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The Burden of Green Regulations - How Apparel Industry is Mitigating The Risks

Apparel INDIA

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Dear friends,

As per the RBI estimates, the Indian economy is projected to maintain a promising outlook in the year 2025-26. RBI's report highlights the National Manufacturing Mission and expanding global trade engagements as further growth catalysts. The government's continued thrust on capex while adhering to the path of fiscal consolidation is working in our favor. India's growing agricultural production, low inflation is ensuring resilient growth. The digital payment leadership, and focus on AI contribute to a positive economic trajectory, though geopolitical uncertainties continue to remain a risk.

The WTO has projected that a temporary tariff pause mitigates trade contraction, but strong downside risks persist, including the application of "reciprocal" tariffs and broader spillover of policy uncertainty, which could lead to an even sharper decline in global goods trade and hurt export-oriented least-developed countries. Under current conditions, the volume of world merchandise trade is likely to fall by 0.2% in 2025.

American Secretary of Commerce Howard Lutnick statement on an early finalization of possible trade deal between India and the United States (US) is a welcome decision. He has indication that the agreement might be concluded before the end of a 90-day pause on American reciprocal tariffs, which expires on July 9.

Although both sides have committed to signing a mutually beneficial deal by fall this year, India is pushing for an early tranche to avoid a potential 26 per cent reciprocal tariff that could come into effect from July 9.

The RMG export for the month of April 2025 has increased by 14.4% as compared to April 2024. The cumulative RMG exports for the period April- March 2024-25 is USD 15988.9 million, showing a growth of 10.0% over April-March 2023-24. This growth is despite supply chain disruption after announcement of reciprocal tariff.

AEPC has been working tirelessly to help industry build capacity and get the optimal business ecosystem for boosting RMG exports. The various initiatives during this month includes:

A Road show was organized by the Apparel Export Promotion Council and International Garment Fair Association and GEMA at Ludhiana for promotion of 73rd India International Garment Fair. A total number of 120 representatives from the trade and industry participated in the event. As you are *aware that the India International Garment Fair (IIGF), one of the biggest sourcing fairs in Asia for Apparel and Fashion Accessories, was first organized in the year 1988. Held twice a year – one for Spring/Summer Season (June/July) and another for Autumn/Winter Season (Jan/Feb). IIGF is organized by the International Garment Fair Association (IGFA) in collaboration with three major associations of the India i.e. GEMA, Gurugram; CMAI, Mumbai and GEAR, Jaipur with the support of Apparel Export Promotion Council (AEPC).*

AEPC in collaboration with WGSN—a global leader in fashion forecasting and trend analysis—successfully organized a seminar-cum-training at Apparel House, Gurugram. The workshop aimed to empower the industry with valuable insights into the design directions for future, including a deep dive into Spring/Summer 2026 and Autumn/Winter 2026/27 forecasts. The training also covered practical guidance on maximizing WGSN's platform usage, exploring navigation tools, identifying emerging trends, and engaging in hand-holding and live Q&A sessions.

Further, AEPC in association with All India Management Association (AIMA) is offering a capacity building program for strategic management, sales management, marketing management, people management, digital marketing, financial management, data analysis, supply chain operations for the apparel exporters. This free of cost, 10-week (class once-a-week) online program will help the exporