, cosmetics, food, and pharmaceuticals.

In the apparel sector, Eurofins CPT specializes in physical and chemical testing, performance validation, and sustainability certification. Their services support manufacturers and exporters in meeting international standards, enhancing product quality, and building trust with buyers and regulators. Eurofins plays a critical role in helping Indian exporters align with global benchmarks and navigate evolving compliance landscapes.

The durability training program successfully enhanced participants' understanding of durability concepts, testing protocols, and practical applications in the apparel export sector. It demonstrated how durability contributes to sustainability, regulatory compliance, and buyer satisfaction. Exporters left with actionable knowledge on integrating durability into product design, validating performance through testing, and communicating durability credentials across the value chain. The session reinforced the importance of durability as a long-term investment in product quality, brand reputation, and environmental impact.

The Q&A session addressed practical concerns of apparel exporters regarding durability testing and compliance. Participants asked about test selection, documentation practices, certification timelines, and how durability aligns with buyer expectations in the EU markets. Eurofins CPT experts responded with clarity, offering practical advice on lab coordination, regulatory alignment, and product development strategies. The session was well-received, with exporters appreciating the opportunity to clarify doubts and gain insights into positioning themselves as durability-first suppliers in global markets.



52nd INDIA INTERNATIONAL KNIT FAIR SUCCESSFULLY ORGANIZED

The 52nd Edition of the India International Knit Fair (IIKF) was successfully organized by the India Knit Fair Association (IKFA) under the aegis of the Apparel Export Promotion Council (sponsored by the Ministry of Textiles, Government of India) from 17th to 19th September 2025 at the IKF Complex, Tirupur. This edition focused on the central theme "Knitting a Greener Planet – Sustainability & ESG Leadership."

The fair was inaugurated by Shri Sudhir Sekhri, Chairman AEPC, in the august presence of Dr. A. Sakthivel, Chairman, IKFA, Shri K.M. Subramaniam, President, TEA, Shri Premal Udani, Secretary, IKFA, Shri V. Elangovan, President, ABAT, members of AEPC/TEA, IKFA Committee Members, Managing Committee Members of ABAT, BAA, BSL, NIFTA, as well as buyers, buying agents, exhibitors, and trade members.

During the press meet, Shri Sudhir Sekhri, Chairman, AEPC, said, "I am truly impressed with the Tirupur industry. The fair has showcased some of the most innovative garments and fabrics, and I greatly appreciate the way the India Knit Fair has been organized with excellent arrangements."

Profile of Exhibits

Around 60 leading exporters from Tirupur, Coimbatore, Chennai, Erode, Salem, Karur, Bangalore, Punjab, Kolkata and other clusters participated in the fair, showcasing a wide range of garments. Exhibitors expressed satisfaction, noting that they received several promising enquiries and some spot orders as well.

The 52nd IIKF highlighted MMF-based and Sustainable Apparel/Fabric products including garments made from recycled polyester, recycled cotton/linen, organic cotton, bamboo, viscose, polyester blends, tri-blends, and fancy yarns. Exhibits covered product categories across infants, kids, boys, girls, men and women, along with workwear, high-visibility garments, fire-retardant clothing, safety wear, naturally dyed fabrics, and other eco-friendly innovations.

Stall Awards

On the second day (18th September 2025), an Award Ceremony was held to recognize outstanding exhibitors. The function was presided over by Shri K.M. Subramaniam, President, TEA, who distributed awards and appreciation certificates to the winners and also commended buyers and sourcing consultants for their valuable contribution to the industry.

Award Winners:	
Best Exhibit	M/s. Siruvani Yarns, Tirupur
First Runner-Up	M/s. BPS Exports, Tirupur
Second Runner-Up	M/s. Esstee Exports India Pvt. Ltd., Tirupur
Consolation Certificate	M/s. Canberg Global Sourcing Pvt. Ltd., Kolkata

In his address, Shri K.M. Subramaniam praised the exhibitors for their innovation and the quality of presentations, noting that the stalls were on far with international exhibitions.

Buyers' Report

The fair witnessed participation from over 250 representatives of 160 leading buying houses and sourcing consultants, who expressed appreciation for the quality of exhibits and collections displayed.

Some of the leading buying houses present included Mothercare, Triburg, Pepco Global Sourcing, Solution India, Asmara, Concepts N Strategies, Yashasya India Ltd, Street Legal Clothing, Something Else, Sourcing Kart, PDS Ltd, Design Arc, The Evince, Greenfields, Genexco, Legacy Traders FZC Co, among others.

The event also attracted new buyers from the UK, UAE, Norway, Colombia, Sri Lanka, Hong Kong, USA, Canada, France, and other countries. Exhibitors reported strong business leads have emerged through this fair.

Both buyers and exhibitors expressed confidence that IIKF continues to serve as a focused business platform, generating promising opportunities for the upcoming seasons.

Acknowledgement

IKFA gratefully acknowledges the wholehearted support of exhibitors, visiting buyers, buying agents, AEPC, TEA, AHEA, sourcing partners (BAA, ABAT, BSL, NIFTA), sponsors, press and media for contributing to the grand success of this three-day event

Vice Chairman AEPC felicitated Hon'ble Finance Minister

Dr A Sakthivel, Vice- Chairman AEPC at the Tax Reforms for Rising Bharat event, organised by the Joint Conclave of Trade and Industry Associations in Chennai to honour the Hon'ble Finance Minister Smt. Nirmala Sitharaman. Vice- Chairman, represented the Council and felicitated the Hon'ble Finance Minister for the landmark GST reforms.

Navratri Celebration at AEPC

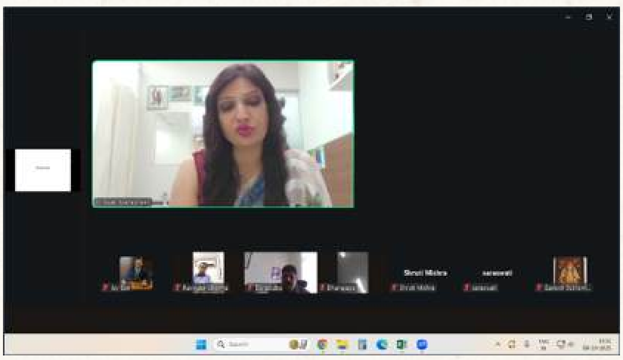
Navratri festival was celebrated in the Council on 30th September, 2025. With the aim to build an atmosphere of fun, camaraderie and team bonding the, **"Fun Awards"** were rolled out. Innovative and creative titles that recognize individual employee's unique traits, hobbies and interests were identified. Employees casted their vote for the each titles for the fellow employees and the employee who had received maximum vote for any single title was considered the winner for that specific title. The following winners were awarded with the titles as mentioned, in a small ceremony -

To add to the flavour **Dandiya Dance** was organized and employees participated with great enthusiasm and rigor. Participants immensely enjoyed playing with the Dandiya sticks after a competent trainer taught them the steps for meeting with the Dandiya melodies. Besides this employees were served refreshment boxes of Gujarati snacks.

Employee Engagement Activities at AEPC

1. AEPC organized an Fever and its Management"

The Council has organized a one-hour online session for its employees on "Types of Fever and Its Management" on 6th October, 2025, at 3.00 PM. The session was conducted by Dr. Swati Maheshwari, Additional Director - Internal Medicine from Fortis Hospital, Manesar, who has more than 20 years of expertise in adult and child health. The session primarily had information regarding the common types of fevers such has Dengue, Malaria, Chikungunya, etc., its symptoms and treatment approaches and preventive measures one may take to stop the spread of these diseases.



2. Online refresher training on "Basic Excel"

An online training has been organized through M/s Corporate Training Computer Institute to strengthen the skills and enhance the working knowledge of excel of the Council's employees. Total 15 employees participated in the first session on 19.09.2025 and the training syllabus included Introduction to Excel Interface, Basic Formulas (SUM, AVERAGE, IF, etc.), Data Entry and Formatting, Sorting & Filtering, Creating Basic Charts, Introduction to Pivot Tables, Working With AI, Power Point Presentation with AI. The training ended with a question & answer session for clarifying the trainees' doubts. Participants appreciated the initiative and rated very high the methodology adopted, trainer's knowledge about the subject and his training imparting skills.

3. Virtual training on "POSH for ICC Members and HR"

Two of the Council's Internal Complaint Committee members had attended a half a day virtual session organized by M/s Strategic HR and Training on "POSH for ICC Members and HR" on 8th August, 2025. The session started with the history and the current state of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act (2013). Other focus areas were qualifiers of Sexual Harassment, terminologies like - aggrieved women, workplace, extended workplace, employer, Internal Committee, Local Committee, Employer's obligation, roles and responsibilities of the Internal Committee, Hostile and Quid pro quo work environments, escalation matrix, determination of compensation interim action during inquiry, how to deal with false malicious complaint, Penalties, IPC provisions, Preventive steps an employer must take, how to differentiate personal & professional relationship to identify Sexual Harassment.

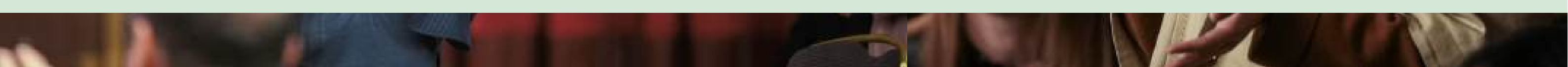
4. An online session for the women employees of the Council

A webinar on the "POSH Act & SHe-Box Registration: Building Safer, Smarter Workplaces" hosted by M/s Relativity, the Compliance Experts, to provide knowledge on "Why the SHe-Box portal matters—its benefits and the registration process."

Sexual Harassment electronic Box (SHe-Box) is an effort of GoI (Ministry of Women and Child Development) to provide a single window access to every woman. Irrespective of her work status, whether working in organized or unorganized, private or public sector, to facilitate that registration of complaint related to sexual harassment. Any woman facing sexual harassment at workplace can register their complaint through this portal. Once a complaint is submitted to the SHe-Box, it will be directly sent to the concerned authority having jurisdiction to take action into the matter.

The Session attended by Women Employees of Council on 9-9-2025

Indian Textile Delegation visits London; Focus on CETA, Sustainability and GI Products



A high-level Indian delegation led by Ms. Neelam Shami Rao, Secretary, Ministry of Textiles, Government of India visited London to showcase India's strength across the textile value chain and to deepen India–UK trade engagement. The delegation includes representatives of all major Export Promotion Councils (EPCs) and leading exporters.

On the first day of the visit, a series of programmes were organised, including a Textile Roadshow and sectoral meetings with buyers and apparel sourcing houses including the Handicraft, Handloom and Carpet sectors.

India–UK Textile Trade Snapshot

- India is the 4th largest textile exporter to the UK.
- Exports to the UK stood at USD 2.16 billion in 2024–25, accounting for 6.6% of UK's imports.
- Composition of exports: Apparel (66.2%), Cotton Textiles (12.8%), MMF (7.5%), Handicrafts (7.2%), Carpets (3.0%).
- India's overall textile exports are targeted to double by 2030, driven by sustainability initiatives and market access under agreements such as the India–UK CETA.

Roadshow in London

The Textile Roadshow, jointly organised by the High Commission of India, London, and the Ministry of Textiles with EPCs, highlighted the vast opportunities under CETA.

Speaking at the event, Secretary (Textiles) underscored India's ability to serve the UK market with a unique combination of heritage craftsmanship, modern scale, sustainability, and traceability initiatives. She emphasised India's focus on building resilient and transparent supply chains aligned with global consumer expectations.

The Textiles Secretary Ms. Rao adds that technology overall is extremely important for India's success working with the UK and indeed globally on its aim of $100bn of textile exports by 2030.

She further explains, India have developed a very smart and intelligent forecasting tool through the National Institute of fashion technology (NIFT). It is called VisioNxt and it allows us to feed in trends and develop them through intelligent modelling to simulate the designs and colours that could be the trends for the next season or next few months.

H.E. Mr. Vikram K. Doraiswami, High Commissioner of India to the UK, underlined the historic relations between India and the UK and emphasised the importance of strengthening bilateral textile ties. He noted that the recently signed India–UK Comprehensive Economic and Trade Agreement (CETA) provides a win–win opportunity for both countries, enabling enhanced trade, investment, and collaboration in textiles.

During a recent roundtable, the high commissioner of India to the UK shared: "The opportunity for us to work together to manufacture for the world is considerable". He continues: "The diversity with which the Indian product ecosystem exists - frankly no other country in the world can quite match that.

"We are amongst the only countries in the world that can literally provide everything from the growth of cotton right up to the finished product. Helping our manufacturers reach the top tier of the market is something that we can do in partnership with the UK and the free trade agreement in this context is the gateway to all of this."

Mr. Doraiswami believes the Free Trade Agreement that was concluded in July this year, is a huge opportunity, once stratified.

Trade Advisor, Ministry of Textiles Ms. Shubhra, deems investing in India's apparel and textiles sector as a no-brainer in the long-term given it has the end-to-end value chain within its own borders and the largest as well as the youngest workforce in the world.

She tells the audience matter-of-factly: "You have to come to India. I would say there is no choice. It's just that you are delaying this decision."

Ms. Shubhra sees areas of global collaboration as ranging from technological tie-ups and collaborations between Indian and UK textile manufacturers on R&D to innovation and exchange of technical know-how and strategic sourcing. She believes this could also include collaborating with buying houses and retail brands for sourcing from India.

Mr Sudhir Sekhri, Chairman AEPC in his address said, "India's textile industry is witnessing transformative growth, underpinned by strong government initiatives and private-sector innovation. Key programs like the Production Linked Incentive (PLI) Scheme and PM MITRA Parks are laying the foundation for a globally competitive sector. The PLI Scheme is catalyzing investments in high-value man-made fibers and technical textiles, ensuring our industry remains aligned with evolving global demands. The PM MITRA Parks, on the other hand, are creating state-of-the-art integrated textile hubs, equipped with world-class infrastructure to streamline production, encourage innovation, and attract large-scale investments. These initiatives represent tremendous opportunities for global investors to partner with India's textile journey."

Chairmaan AEPC expected that India- UK CETA agreement to be operational by the end of this financial year, after it is approved by the House of Commons and the House of Lords in the UK.

Mr Sekhri predicts that after the signing of this trade agreement, India's exports of textiles and apparel to the UK will increase by at least two and a half times in the next three years, making India its second largest supplier.

As we continue to build on this partnership, India recognizes the UK as a vital ally in advancing sustainable growth, driving innovation, and improving market access. With India's emphasis on sustainability and ethical practices, and the UK's commitment to responsible sourcing and circular fashion, we are well-positioned to create a more sustainable, innovative, and resilient supply chain that will benefit both nations, Chairman AEPC noted.

The FTA offers a 9.6% average tariff advantage, boosting Indian apparel exporters' competitiveness in the price-sensitive UK market. As per our early estimates, India expects a 2.5x rise in UK apparel exports from USD 1.2 Bn to USD 3.5 Bn in the next 3 years. We are also expecting that India can gain market share from competitors like Bangladesh and Vietnam, while expanding into underrepresented categories such as athleisure wear.

Mr. Vijay Kumar Agarwal, Chairman of the Cotton Textile Export Promotion Council (TEXPROCIL) share that India's traceability blockchain system for cotton is also worth shouting about. In his address he said, "We have a whole system where we can trace which farm the cotton has come from, right up to which factory has produced the final product. And we have a QR system in which we provide all the information."

Buyer Meetings

Sectoral meetings which were held in London by the Indian delegation with UK buyers of Handicrafts, Handloom and Carpets focused on:

- GI-tagged Indian products;
- Sustainability and traceability measures;
- Direct buyer–producer linkages.

UK buyers welcomed the initiative and reaffirmed their commitment to expand sourcing from India.

Way Forward

The visit is expected to enhance market access, promote joint investments, and strengthen the brand positioning of Indian textiles in the UK. It reaffirms India's commitment to being a trusted and sustainable global textile partner, while working towards the ambitious target of doubling textile exports by 2030.

Greenland covers all seasons across multiple lifestyles

Greenland Home Fashions is unveiling a full calendar of seasonal product launches during New York Home Fashions Market Week, rolling out new introductions across holiday and fall as well as jacquard themes for bedding and throws.

The breadth of the assortment underscores the company's commitment to serving multiple style preferences, from playful and whimsical to refine and heirloom-inspired, noted Spencer Rogers, vice president of sales and marketing.

For the fourth quarter, Greenland Home Fashions' holiday assortment offers both novelty and elegance, introducing a range of reversible quilt and coverlet designs that balance visual impact with comfort. The designs range from novelty, including Winter Whiskers (dogs and cats in seasonal sweaters and hats against snowy backdrops) to luxe textural statements such as the Velvet Crush quilt, which pairs a shimmering chenille velvet with an organic crinkled stitch.

The fall 2025 collection showcases color-rich prints with eclectic influences, mixing color and print with reversibility. Looks include intricate mandala and botanical motifs, floral medallion patchworks mixed with ditsy prints, and a field of vibrant poppies that fit the Boho/Cottage core trend.

Greenland Home Fashions' jacquard collection emphasizes textural depth and heritage appeal with a line of woven matelasse offerings. Serena features a reversible ogee layout of floral garlands encircling bouquets, woven in a technique that gives the coverlet both visual richness and year-round usability. In contrast, Homestead draws on prairie heritage and heirloom quilting traditions with a pick-stitch design. The company is hosting virtual meetings with customers during market week from its showroom in Chino, Calif.

US demand for non-woven, felt and coated Textile Garments set to rise steadily to 2035

Driven by growing demand, the United States market for non-woven, felt and coated textile garments is expected to continue on an upward trajectory over the next decade. Consumption is forecast to expand at a compound annual growth rate (CAGR) of 1.5% between 2024 and 2035, taking market volume to 1.7 billion units by the end of the period. In value terms, the market is projected to grow at a CAGR of 3.0%, reaching US $ 2.9 billion (at nominal wholesale prices) by 2035.

In 2024, US overseas purchases of non-woven, felt and coated textile garments rose sharply for the fifth consecutive year, increasing by 420% to 1.4 billion units. Despite this significant rise in volumes, the value of imports fell slightly to US $ 2.4 billion. Imports have shown a perceptible upward trend overall, with the most notable growth recorded in 2020 when values rose by 146% year-on-year to peak at US $ 5.9 billion. From 2021 to 2024, import values stabilized at lower levels.

Vietnam, Cambodia and Honduras were the leading suppliers to the US in 2024, delivering 407 million, 267 million and 198 million units respectively. Together, these three countries accounted for 61% of total imports. Myanmar, Bangladesh, the Dominican Republic, Thailand and China contributed a further 35%.

In value terms, China remained the largest supplier, accounting for US $ 894 million, followed by Vietnam (US $ 575 million) and Bangladesh (US $ 137 million). Collectively, these three countries made up 67% of total US imports by value. Cambodia, Honduras, Myanmar, the Dominican Republic and Thailand together represented an additional 15%.

Drewry WCI falls for 15th week, major route rates slide further

The Drewry World Container Index (WCI)—a composite measure of container freight rates—continued its free fall, declining for the fifteenth consecutive week. It dropped 7.94 per cent to $1,761 per 40-foot equivalent unit (FEU) on September 25, down from $1,913 per FEU the previous week. Shipping freight rates on major trade routes—Transpacific and Asia–Europe—are also trending downward.

Spot rates from Shanghai to Los Angeles fell 10 per cent to $2,311 per 40-foot container, while those from Shanghai to New York declined 8 per cent to $3,278 per 40-foot container. Despite a brief uptick in early September, the momentum from GRIs and blank sailings has now subsided, resulting in lower rates. Freight rates for Rotterdam–Shanghai gained 1 per cent to $461 per FEU.

Asia–Europe spot rates fell again this week, with rates down 9 per cent ($1,735 per 40-foot container) on Shanghai–Rotterdam and 7 per cent ($1,990 per 40-foot container) on Shanghai–Genoa. Container shipping charges declined 1 per cent each on Los Angeles–Shanghai to $716 per FEU and New York–Rotterdam to $842 per FEU. Rates for Rotterdam–New York fell 6 per cent to $1,819 per FEU.

Ocean carriers are reducing capacity to match slowing demand ahead of China's Golden Week holiday, when factories will shut for eight days from October 1. As a result, freight rates are expected to continue falling next week. Drewry's Container Forecaster anticipates the supply–demand balance will weaken in the next few quarters, leading to further contraction in spot rates.

Texworld Apparel Sourcing Paris strengthens European position

The top five visitor markets were Europe's largest: France, the UK, Italy, Spain, the Netherlands and Germany. Visitor numbers rose 25% compared with July 2024, confirming this the strategic move to September to meet the changing needs of fashion brands.

The 57th edition of Texworld Apparel Sourcing Paris, held from 15 to 17 September 2025 at the Parc des Expositions Paris-Le Bourget, welcomed 7000 visitors. The top five markets remained concentrated on Europe's largest markets: France, the United Kingdom, Italy, Spain, the Netherlands, and Germany. With an attendance increased by 25% compared to the July 2024 edition, this session confirms the strategic move to September in order to adapt with the evolving needs of fashion brands.

Highlights included the Near Sourcing Hub, where European suppliers such as Portugal's Fashion Team met demand for high-quality, fast-turnaround production. The Avantex Paris area spotlighted innovation in sustainable fashion, with awards going to GoldenEye Smart Vision (AI quality control) and Green Worms (waste recycling). TikTok Shop also debuted live shopping sessions, showing new retail opportunities for exhibitors, including leather goods makers.

European Council Simplifies CBAM Rules, Eases Compliance For SMEs

European Council has today adopted a regulation simplifying and strengthening the EU's Carbon Border Adjustment Mechanism (CBAM) as part of the 'Omnibus I' legislative package. The move aims to reduce compliance costs and administrative burdens—particularly for small and medium-sized enterprises (SMEs)—while maintaining climate ambition, with about 99 per cent of embedded emissions in CBAM goods being still covered.

The regulation seeks to provide simplification and cost-efficient compliance improvements to the CBAM, the Council said in a press release. Replacing the current threshold exempting from CBAM goods of negligible value, the amendments set a new 'de minimis' mass threshold whereby imports up to 50 tonnes per importer per year will not be subject to CBAM rules. The measure is expected to exempt from CBAM mainly SMEs and individuals, which import small or negligible quantities of goods covered by the CBAM regulation.

Another important modification is that the amended regulation will also permit to avoid any disruptions for importers in the beginning of 2026, while they await CBAM registration: imports of CBAM goods will be allowed under several conditions, pending CBAM registration of the importer. Furthermore, the amended regulation contains several other simplification measures for all importers of CBAM goods regarding, for instance: the authorization procedure, the data collection processes, the calculation of emissions, verification rules, and the financial liability calculation of authorized CBAM declarants. Finally, the amended regulation contains adjustments of provisions on penalties and on the rules regarding indirect customs representatives.

Marie Bjerre, Minister for European affairs of Denmark, said, "If we want to succeed with the green transition and boost Europe's competitiveness at the same time, we must reduce unnecessary burdens. That's exactly what this instrument delivers – making life easier for European businesses while maintaining our climate ambitions. The legislative act will be published in the EU's official journal in the coming days and will come into force on the third day following that of this publication.

UK collaboration develops biodegradable reflective pigment for fashion and industry

A consortium of UK-based organizations has unveiled what it describes as the world's first plastic-free, toxin-free and fully biodegradable reflective pigment. The discovery is the result of a collaboration between global materials science company Pangaia, University of Cambridge spin-off Sparxell, and the Manufacturing Technology Centre (MTC), one of the UK's leading independent research and technology organizations.

The 18-month Elucent project, supported by Innovate UK, is described as demonstrating how science, engineering and design can combine to create sustainable colour technologies. The initiative stated that bio-based pigments had successfully moved from laboratory research to industrial readiness.

The project integrated Sparxell's cellulose-based colour platform with Pangaia's design expertise and MTC's process-scaling capabilities. Working with London-based Orto Print Studio, Pangaia produced printed fabric prototypes and conducted durability tests, linking laboratory innovation to practical applications in fashion and other industries.

MTC oversaw the development of custom production systems and validated performance at an industrial scale to ensure the pigments could be produced beyond laboratory conditions. A commercial launch is planned for 2026.

Ministry of Textiles Notifies Major Amendments in PLI Scheme for Textiles to Boost MMF and Technical Textiles Sectors

PLI Scheme Application Portal Open till 31st December, 2025

The Ministry of Textiles has notified key revisions to the Production Linked Incentive (PLI) Scheme for MMF Apparel, MMF Fabrics, and products of Technical Textiles. These significant amendments are designed to address industry challenges, enhance ease of doing business, encourage fresh investments in the sector, and accelerate growth, underscoring the Government's focus on fostering employment and driving India's leadership in the global textile market. Amended guidelines of the Scheme are also being issued.

The key Revisions to the PLI Scheme:

♦ **Expansion of Eligible Products:** Inclusion of 8 new HSN codes for MMF Apparel and 9 new HSN codes for MMF Fabrics.

♦ **Relaxation from setting up new companies:** Applicants can now establish project units within the existing companies.

♦ **Reduction in minimum threshold of investment:** With effect from 01.08.2025, for all new applicants, minimum investment stands reduced from Rs.300 crore to Rs.150 crore in Part-1 category and from Rs.100 crore to Rs.50 crore in Part-2 category of the Scheme.

♦ **Reduction in incremental turnover criteria for incentive from earlier 25% to 10%:** Beginning FY 2025–26, applicants now have to demonstrate a minimum of 10% incremental turnover over the previous year to qualify for incentives (from Year 2 onwards).

The above revisions will significantly reduce entry barriers and financial thresholds, enabling faster execution.

Application Window Extended:

To encourage wider participation from the Industry, the Ministry of Textiles has opened the PLI Scheme application portal until 31st December, 2025. Interested companies are urged to take advantage of the revised framework and extended timeline to apply and contribute to India's vision of becoming a global textile manufacturing hub.

China's textile sector positioned to lead on sustainability, says Cascale report.

China's textile and apparel industry has the potential to set the global standard for sustainable manufacturing, according to a new analysis released by Cascale, a non-profit organization focused on driving positive change in the fashion value chain.

Macroeconomic and Sustainability Analysis,' uses data from the Higg Facility Environmental Module (Higg FEM), a tool designed by Cascale to evaluate the environmental impact of manufacturing facilities.

Jeremy Lardeau, Senior Vice President of the Higg Index, said that Cascale's data provided "a powerful lens into where the industry is headed". He added that China remained a pivotal player in global textile and apparel production and had already shown it could lead on innovation, technology adoption, and large-scale transformation. The opportunity, he stressed, lay in leveraging sustainability and innovation not only to meet regulatory and buyer requirements but also to secure long-term competitiveness in an evolving market.

China's investment in renewable energy sources like solar, wind, and hydropower enables factories to utilise clean electricity. Progress is evident among facilities that have adopted energy-efficient practices and renewable solutions, potentially offering "low-carbon apparel" as a new market edge.

Bangladesh defers Chattogram Port tariff hike by 30 days

Bangladesh has postponed the implementation of Chattogram Port's new tariff structure for a month following requests from the business community, shipping adviser Brig Gen (Retd) M Sakhawat Hussain has announced. The revised charges, set to take effect on September 15, will be suspended until further review, he told a seminar held at the port.

Speaking at a workshop titled "Customs and Port Management: Problems, Prospects, and Way Forward" at the port auditorium, organised by the Economic Relations Division, he said the move aims to ease pressure on exporters.

Exporters and importers had complained that the higher tariffs would raise production and freight costs, ultimately undermining trade competitiveness as it prepares to graduate from the least developed country (LDC) status next year, domestic media outlets reported.

The Chattogram Port Authority (CPA) recently announced the first major tariff revision in nearly four decades, raising service charges by an average of 41 per cent through a gazette notification. The revised structure included a nearly $25 increase per container for loading and unloading.

The government is prioritizing measures to boost port capacity, including expediting the bay terminal project and expanding the use of Mongla port and Kamalapur inland container depot facilities, Hussain added.

Germany's export surplus with US hits lowest level since 2021

Germany's export surplus in trade with the United States dropped to €34.6 billion (~$40.83 billion) in the first seven months of 2025, the lowest level for this period since 2021, according to the Federal Statistical Office (Destatis). The surplus was down €6.2 billion, or 15.1 per cent, compared with January–July 2024.

During the Covid-19 crisis in 2021, Germany's trade balance with the US stood at €28.4 billion. Overall, Germany's international trade in goods also showed strain. The nation's total export surplus fell by €32.7 billion, or 21.2 per cent year-over-year (YoY), to €121.3 billion (~$143.13 billion) in January–July 2025, Destatis said in a press release.

Meanwhile, Germany's import surplus in trade with China surged to €47.7 billion (~$56.29 billion) in the same period, the highest level recorded since 2022.

CHIC Autumn 2025 showcases China's fashion industry evolution

CHIC, which was held at the National Exhibition and Convention Centre in Shanghai, attracted over 650 exhibitors and nearly 61,000 attendees. Of those attendees, 58,891 were from within China and 2,086 were from abroad.

Under the theme 'New Intelligence, New Products, New Scenes', the fair highlighted the shift in China's garment sector. It underscored the increasing significance of supply chain optimization, technological integration, and sustainable practices.

The event showcased a wide array of products and services, presenting over 100,000 stock keeping units (SKUs) that met environmental, social governance (ESG) criteria. CHIC Autumn 2025 also demonstrated the global significance of Chinese designer labels, with brands that have previously participated in renowned international events like Pitti Uomo in Florence unveiling their collections in Shanghai.

A key feature of the Autumn edition was the Sustainable Innovation Zone located in the North Hall. This area introduced cutting-edge products and served as the venue for the Circular Stewardship Fashion Conference. The conference brought together industry experts and representatives from various organizations to discuss sustainable practices within the textile sector.

Topics included creating sustainable industrial chains, addressing ESG challenges, material innovations, consumer behavior changes, and carbon footprint measurement. The fair also spotlighted growth trends within lifestyle apparel and sportswear segments. Brands such as Zhangzhen Jeans and Zhijin County Batik Embroidery showcased their latest offerings. Additionally, technology advancements were a focal point with exhibitors like PSAI and ARGUS demonstrating smart production equipment and AI solutions that represent the digital forefront of the industry.

China National Textile Council Vice President and China National Garment Association and CHIC President Chen Dapeng said: "CHIC is far more than an exhibition – it is a strategic hub where the future of the fashion economy takes shape. With the autumn 2025 edition, we demonstrated that China's apparel industry continues to show innovation, resilience, and global appeal, even in a challenging environment. International brands find here the right partners, distribution channels, and market opportunities."

China's one-year loan prime rates steady for 4th straight month

China's one-year loan prime rate (LPR) has been kept at 3 per cent in September, unchanged from August 2025 marking the fourth straight consecutive month of stability. The five-year rate has been maintained at 3.5 per cent, again unchanged from last month, according to the National Interbank Funding Center.

The decision followed the central bank's move to keep its seven-day reverse repo rate steady. The weighted average interest rate for new business loans fell to about 3.1 per cent, down 40 basis points (bps) year-over-year (YoY), while mortgage rates also declined to around 3.1 per cent, a decrease of 25 bps.

Authorities have pledged to pursue a moderately loose monetary policy in 2025, balancing support for domestic growth with concerns over financial stability. Analysts said the unchanged LPR reflects resilience in exports, easing Sino-US trade tensions, and recent stock market gains, even as the economy faces slowing demand, as per Chinese media reports.

Concerns rise over quality of BLS, Census Bureau, other data in US

In the event of a partial government shutdown, the US Labour Department will suspend the release of critical economic data, including the employment report, the department recently announced. The employment report has a key role in decision-making for the Federal Reserve, businesses and households.

Data collection and processing activities of the Bureau of Labor Statistics (BLS) would halt.

President Donald Trump has been discussing with lawmakers a resolution to prevent a shutdown. This has led to rising concerns about the quality of BLS data. If prolonged, a shutdown could also disrupt the Social Security Administration's cost of living adjustment announcement, affecting retirees' financial planning.

"Federal statistical agencies face increasingly overt politicization by the Trump Administration on top of chronic underinvestment, uncertainty, and recent and proposed budget cuts, all of which threaten the accuracy and availability of vital federal data and public trust in official statistics," the Centre on Budget and Policy Priorities said in a note.

"The Trump Administration has taken a variety of actions to stop collecting or restrict access to federal statistical data. Some of these changes are likely attributable to understaffing but others appear to be motivated by politics," the Centre's Victoria Hunter Gibney and Cara Brumfield observed. Preparation for the 2030 census is now at risk, and BLS and Census Bureau are losing expertise and face threats to independence due to brain drain, they added.

NZ, Saudi Arabia form Business Council to boost trade

New Zealand's Minister for Trade and Investment, Todd McClay, and Saudi Arabia's Minister of Investment, Dr Majid bin Abdullah Al-Kassabi have signed a joint statement establishing the New Zealand–Saudi Arabia Business Council.

"Worth nearly $3 trillion, Saudi Arabia is a top 20 export market for New Zealand and one of the most dynamic economies in the world. The establishment of this Business Council is an important step in strengthening trade and investment links between our two countries," McClay said.

"The upcoming conclusion of the free trade agreement with the Gulf Cooperation Council will open the door to significant new opportunities, particularly in Saudi Arabia. The Business Council will ensure New Zealand companies are ready to seize those opportunities, while also boosting investment flows between our two economies," explained McClay, adding that business councils are a proven way to build stronger commercial connections and support exporters to succeed.

"A dedicated New Zealand–Saudi Arabia Business Council will raise awareness of opportunities, strengthen relationships, and help Kiwi firms do well in this growth market. It will play a key role in contributing to the government's goal of doubling exports by value in 10 years. Trade supports jobs in every region of the country, and stronger export and investment links mean more opportunities, higher wages, and greater opportunities for all New Zealanders," concluded McClay.

Global export growth eases in Q2 2025 amid US tariff pressures: Fitch

The global trade volumes slowed noticeably in the second quarter (Q2) of 2025, reversing the sharp increase recorded in the first quarter (Q1) of 2025, a move which had been triggered by importers front-loading ahead of the implementation of US tariffs, according to Fitch Ratings, a company of S&P Global.

An example of this trade volatility is shown by US imports in Q1 2025 and Q2 2025, when volumes increased 30 per cent year-over-year (YoY) in March but then contracted to -2.8 per cent YoY by June, as highlighted in the latest 'Fitch-20 Economic Monitor'.

With an average US effective tariff rate of 16 per cent, it expects global trade to slow further in the coming months. At a regional level, export volumes in the two months to June slowed in advanced economies and China but recovered in Korea and Australia. Exports from Mexico, a major trading partner of the US, were flat in Q2, Fitch said in its non-rating action commentary.

Import growth slowed sharply in Brazil from 16 per cent in Q1 2025 to 4 per cent in Q2 2025, as past monetary tightening continues to weigh on domestic demand. In India, import volume growth rebounded from almost -13 per cent YoY in Q1 2025 to 11 per cent YoY in Q2 2025, while in Mexico it was flat.

Australia's unemployment rate steady at 4.2% in August: ABS

The seasonally adjusted unemployment rate in Australia was steady at 4.2 per cent in August,2025 according to data released by the Australian Bureau of Statistics (ABS).

"Employment fell by 5,000 people and the number of unemployed fell by 1,000 people in August. This meant that the unemployment rate remained steady at 4.2 per cent whilst the participation rate fell by 0.1 percentage points to 66.8 per cent," Sean Crick, ABS head of labour statistics, said. The employment-to-population ratio fell by 0.1 percentage points to 64.0 per cent. A fall in full-time employment (-41,000 people) drove the overall drop in employment numbers. Meanwhile, part-time employment saw a 36,000 person rise.

Full-time employment declined by 30,000 among women and by 11,000 among men in August. Meanwhile, part-time employment increased, with 18,000 more women and 17,000 more men taking on part-time roles. "Hours worked fell 0.4 per cent in August, supported by fewer people working full-time hours this month," Crick said.

The underemployment rate fell by 0.1 percentage points to 5.7 per cent in August, 2025. This was 0.8 percentage points lower than August 2024 and 3.0 percentage points lower than March 2020, the ABS said on its website. The under utilization rate, which combines the unemployment and underemployment rates, fell by 0.1 percentage points to 9.9 per cent. This was 0.7 percentage points lower than August 2024, and 4.0 percentage points lower than March 2020.

In August, the trend unemployment rate rose to 4.3 per cent, while employment increased by 18,000 people (0.1 per cent), marking a 1.7 per cent rise over the past year. Monthly hours worked also grew by 0.1 per cent, in line with employment growth, with annual growth in both hours worked and employment at 1.7 per cent. The underemployment rate remained steady at 5.8 per cent, and the underutilization rate edged down to 10.0 per cent.

"In trend terms, the participation rate remained at 66.9 per cent in August, while the employment-to-population ratio stayed at 64.1 per cent," Crick said.

Cambodia's exports of garments up 19% YoY in Jan-Aug 2025

Cambodia exported garments, textiles, shoes, and travel goods worth $10.97 billion in the first eight months this year—up by 19 per cent year on year (YoY), according to the Commerce Ministry.

Garments worth $7.73 billion were exported during the period—a YoY increase of 19 per cent, while textiles worth $449 million were shipped abroad—up by almost 35 per cent YoY.Footwear worth $1.4 billion were exported in the period—up by 28 per cent YoY, while travel goods and bags were exported worth $1.39 billion—up nearly 6 per cent YoY, as per the ministry.

Cambodian Prime Minister Hun Manet announced last week that the monthly minimum wage for the garment, textile, footwear and travel goods industry would be raised to $210 in 2026 from $208 now.

Japan offers untapped opportunity for Bangladeshi garment exports

Japan is emerging as an increasingly important export destination for Bangladesh's ready-made garment (RMG) sector, with exports rising by 15.61% in the fiscal year 2024–25 to reach US $ 1.18 billion, according to data from the Export Promotion Bureau (EPB).

This performance has established Japan as Bangladesh's largest "non-traditional" market, underscoring growing demand among Japanese buyers for Bangladeshi apparel. Exports to other non-traditional markets also climbed by 10.44% during the same period, reaching US $ 1.15 billion and accounting for 16.11% of Bangladesh's total garment exports.

Despite this growth, Japan remains largely underutilized. Figures from the International Trade Centre (ITC) show that the country imported apparel worth US $ 22.86 billion in 2024, of which Bangladesh supplied only US $ 1.26 billion — just 5.5% of Japan's total imports.

Mohiuddin Rubel, managing director of Bangladesh Apparel Exchange and former director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the gap between Japan's overall import volume and Bangladesh's share highlighted significant untapped potential. He noted that Japan was a fashion-conscious, quality-driven, and premium market, where competition depended not only on sales but also on value, design, and product quality.

Rubel further stated that diversifying markets beyond Europe and North America was now critical, pointing out that Japan's demand for high fashion, fast fashion, premium pricing, and superior quality should make it a strategic priority for Bangladesh's exporters. Industry observers added that Japanese buyers typically prioritise sustainable production, technical precision, and long-term supplier relationships. Bangladesh has made progress in these areas, with more than 50 local garment exporters already supplying products such as outerwear, loungewear, denim, and knitwear to Japan.

However, sector stakeholders believe that consolidating Bangladesh's position will require improved trade facilitation, quicker supply-chain management, and stronger international branding. At a time when exporters are grappling with reduced demand and pricing pressures in Western markets, Japan is being viewed as a stable, high-value destination offering long-term opportunities for Bangladesh's apparel industry.

EBRD Raises Turkey's 2025 GDP Forecast to 3.1%

The European Bank for Reconstruction and Development has raised its 2025 growth forecast for Turkey but warned that political tensions, volatile investor sentiment and tighter global financing conditions continue to pose significant risks.

In its latest report covering economies in its region that stretches from emerging Europe to Central Asia, the Middle East and Africa, the EBRD upgraded its May projection by 0.3 percentage point to 3.1% for 2025, while keeping Turkey's 2026 growth forecast unchanged at 3.5%.

The bank expects Turkey's growth to remain in the 3.1%–3.5% range over 2025–2026, supported by easing financial conditions.

European Commission announces 19th package of sanctions against Russia

European Commission President Ursula von der Leyen recently unveiled the European Union's (EU) 19th package of sanctions against Russia. These are sanctions on the energy front, targeting the financial loopholes that Russia uses to evade sanctions and new direct export restrictions for items and technologies used on the battlefield.

"We are aligning our sanctions with our G7 partners, under the steer of the Canadian presidency," von der Leyen said in an official statement announcing the sanctions.

The Commission is banning imports of Russian LNG into European markets. "We have been saving energy, diversifying supplies and investing in low-carbon sources of energy like never before Then, we have just lowered the crude oil price cap to $47.6. To strengthen enforcement, we are now sanctioning 118 additional vessels from the shadow fleet. In total, more than 560 vessels are now listed under EU sanctions," she said.

Major energy trading companies Rosneft and Gazpromneft will now be on a full transaction ban. And other companies will also come under asset freeze. "We are now going after those who fuel Russia's war by purchasing oil in breach of the sanctions. We target refineries, oil traders, petrochemical companies in third countries, including China. In three years, Russia's oil revenues in Europe have gone down by 90 per cent. We are now turning that page for good," she said.

The Commission is putting a transaction ban on additional banks in Russia and on banks in third countries.

"We are stepping up our crackdown on circumvention. As evasion tactics grow more sophisticated, our sanctions will adapt to stay ahead. Therefore, for the first time, our restrictive measures will hit crypto platforms, and prohibit transactions in crypto currencies. We are listing foreign banks connected to Russian alternative payment service systems. And we are restricting transactions with entities in special economic zones," she said.

The Commission is adding new direct export restrictions for items and technologies used on the battlefield. It has listed 45 companies in Russia and third countries that have been providing direct or indirect support to the Russian military industrial complex.

"We know that our sanctions are an effective tool of economic pressure. And we will keep using them until Russia comes to the negotiation table with Ukraine for a just and lasting peace," she reiterated.

In parallel, the Commission is also working on a new solution to finance Ukraine's defense efforts based on the immobilized Russian assets. With the cash balances associated to these Russian assets, Ukraine can be provided with a reparations loan, she noted.

"The assets themselves will not be touched. And the risk will have to be carried collectively. Ukraine will only pay back the loan once Russia pays reparations. We will come forward with a proposal soon," she added.

ICE cotton slips despite higher US exports, strong dollar

ICE cotton futures declined further due to a stronger dollar and spillover weakness from grain markets. Although US cotton export sales rose in the latest week, they failed to support ICE cotton as the figures came in below market expectations. Ice's most active December 2025 contract settled at 66.90 cents per pound (0.453 kg), down 0.35 cent or 0.52 per cent. The contract has lost a total of 78 points over the last two sessions. Other contracts also closed lower, with losses ranging from 19 to 67 points.

Trading volume was 36,204 contracts, compared with 38,237 in the previous session. ICE deliverable No. 2 cotton contract stocks remained unchanged at 15,474 bags as of September 17.The US dollar rose 0.6 per cent, marking its second consecutive higher close, though it remains near 3.5-year lows. A stronger dollar makes dollar-denominated commodities such as cotton more expensive for buyers using other currencies. Crude oil futures declined by $0.59 on the day of the Fed decision, adding further pressure on cotton prices.

The Federal Reserve announced a 25-basis-point rate cut, which had been widely anticipated.USDA's weekly export sales report for the week ending September 11 showed a net increase of 186,100 bales—44 per cent higher than the prior week and 13 per cent above the 4-week average.CBOT soybean futures fell for the second consecutive day, weighed down by weaker soyoil prices. Soyoil futures also dropped for the second session, pressured by the US EPA's unclear proposal on redistributing biofuel blending obligations under the small refinery exemption programme. Market analysts said grain market weakness and a strong dollar are weighing on cotton. While USDA's export sales report was 'decent', it fell short of export targets and shipments were poor, signalling that export demand remains lackluster despite some increase in sales.

USDA's September World Agricultural Supply and Demand Estimates (WASDE) report kept forecasts unchanged for US cotton consumption, exports, and 2025-26 year-end stocks.US equities moved higher, with all three major indices hitting new all-time highs both intraday and at close. Currently, ICE cotton for December 2025 is trading at 66.83 cents per pound (down 0.07 cent), cash cotton at 64.90 cents (down 0.35 cent), the October 2025 contract at 65.50 cents (up 0.31 cent), the March 2026 contract at 68.74 cents (down 0.10 cent), the May 2026 contract at 70.14 cents (down 0.03 cent) and the July 2026 contract at 71.03 cents (down 0.05 cent). A few contracts remained at their previous closing levels, with no trading recorded today.

Albania expresses interest in hiring Bangladeshi workers

Albania has expressed formal interest in recruiting both skilled and unskilled workers from Bangladesh to meet its growing labour market demand. The proposal was made by Albanian President Bajram Begaj during a meeting with Bangladesh's Chief Adviser Dr Muhammad Yunus on Thursday (25 September) on the sidelines of the 80th UN General Assembly in New York.

President Begaj noted that several Albanian companies have already applied to hire workers from Bangladesh and emphasized the potential for enhanced bilateral cooperation, particularly in the tourism sector. He also invited Bangladeshi tourists to explore Albania's southern coastal regions.

Welcoming the initiative, Dr Yunus highlighted the capacity of Bangladesh's young and dynamic workforce to contribute meaningfully to Albania's economic growth. He urged the Albanian government to simplify visa procedures, noting that Bangladeshi nationals currently need to travel to New Delhi to apply. In response, President Begaj said Albania is considering the introduction of an e-visa system for Bangladeshi citizens. He also stressed the importance of high-level official exchanges and institutional engagement to strengthen ties.

Asif Nazrul, the Adviser in charge of the Ministry of Expatriates' Welfare, underlined Bangladesh's readiness to supply a diverse labour force, including healthcare professionals, factory workers, and agricultural labourers. He also proposed the signing of a Memorandum of Understanding to formalize cooperation President Begaj further noted that Albanian universities are open to welcoming Bangladeshi students under their existing international enrolment framework.

Thailand, Vietnam, Cambodia hit hardest under US tariff

The United Nations Development Programme (UNDP) has warned that recent US tariff hikes could shrink ASEAN exports to America by up to 9.7%, with Cambodia, Vietnam, and Thailand hit the hardest.

Cambodia faces the steepest decline, with exports to the US projected to fall 23.9%. The country sends 58% of its total exports to the US and now faces average tariffs near 19%, raising concerns it could be used as a transshipment hub. Vietnam's exports are expected to contract by 19.2%, affecting garments, footwear, and electronics. The US accounts for 36.6% of its export volume, with average tariffs of around 20%.

Thailand is set to see a 12.7% decline, particularly in automobiles, electronics, and food products, also facing average tariffs of 19%.

Europe's fashion industry faces uncertain future amid global trade disruption

The Federation de la Maille et de la Lingerie invited Sébastien Jean—associate director of the Geo-economics and Geofinance Initiative at IFRI (Institut Français des Relations Internationals) and professor at the Conservatoire National des Arts et Métiers (CNAM)—to speak at the event. His keynote addressed the evolving global order reshaped by former U.S. President Donald Trump and examined how Europe now finds itself squeezed between two dominant global powers.

"In the trauma of the post-war period, the European Union was built as a project to dilute the power of individual countries. The current return to power politics runs counter to these values and makes it difficult to advance our interests in a more confrontational environment," Jean said. He pointed out that Europe also suffers from insufficient investment, while remaining dependent on imported raw materials and exporting finished goods.

Even as the United States maintains a power struggle with China while easing tariffs for neighbors like Mexico and Canada, many other nations are contending with tariff rates hovering around 15%. "While some countries are being hit in sometimes baffling ways, such as Switzerland, Brazil and India, the European Union is one of the better-placed markets, contrary to what has been said," he added.

Jean emphasized that the U.S. has managed to make others pay for its economic "suzerainty" without triggering a recession since April's so-called "Liberation Day." However, he cast doubt on Washington's long-term objective of reviving domestic industry through protectionism.

"In the United States, industry generates 13 million jobs, compared with 30 million in Europe and 120 million in China," Jean noted. "Washington's confrontational posture therefore affords considerable leverage in the short term, but it can undermine the country's position with its allies, weakening trade agreements with its own neighbors."

Faced with the increasing weaponization of trade in the tug-of-war between global powers, Sébastien Jean calls for a shift in mindset. Today's economic conflicts are no longer just about market forces but also about diplomatic confrontation, and in some cases, geopolitical invasions—where political goals eclipse financial logic.

Jean explained that the phase of globalization driven by supply chains from the 1990s until the 2008 financial crisis was followed by a period of stabilization—during which China emerged as a serious economic rival to the United States. Now, according to Jean, we are entering a new era initiated by Washington: one of "hostile interdependence." Global trade is becoming increasingly fractured and unpredictable, eroding trust in trade agreements. Uncertainty, Jean argues, is now the norm. "With globalization, the rule was simple: you sourced wherever it was cheapest. Now, when your supply depends on third parties, you can no longer rely solely on the market. Securing your supply chain has become the overriding imperative," he explained.

While the event offered no definitive answers about the future of the global economy, textile and clothing professionals present expressed a shared unease over the unpredictability of the coming years. This concern arises at a time when the industry is already being disrupted—whether by instability in access to free information, the rise of artificial intelligence and quantum computing, or a looming demographic crisis: two-thirds of the global population now live in countries below the population replacement rate.

Philippine exports edge down 1.2% MoM in August

The value of seasonally-adjusted total exports of the Philippines was $6.99 billion in August, 2025—a decrease of 1.2 per cent month on month (MoM), while the same for imports was $10.58 billion—a decline of 6.2 per cent MoM, according to the Philippine Statistics Authority (PSA).The seasonally-adjusted export sales of manufactured goods in the country amounted to $5.51 billion in the month—an increase of 0.2 per cent MoM.

The seasonally-adjusted import values of raw materials and intermediate goods, consumer goods and capital goods dropped by 3.6 per cent (to $3.86 billion), 3.3 per cent (to $2.29 billion) and 2.8 per cent (to $3.27 billion) respectively. Seasonal factors like the degree of demand for selected major types of goods during the period pushed up the total value of exports, imports, export value of manufactured goods and import value of consumer goods, a PSA release said. However, it pulled down the import values of capital goods and raw materials and intermediate goods. In August 2025, the country's total external trade in goods amounted to $17.67 billion—a drop of 1.3 per cent year on year (YoY). In July 2025 and August 2024, the total external trade in goods recorded annual increases of 10 per cent and 1.9 per cent respectively.

Of the total external trade in August, 60 per cent were imported goods, while the remaining 40 per cent were exported goods. The trade deficit in goods in August this year was $3.54 billion—a YoY decline of 19.4 per cent. In July 2025, the trade deficit saw a YoY decrease of 9.3 per cent, while a YoY increase of 7.1 per cent was recorded in August 2024.The country's total export sales in August amounted to $7.06 billion—a YoY rise of 4.6 per cent. In July 2025 and August 2024, the total export sales registered YoY increases of 17.6 per cent and 0.4 per cent respectively. The total value of exports between January and August 2025 amounted to $55.7 billion—a YoY increase of 12.6 per cent.

Sri Lankan textile exports dip in August, YTD figures show 'resilience'

Sri Lanka's textile and apparel sector has experienced a slight decrease in exports for August 2025 year-on-year, but remained on a growth trajectory for the first eight months. Apparel exports reached $479.14m in during the month, marking a 1.33% drop compared to the same period a year ago, according to the Joint Apparel Association Forum (JAAF).

Sri Lanka's textile and apparel shipments to the US in the sector witnessed a slight increase of 0.92%, whereas exports to the EU and the UK recorded declines of 4.83% and 2.6%, respectively.

Exports to other international markets remained consistent with the previous year's data.

Despite this monthly downturn, the industry has shown resilience over the first eight months of 2025. Total exports surged by 7.48% to $3.39bn, up from $3.16bn during the corresponding period in 2024.

The EU market has been a significant driver of growth with a substantial increase of 14.66%. Additional positive contributions came from the US at 2.58%, the UK at 4.54%, and other global markets at 9.45%.

"The month of August reflects the volatility in global markets, with pressure on exports to the EU and UK. However, our year-to-date performance demonstrates resilience, particularly with strong growth into the EU. The industry continues to face challenges, but remains focused on competitiveness, diversification, and sustained engagement with key trading partners," JAAF said.

Germany's business sentiment weakens as ifo Index falls to 87.7

Sentiment among companies in Germany has deteriorated as the ifo Business Climate Index fell to 87.7 points in September, down from 88.9 points in August. Companies were less satisfied with current business, while their expectations clouded noticeably. Prospects for an economic recovery have suffered a setback.

In manufacturing, the index declined. Companies assessed their current situation as slightly worse, and expectations became more cautious. New orders experienced another decline. Any glimmers of hope that had emerged among capital goods manufacturers in the previous month have faded, ifo Institute said in a press release.

In the service sector, the business climate deteriorated noticeably. Expectations have grown markedly more pessimistic, and the indicator fell to its lowest level since February. Companies also downgraded their assessments of the current situation. Sentiment deteriorated particularly in the transport and logistics sector.

In trade, the business climate worsened, driven by more pessimistic expectations. However, companies assessed the current situation somewhat more positively. The business climate index rose in retail but fell in wholesale, added the release.

China's Central Bank Revives Liquidity Tool Before Long Holiday

The People's Bank of China on Monday pumped almost 300 billion yuan ($42 billion) of cash into the banking system via 14-day reverse repurchase agreements, an instrument it last used in January. That came alongside around 241 billion injected through seven-day reverse repos, a regular liquidity tool.

The move shows the PBOC wants to make sure there is plenty of cash in the system before a long public holiday, and may be followed by similar liquidity injections later this week, SWS Research analysts led by Huang Weiping wrote in a note.

The use of 14-day reverse repos will be more flexible in the future and won't be restricted to pre-holiday periods, PBOC-backed newspaper Financial News said in a commentary . Upcoming 14-day reverse repo injections underscore a moderately loose monetary policy, it said.

The PBOC said in another statement that it has changed the auction method for the 14-day reverse repo. It will now offer a fixed amount but allow banks to bid at multiple prices, a reversal of its previous method of fixing the price ahead of time but keeping the volume flexible. The revamp came after a change to the PBOC's one-year medium-term lending facility earlier this year, becoming just the latest sign of the central bank tinkering with its monetary policy toolkit.

China launches probe into Mexico's trade, investment barriers against China

The Chinese Commerce Ministry has initiated a probe into Mexico's restrictive measures that constitute trade and investment barriers against China, it announced.

If Mexico's 'unilateral acts' of imposing additional tariffs are implemented, even within the framework of the World Trade Organization (WTO), it will not only harm the interests of its relevant trading partners including China, but also seriously affect the certainty of the country's own business environment, thus undermining enterprises' confidence in investing in Mexico, a ministry spokesperson was cited as saying by a state-controlled media outlet. The restrictive measures to be probed include the Mexican government's plans to raise tariffs on products from China and other non-free trade agreement partners, as well as its other trade and investment restrictions imposed in recent years against China, according to the ministry.

China firmly opposes such acts and the ministry's decision to initiate the investigation aims at resolutely safeguarding the interests of the country's relevant industries, the spokesperson added.

Bangladesh waives 10% holding obligation on advance export payments

Bangladesh Bank recently waived the requirement for exporters to retain 10 per cent of export proceeds received in advance from overseas buyers. The decision is aimed at raising cash flow and easing trade settlement. The revised instructions would provide exporters quicker access to funds while ensuring safeguards for genuine transactions, according to a central bank circular.

As per the new guidelines, exporters must have a confirmed letter of credit (LC) or contract to execute shipments. Their past export performance must also be satisfactory, and they will need to demonstrate adequate capacity to fulfil the export order.

The central bank further said the advance payment must be interest-free, among other conditions.

Business insiders noted that the relaxation will help exporters procure raw materials and continue operations amid global trade challenges, while banks will oversee compliance to ensure accountability.

Japan to back $550-bn investment package under US tariff deal

Japan's finance ministry said that it will set up an investment facility at a state-owned development bank to support a $550 billion investment package agreed in Tokyo's tariff deal with Washington.

Japan and the United States signed a memorandum of understanding on the details of the package this month, stating it would focus on investments in sectors such as chips, metals, pharmaceuticals, energy and shipbuilding to be made by January 2029, which coincides with the end of Donald Trump's presidential term.

Japan's investment package would include equity, loans and loan guarantees from the state-owned Japan Bank for International Cooperation (JBIC) and Nippon Export and Investment Insurance (NEXI).The new facility at JBIC will provide financial support for overseas expansions by Japanese companies in industries strategically important for Japan's economic security, the ministry said.

The ministry also said it revised regulations on JBIC to expand the scope of its investment in developed countries, including the automotive and pharmaceutical industries. The previous regulations limit JBIC's scope of investments in developed countries to certain sectors compared to those in emerging countries.

Germany's economy stagnates, growth seen at 0.2% in 2025: ifo

Structural change and uncertainty are paralyzing industrial activity and the consumer economy in Germany. The country's economy is expected to witness a growth of 0.2 per cent in price-adjusted GDP for 2025, a downward revision of 0.2 percentage points from its winter forecast, according to ifo Institute for Economic Research. Germany's economic growth may see only a slight improvement by 2026, with GDP expected to rise by 0.8 per cent.

"The German economy is treading water. Despite a recovery in purchasing power, consumer sentiment remains subdued, and companies are also reluctant to invest," said Timo Wollmershäuser, head of forecasts at ifo. "Reliable economic policy is vital to creating confidence and stimulating investment. Companies need planning certainty, especially in view of the current challenges posed by structural change in industry."

Industry is suffering from weak demand and increasing international competitive pressure. At the same time, political uncertainties in both Germany and the United States are creating considerable risks. The new US administration has adopted an erratic and protectionist economic policy. Import tariffs already announced on goods from Mexico, Canada, and China and retaliatory tariffs are having initial negative impacts on the US and global economies, ifo said in a press release.

If tariffs on European products are additionally increased, this could hit German export business hard. There are also uncertainties as regards domestic politics. Although measures to strengthen infrastructure and defense are being discussed, it remains to be seen when they will be implemented.

Profits of major industrial firms in China back to growth in Jan-Aug

Profits of major industrial firms in China increased by 0.9 per cent year on year (YoY) between January and August this year, reversing the 1.7-per cent decline in the January-July period, according to the National Bureau of Statistics (NBS). Industrial firms with an annual main business revenue of at least 20 million yuan ($2.81 million) saw their combined profits totaling nearly 4.7 trillion yuan during the eight-month period.

In August, profits of major industrial firms rose by 20.4 per cent YoY, compared with a 1.5-per cent YoY drop in July. Their business revenue expanded by 1.9 per cent YoY, one percentage point faster than the previous month, a state-controlled news agency reported.

Bangladesh allows partial exporters to import raw materials duty free

Bangladesh's National Board of Revenue (NBR) recently allowed partial export-oriented industrial units to import raw materials free of duty against a bank guarantee. Exporters who cannot obtain a bonded warehouse licence under existing bond management conditions can now import raw materials or goods without paying customs duties, according to domestic media reports.

To avail of this benefit, importing companies must submit a bank guarantee equivalent to the customs duties assessed by the authorities on the imported items.NBR expects the decision will help export-oriented industries maximize their production capacity, diversify exportable products and expand exports.

KITA notes urgency for S Korea's CPTPP membership due to US policies

The Korea International Trade Association (KITA) recently suggested that in response to high-tariff policies of the US administration, South Korea should expedite ratification of the trade pacts already concluded, speed up amendments to free trade agreements (FTAs) in effect and formally initiate discussions on joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Countries like South Korea, Switzerland and Chile, which have high foreign dependence and below-average (26 per cent) US export share, have actively concluded FTAs with most of their export partners to raise exports due to their small domestic markets, the report released by the Institute for International Trade, affiliated with KITA, noted.

As a result, the pace of new FTA conclusions has slowed somewhat, focusing on improving and supplementing existing FTAs.Second, countries like Canada, Mexico and Costa Rica, which have high foreign dependence and particularly large US export shares, have pursued FTAs with large markets such as Mercosur, the Association of Southeast Asian Nations (ASEAN), the European Union (EU) and CPTPP to find alternative markets to the United States.

Lastly, countries with high domestic (regional) market dependence like Japan, China, Australia and the EU have also been strategically pursuing recently additional FTA conclusions. Meanwhile, FTAs concluded by South Korea are substantially contributing to stable export expansion. The report suggested that South Korea should also strengthen its FTA promotion strategy to respond to changes in the trade environment caused by the US-initiated tariff war, according to domestic media reports.

The country should overcome the limitations of its domestic market and preempt the advanced industry market by improving existing agreements to expand market access and enhance services and investment sectors, and actively pursuing new agreements, it argued.

US govt shuts down as Democrats block Republican stopgap funding bill

The United States entered a federal government shutdown today after Democrats blocked a Republican-backed stopgap funding bill that didn't address their demands. Democrats demanded extensions of Affordable Care Act subsidies and reversals of Medicaid cuts as part of the deal, while Republicans wanted separate consideration of these issues. This is the first government shutdown in more than six years. In 2018-2019, funding for the government had lapsed for five weeks during President Donald Trump's first term.

The impasse will leave hundreds of thousands of federal employees furloughed and government operations disrupted. Since the 1977 fiscal, the US government has witnessed 20 funding gaps. A memo from the White House Office of Management and Budget (OMB) cautioned government agencies to "execute their plans for an orderly shutdown," though certain functions like immigration enforcement and some public health activities will continue.

"Unfortunately, Democrat senators are blocking passage of H.R. 5371 in the Senate due to Democrats' insane policy demands, which include $1 trillion in new spending," the OMB memo said. Around 750,000 federal workers would be affected, with a total daily cost of roughly $400 million in lost compensation, the Congressional Budget Office estimated.

While workers in essential roles like air traffic controllers, law enforcement and social security operations will continue working, many services, including passport processing, national park operations and regulatory inspections are expected to stop.

Uzbekistan taking steps to expand footprint in US

The global trade landscape is undergoing a significant reshaping spurred by the imposition of tariffs by the United States. While countries hit with higher tariffs are scrambling to cushion the blow through strategies like market diversification and so on, those enjoying relatively lower tariffs are moving quickly to capitalize on their competitive edge.

Uzbekistan, a rising power in the global apparel export domain, is one such name that is preparing to establish a stronger foothold in the US textile market.

"The overall tariff burden on Uzbek goods remains lower than that on some other countries, potentially giving us a competitive edge—especially as buyers shift orders away from China," underlined Isomiddin.

With deep roots in cotton production, Uzbekistan is taking calculated steps to expand its reach into the $100 billion US textile market.

President Shavkat Mirziyoyev has announced plans to open two textile trading houses in key American cities—St. Louis and New York—as part of this broader strategic vision. These hubs are expected to serve as promotional and sales centres, linking Uzbek manufacturers directly with US retailers, fashion brands, and buyers.

It is a practical and targeted effort to tap into one of the world's most lucrative consumer markets. The idea is to eliminate intermediaries and create direct lines of communication between producers and buyers, thereby improving efficiency, responsiveness, and profitability.

By placing trading houses in cities with commercial significance and a well-established fashion ecosystem, Uzbekistan is positioning itself to play a more proactive role in the global apparel supply chains.

"Even though the actual export volume remains modest still—under $2 million annually, with proper positioning, a targeted marketing strategy, and optimized logistics, Uzbekistan could significantly increase its export volumes to the US," claimed Isomiddin in an earlier interaction. The trading houses, if industry insiders are to be believed, are just one aspect of a much broader push to modernize the Uzbek textile industry, which has been grappling with external pressures such as falling global cotton prices lately.

Recognizing the availability of raw material alone is not enough, the government has reportedly launched a series of reforms aimed at upgrading infrastructure, technology, and compliance standards. According to reports, a $200 million preferential fund has also been allocated to help manufacturers modernize operations and meet export goals. The focus is not only on increasing output but also on elevating the quality and traceability of products to meet international standards.

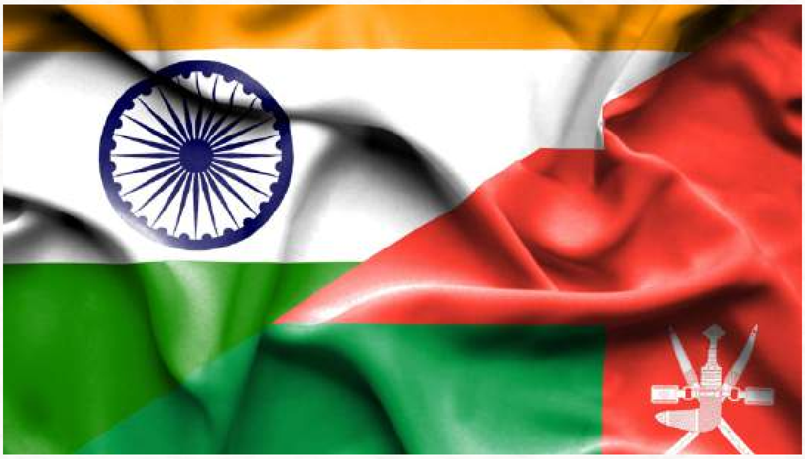
One of the critical steps in this modernization journey is improving industry credibility through global certifications. Uzbekistan is reportedly aiming to have at least 300 textile firms certified to international standards, making them more attractive to buyers who prioritise sustainability, ethical sourcing, and quality assurance. These certifications are not just badges of compliance; they are gateways to larger orders and longer-term contracts from established brands.

In parallel, the government is also said to be investing in technological upgrades, which will help streamline operations, enhance inventory and supply chain visibility, and enable better decision-making at all levels of the production process. The country is also reportedly turning to artificial intelligence to boost productivity, improve transparency, and reinforce traceability in the textile sector, according to industry insiders, who claimed that subsidies are also being offered to train workers in digital tools and automation, with the ultimate aim of building a smart, agile, and responsive industry.

The Uzbek government is also reportedly eyeing the European market with the overarching goal to double exports of finished textile products. By shifting focus from commodity exports to finished goods, the country aims to retain more economic value, generate employment, and elevate its status as a competitive player in the global apparel ecosystem.

In a world where supply chains are increasingly scrutinized for transparency, ethics, and sustainability, Uzbekistan is making the right moves, feel experts, who are of the opinion that if effectively implemented, these measures could transform the country's apparel industry drastically.

India-Oman's $10 billion trade poised for diversification after FTA



India is expected to soon announce a Free Trade Agreement (FTA) with Oman, its second pact with a Gulf nation after United Arab Emirates (UAE).

Total trade between India and Oman stood at $10.61 billion in 2024-25, a growth of 18.6 percent on-year. India imported goods worth $6.55 billion from Oman, while exports to the Gulf nation stood at $4.07 billion, leading to a trade deficit of $2.48 billion in the previous financial year.

India's exports to Oman during the previous fiscal stayed almost steady with slight dips from $4.48 billion in FY23 and $4.43 billion in FY24, while imports witnessed an almost 45 percent jump on-year due to a sharp contraction in 2023-24.

Top exports to Oman in FY25 were led by petroleum products at $1.43 billion, engineering goods worth $812.2 million, mica, coal and other ores of $428.6 million and chemicals amounting to $241.4 million.

The country also ships limited amounts of textiles, gems and jewellery, and leather products to Oman. A trade deal could boost exports of these labour-intensive goods that are facing the brunt of steeper tariffs from the US.

The FTA could also give a boost to India's second-largest export item to Oman – engineering goods, shipments of which to the US declined by 5.1 percent in August compared to the previous month as it started to feel the effects of steeper tariffs. Around 80 percent of Indian goods are subject to an average import duty of 5 percent by Oman.

Oman's import duty ranges from zero to 100 percent along with steeper tariffs on specific meats, wines and tobacco products.

When it comes to India's imports from Oman, mineral fuels and fertilisers make up the largest share.

Out of India's imports worth $6.55 billion from the Gulf nation in FY25, $4.01 billion consisted of mineral fuels and fertilisers, followed by organic chemicals worth $608.74 million and plastics valued at $219.24 million.

India-Oman FTA timeline

Talks for a free trade agreement between India and Oman began in November 2023.

Termed as a Comprehensive Economic Partnership Agreement (CEPA), both sides have held five rounds of in-person negotiations on the proposed deal, with the last one held in New Delhi in January.

The Minister of State for Commerce & Industry, Shri Jitin Prasada had in August 2025 informed the Rajya Sabha that negotiations for the CEPA with Oman have concluded.

Can an 'International Year of Cotton' help weave sustainable future?

Cotton is much more than a textile fiber; it is a lifeline for over 100 million families globally, anchoring rural economies, empowering women, and driving vast industrial ecosystems. Countries such as India, with more than 7 million cotton farmers and an extensive textile sector employing over 45 million people, exemplify cotton's profound socio-economic impact. Concurrently, cotton production worldwide faces converging threats from climate change and environmental degradation — factors that exacerbate social inequities tied to access, opportunity, and resilience.

The suggestion for an International Year of Cotton embodies an urgent, collective opportunity to reimagine cotton's future as a "Boll of Hope," symbolising renewal, resilience, and prosperity through innovation, sustainability, and equity on a global scale.

The transformative power witnessed during the United Nations' International Years of Pulses (IYP 2016) and International Years of Millets (IYM 2023) reveals the potential of coordinated global advocacy to elevate crops critical to food security, climate resilience, and rural livelihoods worldwide. Pulses attracted investment and expanded markets through their recognised role in nutrition and soil health, while millets captivated attention as drought-tolerant, nutrient-rich grains vital for millions in fragile agroecologies.

These thematic years demonstrated how sustained multi-stakeholder engagement, scientific innovation, policy coherence, and consumer outreach can place neglected crops at the heart of sustainable development. Cotton, uniquely straddling both fiber and food systems, presents an analogous global opportunity to amplify its impact in diverse farming and industrial contexts, from the smallholder fields of the developing world to mechanised farms in the developed countries.

While cotton production thrives in major countries like India, China, the USA, and Australia, disparities in research and technology adoption are apparent. India's cotton sector, after a surge driven by Bt cotton adoption, has plateaued, with annual production shrinking from a high of 39 million bales a decade ago to approximately 30.7 million in recent projections. This stagnation arises partly from regulatory hurdles limiting varietal approvals and sluggish research and development investments — India's research funding in cotton lags behind its international peers and government commitments.

In contrast, China has boosted its 2024 cotton output by nearly 10 per cent, propelled by extensive mechanisation, biotech cultivars, and digital technologies, particularly within the Xinjiang region.

Australia and the USA continue to invest heavily in cotton research and develpment, ensuring advanced breeding programmes, precision agriculture adoption, and integrated pest management sustain their global competitiveness and environmental stewardship. Further, in Africa, although improved cotton seeds are used, widespread smallholder access remains constrained by affordability and distribution inefficiencies — a challenge mirrored in several developing regions globally. Shared solutions including cooperative seed networks, and inclusive policies can bridge these gaps.

Globally, millions of cotton farmers are vulnerable within fragmented and opaque value chains that inhibit fair returns. Empowerment through sustainable Farmer Producer Organisations (FPOs) or cooperatives can catalyze equitable access to inputs, credit, and markets while amplifying bargaining power.

India's dairy cooperative success offers a replicable template, but the principle resonates broadly — collective action fosters resilience. Evidence from studies across the world demonstrate how transparent, ethical cotton sourcing enhances farmer incomes, social welfare, and gender equity.

Embedding social protection schemes and inclusive financial services adds further layers of security, reducing vulnerability to climate and market shocks for the millions dependent on cotton globally. Cotton's natural environmental footprint requires urgent reduction through climate-smart farming, water conservation, organic cultivation, and responsible chemical management. These practices, coupled with circular textile economy models that extend fiber life cycles and recycle materials, align with global commitments to climate action and the Sustainable Development Goals. International collaboration to disseminate best practices, promote sustainable inputs, and incentivize scale-neutral technologies including biotechnological innovations worldwide reinforces a shared pledge toward sustainable cotton production and consumption, transcending borders.

Efficient, fair and equitable access to markets is critical for developing cotton economies to realise full benefits for all stakeholders. However, many face tariff and non-tariff barriers, high logistical costs, and inconsistent regulations that erode competitiveness. Coordinated international efforts to harmonise trade rules, streamline customs, invest in infrastructure, and support digital marketplaces can unlock higher value addition locally and regionally. Multi-stakeholder partnerships spanning governments, trade bodies, industry, and civil society are essential to building inclusive, resilient cotton value chains that fairly integrate producers into the global economy.

The cotton boll, protective and nurturing, symbolizes more than fiber, it embodies hope. Hope for millions of farmers worldwide, for sustainable development pathways in vulnerable regions, and for industries committed to responsible innovation. An International Year of Cotton offers a unifying and inspiring framework to weave scientific advancement, inclusive growth, cross-regional learnings and environmental stewardship together to reinvigorate the global cotton sector. Under the "International Year of Cotton", as a platform for concerted global action, stakeholders can collaborate to bring unique learnings to share with each other. Through a shared commitment, the International Year of Cotton can elevate cotton's role in the global agricultural arena as a pillar of economic and social well-being worldwide, supporting rural livelihoods, advancing sustainable industrial growth, and fostering global trade fairness.

As cotton sector globally stands at a crossroads, the "International Year of Cotton" initiative will inspire stakeholders across continents — farmers, researchers, businesses, and policymakers — to spin together a resilient, prosperous future for millions of people who are dependent on it directly and indirectly.

By - Raghavan Sampathkumar

Canada
Focus Country

Canada and India share over 75 years of diplomatic relations and deep people-to-people ties. Bilateral relations were formally designated as a "Strategic Partnership" in 2018, structured around Ministerial Dialogues on:

- Foreign Policy
- Trade and Investment
- Finance
- Energy

India is Canada's largest source country for most immigration categories, including 392,810 study permit holders with Indian citizenship in Canada in 2024. As of the 2021 federal census, there are more than 1.8 million Canadians of Indian origin.

➢ Economic Overview:

High-income economy and second-largest US trading partner; key timber, oil, and gas industries; trade uncertainties and weak business investments contributing to economic slowdown; high and growing public debt; inflation moderating but remains above target range.

➢ Economic Indicators:

Indicators	*Value (in USD)*
Real GDP (Purchasing Power Parity), 2023 est	2.341 trillion
Real GDP (Growth Rate), 2024 est.	1.5 %
Real GDP (Per Capita), 2024 est.	56,700
GDP (Official Exchange Rate), 2024 est.	2.241 trillion
Inflation Rate, 2024 est.	2.4 %
Source: The World Factbook – CIA 2025	

➢ Industries:

Transportation equipment, chemicals, processed and unprocessed minerals, food products, wood and paper products, fish products, petroleum, natural gas.

➢ Climate:

Varies from temperate in south to subarctic and arctic in north

➢ Average Tariff for India:

Between 0% to 18%

➢ *Exchange Rate:*

Indicators	Value (in INR)
Indian Rupees (INR) per Canadian Dollar (CAD)	***63.82***
Canadian Dollar (CAD) per US Dollar (USD)	***1.38***
Source: X-Rates 2025 (September 2025)	

➢ Canada's RMG Trade:

Canada's RMG Import from World and India (In USD Mn.)

	2022	2023	2024	% Change 2024 over 2023	2024 (Jan-Jun)	2025 (Jan-Jun)	% Change 2025 over 2024
Canada's RMG imports from World	12472.5	10852.7	10792.5	-0.6	4899.3	5479.3	11.8
Canada's RMG imports from India	412.4	362.4	336.1	-7.3	183.5	212.5	15.8
India's Share in Canada's total RMG imports from World, %	3.3	3.3	3.1		3.7	3.9	
Source: X-Rates 2025 (September 2025)							

The above table shows that Canada's RMG import from the World were to the tune of USD 10792.5 mn in 2024 showing a decline of 0.6 % as compared to 2023. RMG import from India has also declined to USD 336.1 mn, registering a decline of 7.3% as compared to 2023. India's percentage share in Canada's RMG import from the World has decreased to 3.1 % in 2024.

Canada's RMG import from World between Jan-Jun 2025 were to the tune of USD 5479.3 USD Mn., showing an increase of 11.8 % as compared to Jan-Jun 2024 and import from India during the same period showed a growth of 15.8 % with the share of 3.9%.

➢ Top RMG Supplier to Canada:

Top RMG Supplier to Canada and India's Position

Position	Countries	Imported value in 2024 (in USD mn	% Share
	World	**10792.5**	**100**
1	China	3188.8	29.5
2	Vietnam	1617.4	15.0
3	Bangladesh	1412.4	13.1
3	Cambodia	1070.4	9.9
5	Italy	351.0	3.3
6	**India**	**336.1**	**3.1**
Source: UN Comtrade 2025			

The above table shows that China has remain the top supplier of RMG to Canada with 29.5 % share in 2024. India is the 6th largest supplier of RMG to Canada with 3.1 % share. Vietnam and Bangladesh has a share of 15.0 % and 13.1 % respectively.

➢ Canada's top 10 RMG Products Import from World vs India's share:

Top 10 RMG products imported by Canada from World (in USD mn)

S. No.	HS Code	Product label	Imported from World in 2024	Imported from India in 2024	India's Share in %
		Total RMG	10792.5	336.1	3.1
		Sum of Top 10	4635.6	86.6	1.9
1	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	798.3	3.3	0.4
2	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	775.3	21.6	2.8
3	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	648.9	38.5	5.9
4	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	452.1	7.9	1.7
5	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	443.3	8.4	1.9
6	610463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, ...	375.6	0.7	0.2
7	620240	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	329.1	0.6	0.2
8	610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	281.2	2.2	0.8
9	620140	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	268.5	2.1	0.8
10	620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excl. ...	263.3	1.3	0.5

Source: UN Comtrade 2025

The above table shows Canada's top 10 RMG products imported from the World vis-à-vis from India and India's % share in those top 10 products. The top 10 products imported from the World were to the tune of USD 4635.6 mn. in 2024 and import from India of these top 10 products were to the tune of USD 86.6 mn. India has 1.9 % share in Canada's top 10 products import from the World.

The top products imported by Canada from the World includes (i) Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted; (ii) Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted; (iii) T-shirts, singlets and other vests of cotton, knitted or crocheted.

➢ Canada's top 10 RMG products import from India:

Top 10 RMG Products India's Export to Canada (in USD mn)				
S. No.	HS Code	Product label	Export from India, 2024	India's Share in %
		Total RMG	336.1	100.0
		Sum of Top 10	86.6	55.4
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	38.5	11.5
2	620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	22.2	6.6
3	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	21.6	6.4
4	611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	19.2	5.7
5	610510	Men's or boys' shirts of cotton, knitted or crocheted (excl. nightshirts, T-shirts, singlets ...	19.0	5.7
6	620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excl. knitted or crocheted and ...	17.7	5.3
7	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	17.6	5.2
8	610711	Men's or boys' underpants and briefs of cotton, knitted or crocheted	12.4	3.7
9	620444	Women's or girls' dresses of artificial fibres (excl. knitted or crocheted and petticoats)	9.4	2.8
10	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	8.4	2.5
Source: UN Comtrade 2025				

The above table shows Canada's top 10 RMG products imported from India. Canada's top 10 products imported from India were to the tune of USD 186.0 mn with 55.4 % share in Canada's total RMG import from India.

The top products imported by Canada from India includes (i) T-shirts, singlets and other vests of cotton, knitted or crocheted; (ii) Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted.

Ministry of Commerce and Industry Host Seminar on Demystifying IPR Chapter in India–UK CETA

The Department for Promotion of Industry and Internal Trade (DPIIT) and the Department of Commerce, Ministry of Commerce and Industry, in collaboration with the Centre for Trade and Investment Law (CTIL), organized a seminar on "Demystifying the IPR Chapter in the India–UK CETA" at Vanijya Bhawan, New Delhi. The seminar brought together policymakers, domain experts, academia and industry representatives to deliberate on the opportunities and concerns related to the Intellectual Property Rights (IPR) provisions of the India–UK Comprehensive Economic and Trade Agreement (CETA).

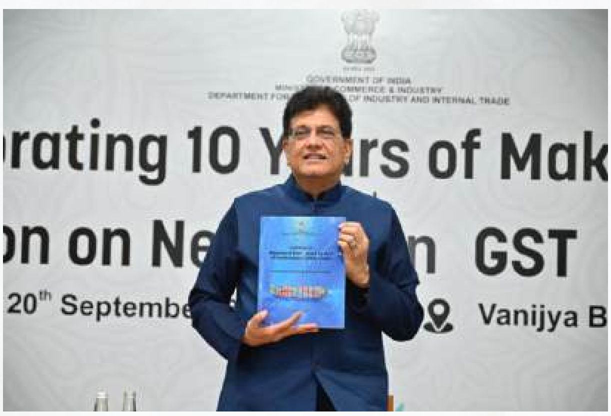
Experts at the seminar underlined that the IPR chapter strikes a careful balance between fostering innovation and ensuring access. It was emphasised that the provisions reinforce safeguards for public health while modernising India's IP framework. Participants reiterated that voluntary licensing continues to be the preferred industry practice, while the flexibilities relating to compulsory licensing and public health, as enshrined in the Doha Declaration, remain fully preserved.

Concerns over harmonisation of patent processes were addressed, with experts clarifying that these are procedural improvements that in no way affect India's regulatory autonomy.Geographical Indications (GIs) emerged as a significant area of opportunity, with provisions in the agreement enabling stronger protection of Indian GIs in the UK market—an important step to boost exports and enhance India's cultural branding globally. Industry representatives highlighted that this would benefit startups, MSMEs and traditional producers alike.

The panels dispelled several myths surrounding the agreement and clarified that the IPR chapter does not curtail India's policy space. Instead, it reinforces India's ability to frame rules in line with its developmental priorities. It was also underlined that the chapter reflects India's existing legal framework while sending a positive signal to global partners and investors about the country's commitment to a robust and forward-looking IP regime.

The seminar concluded with the message that the IPR chapter of the India–UK CETA provides a template for future trade negotiations—combining regulatory rigour with flexibility, supporting innovation while safeguarding access, and strengthening India's position in the evolving global trade landscape.

Guidebook on Mapping of Harmonized System of Nomenclature (HSN) Codes unveiled by Union Minister of Commerce & Industry, Shri Piyush Goyal



The Union Minister of Commerce and Industry, Shri Piyush Goyal, released the Guidebook on Mapping of Harmonized System of Nomenclature (HSN) Codes prepared by the Department for Promotion of Industry and Internal Trade (DPIIT) on 20th September 2025 during the event on "Celebrating 10 Years of Make in India and Discussion on Next Gen-Reforms 2.0" in New Delhi. The Guidebook which provides allocation of 12,167 HSN Codes to 31 Ministries and Departments of the Government of India, aims to promote the adoption of data-driven approach for manufacturing development, investment promotion, and trade facilitation. It shall serve as the foundation for building a resilient and competitive manufacturing ecosystem.

Emphasizing the significance of this exercise, Shri Goyal mentioned that the Guidebook is a significant stride towards strengthening domestic production capacity and fostering sectoral growth. Additionally, it will also support more effective Trade Agreement negotiations which are aligned with national economic priorities and domain strengths. With the facilitation for identification of the relevant Ministry or Department for specific HSN Codes, this initiative will streamline regulatory processes and further enhance ease of doing business. He added that the Guidebook shall play an integral role in accomplishing the vision of Viksit Bharat by 2047, where governance is responsive to the needs of the industry.

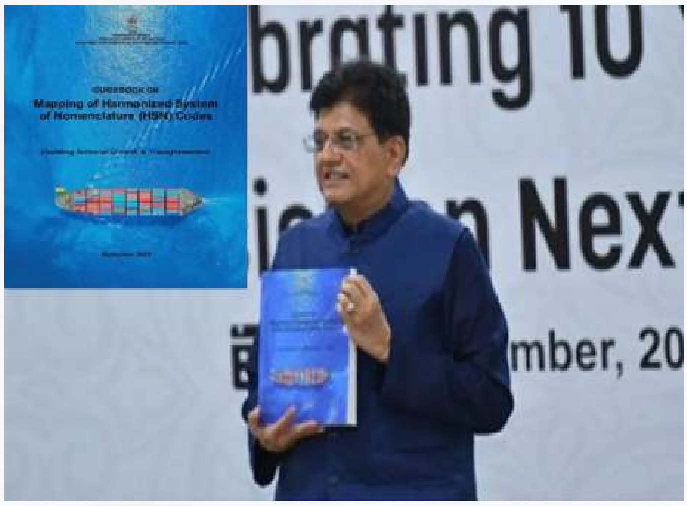
The origin of the development of the Guidebook lies in the observation of persistent challenges arising during trade negotiations, import substitution efforts and redressal of industry concerns due to the absence of definitive mapping of HSN Codes. Further, unmapped Codes were misclassified as 'Residual Products' due to unclear ownership. To address the matter, DPIIT followed a holistic and proactive approach, by undertaking the value-chain and use-case analysis for each of the 12,167 HSN Codes sourced from the Central Board of Indirect Taxes and Customs (CBIC) Tariff Manual.

Following this, a thorough review of the Allocation of Business (AoB) Rules, 1961, was done for mapping of each HSN Code based on the nature and end-use of the product. Once the preliminary mapping was completed, several Inter-Ministerial Consultations, multiple Joint Working Group meetings, over 300 one-on-one meetings with Ministries and Departments, and numerous Industry Stakeholder consultations were conducted. The feedback received was systematically analyzed and incorporated to ensure reflection of ground-level realities.

The exercise eventually led to the mapping of 12,167 HSN Codes to 31 Ministries and Departments. This extensive and consultative effort culminated in the development of the Guidebook, which now stands as a foundational resource for advancing manufacturing and trade related goals.

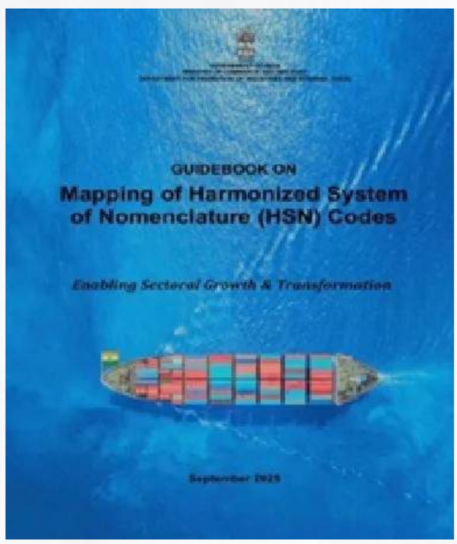
The Guidebook on Mapping of HSN Codes is a critical enabler for Ministries and Departments to translate policy intent into actionable outcomes. To support its effective use, a dedicated section titled "How to Use the Guidebook?" has also been developed, anchored in three operational pillars. The first segment on "Manufacture in India", focuses on positioning India as a global manufacturing hub by emphasizing on sector-specific policy alignment, value chain strengthening, and workforce development. Building on this foundation, the "Strengthen Brand India" pillar aims to elevate the global perception of the 'Made in India' label through prioritization of quality enhancement. Complementing these efforts, the "Make for the World" pillar is dedicated to support more effective trade negotiations, thereby, enabling Indian products to capture a greater share in international markets.

In conclusion, the Guidebook on Mapping of HSN Codes is not merely a classification exercise but a strategic instrument for shaping the industrial future of India. It empowers Ministries and Departments to adopt an outcome-oriented approach to economic growth and development by streamlining custodianship of products. As India advances towards establishing itself as a global manufacturing hub, this Guidebook becomes pivotal in aligning policy, investment, and trade related matters. With the Guidebook as a catalyst, India is equipped to convert its industrial ambition into international leadership by laying the foundation for a robust and future-ready economy by 2047.



Shri Piyush Goyal, Minister of Commerce and Industry Releases the Guidebook on Mapping of Harmonized System of Nomenclature (HSN) Codes

Guidebook on Mapping of Harmonized System of Nomenclature (HSN) Codes



Government unveils comprehensive logistics cost assessment to boost competitiveness

On the occasion of celebrations marking a decade of "Make in India," the Union Minister of Commerce and Industry, Shri Piyush Goyal, in New Delhi launched the report on Assessment of Logistics Cost in India. For the first time, India will have a comprehensive and scientifically derived estimate of logistics costs, using a hybrid methodology that combines secondary data with nationwide surveys. This initiative follows the mandate of the National Logistics Policy (2022) to establish a uniform framework for measuring logistics costs and benchmarking them against global practices.

Shri Goyal highlighted that the Government has undertaken multiple initiatives to make logistics more competitive and reduce the cost of doing business in India. He noted that studies and reports prepared by the Industry and Commerce Departments are helping identify key issues in logistics costs. Efforts such as mapping each Harmonized System of Nomenclature (HSN) code to the respective line ministry streamline coordination and strengthen India's position in free trade agreement (FTA) negotiations. He further emphasized that the creation of a logistics data bank, the implementation of integrated state and city logistics plans under the SMILE programme in collaboration with ADB, and infrastructure projects spearheaded by NICDC and other agencies aim to assess available facilities, improve transport and connectivity, and reduce inefficiencies. These measures, along with reforms such as GST implementation and rationalization, are central to ongoing efforts to reduce logistics costs, enhance ease of doing business, and boost competitiveness.

Until now, logistics costs in India were often misrepresented, with commonly cited figures of 13–14% of GDP derived from external studies or partial datasets. This led to inconsistent estimates, causing confusion among policymakers and global stakeholders. As per the current assessment prepared by NCAER for DPIIT, logistics costs in India are estimated at about 7.97% of total GDP.

The report provides a comprehensive framework by capturing logistics costs across different transport modes, product categories, and firm sizes. It also presents estimates of freight cost per tonne-kilometre and highlights the role of multi-modality in enhancing efficiency. By providing evidence-based guidance, the study strengthens India's efforts to improve competitiveness and supports the broader vision of positioning the country as a global logistics hub.

Estimates for the previous five years show that the growth rate of logistics costs is gradually slowing compared with the pace of growth in non-services output. This improvement can be attributed to initiatives such as the PM GatiShakti National Master Plan, Dedicated Freight Corridors, BharatmalaPariyojana, Sagarmala Project, Integrated Check Posts, development of the Unified Logistics Interface Platform (ULIP), and the Logistics Efficiency Enhancement Programme (LEAP), among others.

Third Round of India–New Zealand Free Trade Agreement Negotiations Concludes in Queenstown

The third round of negotiations for the India–New Zealand Free Trade Agreement (FTA) concluded successfully on 19th September, 2025, in Queenstown, New Zealand. The discussions reaffirmed the shared commitment of both nations to strengthen economic ties and work towards the early conclusion of a balanced and mutually beneficial agreement.

Guided by the vision of Hon'ble Prime Minister Shri Narendra Modi and the Right Hon'ble Christopher Luxon, Prime Minister of New Zealand, the negotiations reflected a common resolve to deepen bilateral trade, investment, and economic cooperation. The FTA was formally launched on 16th March, 2025, during the meeting between Union Minister of Commerce and Industry, Shri Piyush Goyal, and New Zealand's Minister for Trade and Investment, Mr. Todd McClay.

The third round, held from 15th to 19th September, 2025, witnessed constructive discussions across all areas of the agreement. Several chapters were concluded and significant progress was achieved in other key domains.

India's bilateral merchandise trade with New Zealand stood at USD 1.3 billion in FY 2024–25, registering a growth of nearly 49 percent over the previous year. The proposed FTA is expected to further boost trade flows, promote investment linkages, strengthen supply chain resilience, and create a predictable framework for businesses in both countries.

Both sides agreed to maintain momentum through inter-sessional engagements.

Sustainability is non-negotiable in India's growth journey: Union Minister of Commerce and Industry Shri Piyush Goyal

Sustainability is non-negotiable in India's growth journey, the Union Minister of Commerce and Industry Shri Piyush Goyal said while addressing the inauguration of the IEC (International Electrotechnical Commission) General Meeting Exhibition organized by the Bureau of Indian Standards (BIS) today. Shri Goyal said that India is very focused on sustainability as the pillar of growth because every Indian intrinsically believes in respecting nature, being born into a culture and tradition where harmony with the environment is a way of life.

He said that India believes in learning from the developed world, particularly from the high-quality standards that have helped economies across the globe to grow and prosper. He emphasized that such high standards are central to India's own growth as the world's fastest-growing large economy.

The Minister highlighted that initiatives such as the International Electrotechnical Commission General Meeting provide a valuable platform for the exchange of ideas, systems, and methods to decide on standards. When countries come together to develop such standards, they not only help harmonize practices and bring them to a high minimum level, but also create opportunities for stronger economic cooperation. The Minister underlined that good standards are the need of the hour for a developing country like India, as they provide the foundation for growth both at the national level and for contributing to international progress.

Shri Goyal noted that harmonizing global standards not only enhances product quality but also facilitates free trade, opens markets, and promotes wider international collaboration. He said that such initiatives will help expand open markets, encourage free and fair trade, and provide a level playing field for businesses. Referring to the participation of international experts at the IEC General Meeting, he expressed confidence that they would delve into new ideas and explore ways forward to promote the adoption of standards. He added that with many experts coming from engineering backgrounds, the deliberations at the exhibition would enrich the global conversation on standards. He reiterated that the promotion of high-quality standards is essential for ensuring consumer welfare, driving demand, and sustaining long-term growth.

The Minister highlighted India's strong commitment to meeting its nationally determined contributions under the Paris Agreement, and further improvements made through different COP announcements. He stressed that India does this not because of external force or pressure, but as a responsible global citizen, out of belief in sustainability itself. He added that India is deeply committed to the principles of a circular economy, reducing waste, and conserving resources, and sees these principles as central to its long-term development journey.

Shri Goyal stated that standards play a critical role in building India's future. He pointed out that India has thousands of technical bodies and committees that work on setting standards across different sectors. In the early years, the focus was more on creating standards and allowing their voluntary implementation. Over time, however, experience taught that stricter adherence to standards was necessary, leading to the introduction of Quality Control Orders in critical areas. He cited the example of QCOs for toys, which have had a transformative effect by putting an end to substandard products in the market, encouraging the manufacturing of high-quality toys in India, and ensuring the safety of children.

The Minister stressed that quality does not increase costs. On the contrary, he said, quality reduces costs by cutting wastage, improving efficiency in operations, and delivering safer and better products to consumers. He explained that quality standards ensure that people get reliable goods and services of high value for their everyday lives. He emphasized that standards must be seen as a strategic lever for consumer satisfaction, consumer safety, enhancing competitiveness, and ultimately also for meeting climate challenges.

The Minister recalled that the principle of consumer protection and quality assurance is deeply rooted in India's heritage. He referred to Chanakya's Arthashastra (4th century BC), which spoke of fair weights and measures, liability for traders, and penalties for adulteration, underlining that consumer rights and quality consciousness have been part of India's civilizational values.

Referring to Prime Minister Shri Narendra Modi's vision of "Zero Defect, Zero Effect," Shri Goyal said that the government is working in mission mode to foster a nationwide culture of quality and sustainability. He explained that this vision reflects a dual commitment—on the one hand, ensuring the highest quality with zero defects in products and services, and on the other, pursuing sustainability with zero effect on the environment and the planet. He noted that the Prime Minister has consistently stressed the importance of combining quality with responsibility, so that India's growth leaves behind lower pollution and contributes to a sustainable future. Shri Goyal said that this approach is empowering India to build a modern quality ecosystem across sectors. He reiterated the Prime Minister's belief that the day is not far when the world will proudly say—"Design in India, Made in India," and such products will be trusted across the globe as symbols of reliability, sustainability, and excellence.

The Minister also underlined the growing role of the electrical and electronic industry in energy efficiency and sustainability. He noted that as India transitions from electrical to electronic solutions, the sector can significantly reduce energy consumption, minimize pollution, and contribute to climate action while ensuring high-quality products for consumers.

Concluding his address, Shri Goyal called upon the global community to work together towards a standardized, safe, and sustainable future, where harmonized standards drive growth, protect consumers, and safeguard the planet for generations to come.

India-EU working with sincerity and commitment to finalise a balanced Free Trade Agreement: Union Minister of Commerce and Industry Piyush Goyal

India and the European Union are working with sincerity and commitment to finalize a comprehensive and balanced Free Trade Agreement that will benefit businesses and consumers on both sides, said Union Minister of Commerce and Industry Shri Piyush Goyal addressed the 65th Annual Session of the Automotive Component Manufacturers Association (ACMA). The Minister noted that such an agreement cannot be a one-sided arrangement, as every negotiation involves a certain degree of give and take to ensure fairness and balance.

The Minister said that it is important not to let the search for a perfect deal become the enemy of progress, and stressed that the direction in which the negotiations are moving is extremely positive. He expressed confidence that the possibilities being unlocked through this process are immense and will open- up opportunities for trade, investment, technology transfer, and deeper economic engagement.

The Minister said he is confident that a bold and forward-looking industry such as the automotive component sector, which has consistently demonstrated strength in earlier FTA negotiations, will find the provisions being crafted under the India-EU partnership to be attractive and full of potential.

He expressed confidence that the automotive component sector, which has always lent strength in FTA negotiations, will find the arrangements being worked out between India and the EU attractive, exciting, and full of potential for businesses to grow, collaborate, innovate, and engage in research and development. The Minister underlined that the sector has consistently demonstrated resilience and foresight, not only by supporting India's domestic manufacturing base but also by integrating with global value chains.

Shri Goyal said that the FTA will open new avenues for Indian manufacturers to partner with their European counterparts and with companies from other parts of the world, thereby encouraging joint ventures, technology partnerships, and collaborative innovation. He noted that India offers significant advantages in terms of cost competitiveness—be it in design, development, or R&D—and combined with the country's skilled talent pool, this will make India an increasingly attractive hub for global automotive companies. He added that such partnerships will help bring down costs, enhance productivity, create jobs for Indian youth, and further position India as a leading centre for high-quality automotive component manufacturing.

The session was also addressed by the H.E. Maroš Šefčovič, Commissioner for Trade and Economic Security, Interinstitutional Relations and Transparency, European Union. He observed that India and the EU are negotiating a ground-breaking Free Trade Agreement with unprecedented momentum, describing the ongoing discussions as some of the most intensive and constructive ever held between the two partners. He noted that while negotiations on an FTA had been attempted in the past, never before had the process reached such a level of seriousness, mutual trust, and shared ambition. The Commissioner said that efforts are being maximised to finalise the negotiations by the end of the year, in line with the commitment made earlier by Prime Minister Narendra Modi and European Commission President Ursula von der Leyen.

He underlined that both sides are striving to put in place an economically meaningful package that balances the interests of producers, exporters, and consumers in equal measure. He stressed that the objective is to arrive at a truly win-win agreement that not only facilitates the exchange of goods and services but also promotes investment, innovation, sustainable practices, and deeper cooperation between the two regions. He added that India is fast becoming a key engine of the global economy and that a strong economic partnership with India will add significant value to the European Union, just as Europe's technology and scale will benefit India's growth story.

Shri Goyal further underlined that the India-EU FTA will be a comprehensive economic partnership with strategic elements. He said that India will benefit from Europe's technology and innovation, while the EU will benefit from India's growth story, scale, and resilience. He also noted India's aspiration to increase vehicle penetration from 34 cars per thousand people today to significantly higher levels, creating opportunities for the auto component industry to expand globally.

The Minister recalled that as Prime Minister Narendra Modi has said, the automobile industry has been the torchbearer of the Make in India programme. As India marks 10 years of Make in India, the Minister said this is an opportune time to aim higher, strengthen supply chains, build resilience, and contribute significantly to jobs, exports, and high-quality manufacturing.

The Minister praised India's resilience during the COVID-19 pandemic, noting that the country upheld every global commitment, from providing medicines and vaccines to over 100 countries, many free of cost, to ensuring availability of essential goods without profiteering. He said this earned India the trust of the world, and today the country is looked upon as a reliable and trusted partner.

The Minister commended the recent GST reforms announced under the leadership of Prime Minister Narendra Modi. He said that reducing GST rates from 28 percent to 18 percent is a landmark reform and a huge relief for the auto industry. For tractors, GST has been reduced to 5 percent, giving a major boost to the agriculture sector. He said this reform deserves a standing ovation for the Prime Minister, as it will make spare parts more affordable, strengthen formalisation, generate jobs, and expand demand across the value chain. He stressed that the benefits must be fully passed on to consumers.

The Minister said that this round of GST reform is the biggest reform since Independence and every Indian stands to gain. He emphasised that there will not be a single citizen out of 1.4 billion who will not benefit from these reforms.

The Minister concluded by quoting Ratan Tata: "Take the stones people throw at you and build a monument." He said the sector and the nation must not be deterred by challenges, and with confidence, resilience and collective effort, India will continue to grow stronger.

Union Minister of Commerce & Industry Shri Piyush Goyal meets German Foreign Minister Dr. Johann David Wadephul

Union Minister of Commerce & Industry, Shri Piyush Goyal, today held a meeting with Dr. Johann David Wadephul, Hon'ble Minister for Foreign Affairs of the Federal Republic of Germany, who is on an official visit to India. The discussions focused on strengthening bilateral trade and investment ties and identifying new areas of cooperation in innovation, sustainability, technology and other sectors of mutual interest.

Dr. Wadephul was accompanied by a high-level German business delegation, including leaders from major companies such as Thyssenkrupp, Siemens Mobility, Allianz and Flix SE. Following the ministerial meeting, both sides engaged in an interactive session with industry representatives. The business engagement was attended by senior government officials and leaders from Indian industry across sectors such as automotive components, healthcare, space, steel and others.

Both Ministers emphasized the importance of expanding India–Germany business cooperation, building resilient and diversified supply chains and advancing collaboration in skill development. They reaffirmed their shared commitment to an ambitious conclusion of the India–EU Free Trade Agreement (FTA).

The discussions also covered migration and mobility, streamlining visa processes and addressing non-tariff barriers faced by Indian exporters in the EU, including Germany. Both sides agreed to work together to resolve these issues and facilitate smoother trade flows. The Ministers committed to work towards doubling bilateral trade in goods, which stood at a record USD 29.12 billion in 2024–25 and to further expand trade in services.

During his interaction with German corporate leaders, Shri Goyal welcomed their plans to expand operations, enhance manufacturing capacity and establish new facilities in India. He underlined that India today is the fastest-growing major economy, soon to be the world's third largest, contributing nearly 20% to global growth. With strong macroeconomic stability, record foreign exchange reserves, low inflation, and a vibrant start-up ecosystem, India offers an enabling environment for global businesses. The Minister assured the delegation of full support from the Government of India and encouraged close engagement with Indian industry and authorities to carry forward their initiatives. German businesses, in turn, expressed confidence in the growing strength of the Indian economy and reaffirmed their commitment to partner in realizing Prime Minister Shri Narendra Modi's vision of Viksit Bharat 2047.

The meeting underscored the strength of the India–Germany Strategic Partnership and highlighted the shared resolve to build a deeper and mutually beneficial economic relationship.

Union Minister of Textiles Shri Giriraj Singh Chairs MSME Textile Exporters Consultation Meeting

The Ministry of Textiles convened a wide-ranging consultative meeting with Micro, small and medium (MSME) textile exporters from across the textile and apparel value chain, chaired by the Union Minister of Textiles. This was the second such meeting, following the national-level consultation with leading exporters held on 13th August 2025. The Additional Secretary (Textiles) and the Trade Advisor were also present during the deliberations.

Opening the discussions, the Union Minister recalled that India's textile sector—valued at USD 179 billion with exports of USD 37.75 billion—remains one of the proudest symbols of India's economic strength and cultural heritage. Contributing nearly 2% to GDP, the sector sustains India's position as the 6th largest exporter globally with a 4.1% share in world trade. With exports to over 220 countries and more than 520 districts actively engaged, Indian textiles embody the vision of Atmanirbhar Bharat and the timeless spirit of Swadeshi.

Resilient Performance Amid Global Challenges

Despite global volatility and steep tariffs imposed by certain partners, India's textiles have displayed resilience:

- July 2025 exports grew 5.37% to USD 3.10 billion.
- April–July 2025 exports reached USD 12.18 billion, reflecting 3.87% year-on-year growth.
- Segment-wise growth: readymade garments (+7.87%), carpets (+3.57%), jute products (+15.78%), with handicrafts and MMF textiles maintaining steady performance.

The Minister drew attention to the strong first-quarter export growth in key partner countries, notably Japan (+17.9%), United Kingdom (+7.39%), UAE (+9.62%), and Australia (+1.74%). He underlined that these positive trends in major FTA partner countries reaffirm India's ability to capture a greater share of the USD 590 billion global textile market. He stressed the urgent need for strategic diversification into 40 identified global markets, while simultaneously deepening domestic demand, in line with the Hon'ble Prime Minister's clarion call for "Vocal for Local."

GST Reforms – A Game-Changer

The Union Minister highlighted the transformative outcomes of the 56th GST Council meeting (3rd September 2025), which ushered in second-generation GST rationalisation across the textile value chain. These reforms will reduce distortions, lower costs, stimulate demand, and enhance export competitiveness.

Described by the Hon'ble Prime Minister in his Independence Day Address as part of the Next-Generation Citizen-Centric GST Evolution, these reforms reflect the philosophy of "Virasat Bhi, Vikas Bhi"—preserving India's heritage while enabling modern growth. The Minister reiterated the 5F formula – Farm to Fibre to Factory to Fashion to Foreign—as the roadmap to India's emergence as a global textile powerhouse.

Government–Industry Partnership

MSME Textile exporters welcomed the reforms and emphasised the need for continued fiscal support, simplified compliance, and stronger global branding of handlooms, handicrafts, and GI-tagged Swadeshi products.

The Union Minister further encouraged the creation of warehouses in key global markets such as the EU, US, and other strategic destinations, particularly to promote handicrafts, handlooms, and lifestyle products through e-commerce channels. This, he underlined, would enable Indian producers to directly reach international consumers, reduce delivery timelines, and enhance India's competitiveness in premium markets.

The Government has already rolled out targeted measures to strengthen competitiveness:

- Import duty exemption on cotton till 31st December 2025.
- Extension of export obligation under Advance Authorisation from 6 to 18 months in QCO related cases.
- PLI scheme application window extended to facilitate fresh investments.
- Four industry-led committees constituted on diversification, fiscal support, structural reforms, and innovation.

Vision 2030 – India's Global Leadership

Concluding the meeting, the Union Minister reaffirmed the Government's commitment to Vision 2030, which aims for:

- USD 100 billion textile exports
- USD 250 billion domestic market

He emphasised that these goals will be realised through market diversification, deeper domestic consumption, structural reforms, innovation, and a reinvigorated Swadeshi movement showcasing the strength of artisans, weavers, MSMEs, and women entrepreneurs.

The Union Minister concluded with conviction that India's textile industry stands at the threshold of a glorious future under the dynamic leadership of the Hon'ble Prime Minister. With MSMEs at the heart of policy priorities, and with India's heritage seamlessly aligned with modern competitiveness, the sector is poised to emerge as a global leader across the textile value chain—from farm to fibre, factory to fashion, and fashion to foreign.

Next-Generation GST Reforms Boosts India's Textiles sector

The textiles industry warmly welcomes the recommendations of the 56th Meeting of the GST Council held in New Delhi on 3rd September 2025, in pursuance of the Next-Generation GST reforms announced by Hon'ble Prime Minister Shri Narendra Modi on 15th August 2025, describing them as a citizen-centric and strategic evolution of India's tax framework.

In the true spirit of 'Virasat Bhi aur Vikas Bhi', this rationalisation will bring handmade articles to the forefront and spur their consumption, bringing the benefits of higher demand to millions of weavers and artisans.

These landmark reforms are expected to reduce costs, remove structural anomalies, sustain jobs, and strengthen the entire textile value chain—from fibre to fashion to foreign markets. The reforms are fully aligned with the Hon'ble Prime Minister's visionary 5F formula (Farm to Fibre to Factory to Fashion to Foreign), which seeks to position India as a global textile powerhouse.

The GST rationalisation in textiles will remove distortions, lower production costs, boost demand, support exports, and enhance India's global competitiveness. This welcome step will stimulate domestic consumption and catalyse India's textile and apparel market towards the USD 350 billion target by 2030.

Strengthening the Value Chain

The reforms correct anomalies at the fibre stage, reduce costs at the yarn and fabric stages, improve garment affordability, revive demand at the retail stage, and enhance export competitiveness. Importantly, these measures give a strong impetus to India's fibre-neutral policy, ensuring balanced growth across cotton and man-made segments.

Key GST Rationalisations

- **Readymade Garments & Made ups :** 5% GST rate up to ₹2,500/piece (earlier ₹1,000) on items of readymade garments and made ups (excluding HS (other than 63053200, 63053300, 6309)). This makes affordable apparel cheaper, particularly for middle-class and low-income households. It is expected to revive demand in Tier-2/3 towns and rural markets. Given the labour-intensive nature of garmenting, higher demand will sustain and expand employment, especially for women in stitching, tailoring, and finishing units. The move will also support Make in India brands, helping them compete with cheap imports in low and mid-price segments.

- **Man-Made Fibres & Yarns:** GST reduced from 18%→5% (fibres) and 12%→5% (yarns). This corrects the inverted duty structure (IDS), aligns fibre–yarn–fabric rates, and removes long-standing working capital burdens on manufacturers. With a large share of MMF production in small and medium units, the cut eases cost pressures, strengthens cash flows, and makes Indian MMF-based garments globally more

price-competitive—supporting India's ambition to emerge as a hub for synthetic textiles and MMF garments.

• **Carpets & Floor Coverings (HS 5701–5705):** GST reduced from 12% to 5%. This will boost exports from clusters such as Bhadohi and Srinagar, strengthen traditional crafts, and improve affordability in domestic markets.

• **Handicrafts & Handlooms:** GST reduced from 12% to 5% on 36 handicraft items, cotton rugs of handloom, and handwoven carpets under HS 5705. This measure will provide relief to artisans, enhance rural livelihoods, and support India's rich craft traditions.

• **Sewing Machines (domestic and industrial covered under HS 8452):** GST reduced from 12% to 5%, easing costs for tailoring units and boosting domestic manufacturing.

Complementary Measures

The Council has also recommended:

• Simplification of the refund process in the case of both zero-rated supply and inverted duty structure, based on system-driven risk evaluation.

• Removal of the ₹1,000 threshold for small consignments using courier/postal mode, which is a very positive step.

• A Simplified GST Registration Scheme for small and low-risk businesses.

• Introduction of a Simplified Registration Scheme for small suppliers supplying through electronic commerce operators.

These measures will further help small businesses by easing compliance and reducing operational hurdles.

The Next-Generation GST reforms are a historic leap forward for India's textile sector. By reducing costs, reviving demand, correcting anomalies, and supporting exporters, the reforms embody the spirit of 'Virasat Bhi aur Vikas Bhi'—preserving India's rich textile heritage while enabling global competitiveness.

The Ministry of Textiles reaffirms its commitment to work hand-in-hand with industry stakeholders, exporters, artisans, and entrepreneurs to ensure these reforms serve as a catalyst for India's march towards becoming a USD 350 billion textile economy by 2030.

Union Minister Shri Giriraj Singh Reviews Preparedness for Cotton MSP Operations for Kharif Season 2025–26

Union Minister of Textiles, Shri Giriraj Singh, chaired a high-level review meeting on 2nd September 2025 in New Delhi in the presence of Smt. Neelam Shami Rao, Secretary Textiles, Smt. Padmini Singla, Joint Secretary (Fibre), Shri Lalit Kumar Gupta, CMD, Cotton Corporation of India (CCI) and other senior officials from Ministry of Textiles & the Cotton Corporation of India to assess the preparedness for Minimum Support Price (MSP) operations for cotton during the upcoming Kharif Marketing Season 2025–26 commencing from 1st October 2025.

Reiterating the Government's commitment to the welfare of cotton farmers, Union Minister Shri Giriraj Singh assured that all kapas arriving under MSP guidelines will be procured without disruption, with a focus on timely, transparent, and farmer-centric service delivery. He reaffirmed Government's vision to protect the interest of cotton farmers by ensuring remunerative price for their produce and accelerate the shift towards a digitally empowered cotton ecosystem.

In line with the Government's Digital India vision, all processes—right from procurement of cotton by the Cotton Corporation of India (CCI) under MSP operations to sale of stocks—are now completely faceless and paperless, strengthening farmers' and other stakeholders confidence and trust in MSP operations, said Union Minister.

For the first time, uniform norms have been laid down for the establishment of procurement centres, factoring in key parameters such as cotton cultivation area, availability of functional APMC yards and at least availability of one stock processing factory at cotton procurement centre. As a result, a record 550 procurement centres have been set up across major cotton-producing states. Procurement of cotton under MSP will commence from 1st October in the North States, 15th October in the Central States and from 21st October 2025 in the Southern States.

Starting this season, nationwide Aadhaar-based self-registration of cotton farmers and 7-day rolling slot booking will be facilitated via the newly launched 'Kapas-Kisaan' mobile app. This digital platform aims to streamline procurement operations, ensure transparency and enable direct Aadhaar-linked payments to farmers' bank accounts through the National Automated Clearing House (NACH). The SMS-based payment intimation service introduced last year will also continue.

To enhance on-ground support, Local Monitoring Committees (LMC) will be constituted at each APMC mandi for immediate grievance redressal by the States. Additionally, dedicated state-level helplines and a Central CCI helpline will remain active throughout the procurement period. Adequate manpower deployment, logistics support and other infrastructural arrangements would be in place before commencement of cotton season.

Textile Industry calls for Aligning Cotton Production with Textile Export Targets

The government should look at strengthening farm to factory practices in the cotton sector and adopt a multi-pronged strategy to build export-ready ecosystems and align cotton production with India's $100 billion textile export target by 2030, according to a knowledge paper 'Cotton 2040: Technology, Climate and Competitiveness' released by the Confederation of Indian Textile Industry.

The paper called for promoting high-quality cotton cultivation through certified seeds and sustainable practices, and ensuring consistent quality through traceability systems and global certifications. Collaborative efforts between farmers, industry, and policymakers are key to ensuring that Indian textiles meet international standards in quality, sustainability, and ethical sourcing, it said.

With cotton production facing challenges, the Indian cotton sector stands at a critical juncture where sustainability, innovation, and trade competitiveness must converge to secure long-term growth. There is a need for coordinated action across stakeholders, backed by robust policy, investment, and technology transfer.

The government should promote organic, fair-trade, and circular farming models to capture premium global markets, where sustainable cotton commands 20–30% higher prices. It should streamline procurement and stabilisation mechanisms so that farmers get better prices and reduce their dependency on middlemen.

It should support industry-led innovation in smart textiles and organic blends as India's technical textiles market is projected to reach $40–$50 billion by 2025.

Secondhand Fashion and Luxury Set to Reach Up to $360 Billion by 2030; Growing 3x Faster Than Firsthand Market

The global second-hand fashion and luxury goods market is witnessing rapid expansion, growing three times faster than the market for new products, with an annual average growth rate of 10%. According to a report by the Boston Consulting Group (BCG) for resale platform Vestiaire Collective, the market is projected to reach US $ 360 billion by 2030, up from nearly US $ 220 billion at present. The study further revealed that pre-owned items now make up almost one-third of users' wardrobes on the platform.

Boston Consulting Group (BCG) and Vestiaire Collective, the leading global platform for pre-loved luxury fashion, announced a new collaboration with the release of their 2025 report titled:

Resale's Next Chapter: How Fashion and Luxury Brands Can Win in the Secondhand Market.

The survey, based on responses from 7,800 users across 70 countries, found that price remains the primary motivation for 80% of respondents purchasing second-hand. Other key drivers include the variety and uniqueness of products (55%), the thrill of finding rare items (50%), and environmental consciousness (40%).

The report also explored seller behaviour on Vestiaire Collective, showing that 66% of sellers part with items to declutter their wardrobes and free up space. Other motivations included earning money (41%), funding future purchases (44%), and buying new items (18%).

Felix Krueger, Associate Director at BCG and co-author of the report, stated that second-hand fashion had "evolved from an experiment into a market that brands can no longer afford to overlook." He added that many companies now view it as "a key channel for attracting new customers," noting that Generation Z and other resale-native consumers are "driving this accelerating trend."

The study also underscored differences between the European and US markets. Among Generation Z consumers, second-hand pieces account for 32% of wardrobes, while 45% of handbags are pre-owned. This proportion rises to 66% in the US, compared with 37% in Europe. Moreover, US buyers show greater focus on affordability, with 87% citing price as a key factor in purchasing pre-owned fashion, compared with 76% of European respondents.

What's Next: Digital Product Passports

While strategic resale models have laid the groundwork for fashion and luxury's future, the lack of interoperable data beyond the point of sale remains a hurdle.

Digital product passports (DPPs) are emerging as a key enabler. Consumers value DPPs, in particular, for authentication (70% when buying, 67% when selling) and detailed product specifications (68% when buying, 64% when selling).

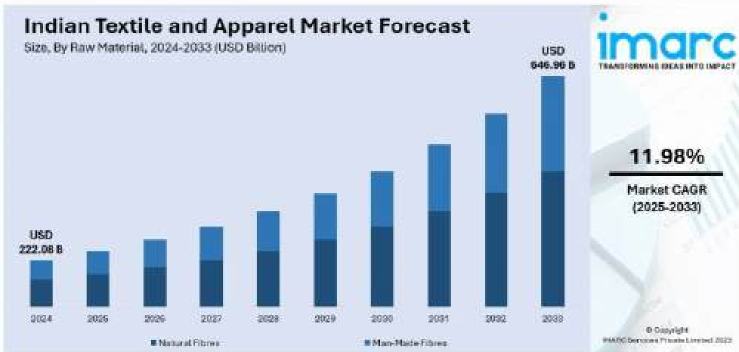
However, awareness is low: 65% of respondents had never heard of DPPs, and an additional 15% recognized the term but didn't know what it meant. This gap presents a clear first-mover opportunity for brands.

"Digital product passports go beyond ticking a compliance checkbox. They are becoming a strategic tool for building trust with customers," said Catharina Martinez-Pardo , a BCG managing director and partner, and coauthor of the report. "They reduce friction for shoppers, ensure authenticity, and create new ways for brands to capture value throughout a product's lifecycle."

"From the very beginning, we envisioned the future of fashion to be circular, where every item could live many lives," said Fanny Moizant , cofounder and president of Vestiaire Collective, and coauthor of the report. "At Vestiaire Collective, we enable brands to embrace circularity, designing fashion with a truly infinite lifecycle, giving customers seamless resale experiences and full transparency, and enabling them to turn wardrobes into dynamic, valuable assets."

Indian Textile And Apparel Market Report 2025: Industry to Reach 646.96 Billion by 2033, At 11.98% CAGR

Indian Textile and Apparel Market 2025-2033



According to IMARC Group's report titled "Indian Textile and Apparel Market Size, Share, Trends and Forecast by Raw Material, Application, Product Type, and State, 2025-2033", The report offers a comprehensive analysis of the industry, including market share, growth, trends, and regional insights.

How Big is the Indian Textile and Apparel Industry ?

The Indian textile and apparel market size was valued USD 222.08 Billion in 2024. By 2033, this figure is projected to reach around USD 646.96 Billion, with a compound annual growth rate (CAGR) of 11.98% over the forecast period (2025-2033).

Indian Textile and Apparel Market Trends:

The textile and apparel market in India is undergoing a major change as it is mainly affected by consumer preferences, technological progress, and the implementation of sustainability concepts. One of the main trends is the growing demand for sustainable and earth-friendly fabrics, as more and more brands are using organic cotton, recycled polyester, and biodegradable materials to attract buyers who are conscious of the environment. Besides, digital printing and automation are changing the way producers are getting their work done, in a more efficient and less wasteful manner.

The advent of e-commerce has further propelled the expansion of the market. Personalised shopping and speedy delivery offered by online platforms have been some of the factors driving this trend. Furthermore, the ongoing craze of ethnic wear and fusion fashion has been merging and the turning point of the two has been the use of traditional craftsmanship with modern styles.

The domestic production is also being supported by government initiatives such as the Production Linked Incentive (PLI) scheme, which is encouraging international brands to source from India. The introduction of direct-to-consumer brands (D2C) has significantly altered the market competition structure as they successfully use social media and influencer marketing for capturing the attention of young consumers.

For sure, rising disposable incomes and urbanization trends have reaped benefits in the implementation of the mantra of consumer preference where quality and brand are what matter the most, consequently, the pantheon of innovation set on fire. More and more supply chain management is employing AI and IoT as these new technologies have significant optimization of inventories and cutting of the lead times as their main features. There is no doubt that as the industry acclimates to these ongoing changes, the Indian textile and apparel market will continue its positive transformation.

Indian Textile and Apparel Market Scope and Growth Analysis:

India's textile and apparel industry has a lot of chances to expand its market with the support of a strong domestic consumer base and the growing export opportunities. India is the major producer of cotton and silk, thus, it is the best solution for the country's both traditional and modern textile segments. What is more, the government's emphasis on infrastructure and the implementation of policies like the Mega Integrated Textile Region and Apparel (MITRA) parks, should also contribute to satisfying the capacity of India's factories. Besides this, foreign investors and trade deals are pushing the doors of the global market wide open for the Indian products.

While the everyday middle-class lifestyle continues to grow, demand for premium and branded goods is set to take a leap with the shifting fashion trends. Further, the comfort-wear and fitness-wear segments are also growing quickly around the globe. This is largely due to the health and wellness trends that are taking the world by storm. The artisan and handloom sectors, that is, handicrafts and handloom industries too, pull a great audience, mainly among those buyers coming from abroad and looking for unusual, hand-made products. Besides all these, textile technological advancements such as smart fabrics and wearable tech bring brand new ideas and new customers who look for something different.

Having a highly skilled workforce and maintaining low production costs make India a place where international retailers love to do their shopping. Market's strong point and plasticity give sure signs of business development over time, as it enters the phase of becoming a global stock player in the textile and apparel industry.

WTO Downgrades Global Trade Growth Forecast To 0.5% For 2026 From 1.8%

Hikes global trade forecast for 2025 — but next year doesn't look so good

The World Trade Organization hiked its forecast for global trade growth in 2025, but warned the outlook for 2026 had deteriorated.

In its latest "Global Trade Outlook and Statistics" report published, the WTO predicted that trade volume growth in 2025 would stand at 2.4%, up sharply from a previous estimate of 0.9% in the trade body's August report.

The outlook for next year is not so rosy, however, with the organization slashing its previous expectation of 1.8% trade volume growth next year to a lackluster 0.5%.

"Trade growth is expected to slow in 2026 as the global economy cools and as the full impact of higher tariffs is finally felt for a full year," the WTO said.

Trade tariffs have become a dominant feature, and headwind, for global commerce since U.S. President Mr. Donald Trump shocked friends and foes alike with his wide scale tariffs regime in April.

Countries scrambled to reach trade deals with the White House but even allies, such as the U.K., have seen a baseline 10% tariff remain on goods exported to the U.S.

Front-loading imports

Global trade volumes rose sharply in the first half of 2025 — up 4.9% year on year — with several factors contributing to the robust expansion.

These included the front-loading of imports into the U.S. in anticipation of higher trade tariffs, and favorable macroeconomic conditions with disinflation, supportive fiscal policies and tight labour markets boosting real incomes and spending in major economies, the WTO said.

Strong growth in emerging markets and increased demand for artificial intelligence-related goods — including semiconductors, servers and telecommunications equipment — also fueled global trade growth, it added, with AI-related spending driving nearly half of the overall trade expansion in the first half of the year, rising 20% year on year in value terms.

Global competition when it comes to developing AI-related products has heated up.

The WTO noted that the U.S. accounted for roughly one-fifth of global AI-related trade growth in the first half of 2025. The bulk of the expansion came from Asia, however, which accounted for nearly two-thirds of global AI-related trade growth in the same time period.

"Trade growth spanned the digital value chain, from raw silicon and specialty gases to devices powering cloud platforms and AI applications," the WTO said in its report, noting that "Asia's export performance was strong in AI-related products, consistent with the worldwide surge in investment in this sector."

A key downside risk to the latest forecast is the spread of trade-restrictive measures and policy uncertainty to more economies and sectors, WTO economists noted. On the upside, they said sustained growth in trade for AI-related goods and services could provide a medium-term boost to global trade.

Global services exports growth is expected to slow from 6.8% in 2024 to 4.6% in 2025 and 4.4% in 2026. Although not directly subject to tariffs, services trade can be affected indirectly through links to goods trade and output.

Sharp slowdown

Looking ahead, possible signs of weakness in trade and manufacturing output had already been observed in developed economies, including reduced business and consumer confidence and slower growth in employment and incomes, the WTO noted.

Commenting on the organization's latest outlook, Director-General Ngozi Okonjo-Iweala said, "countries' measured response to tariff changes in general, the growth potential of AI, as well as increased trade among the rest of the world — particularly among emerging economies — helped ease trade setbacks in 2025."

"Trade resilience in 2025 is thanks in no small part to the stability provided by the rules-based multilateral trading system. Yet complacency is not an option." she added.

"Today's disruptions to the global trade system are a call to action for nations to reimagine trade and together lay a stronger foundation that delivers greater prosperity for people everywhere," Okonjo-Iweala said.

APPAREL EXPORT PROMOTION COUNCIL

(Sponsored by Ministry of Textiles, Government of India)

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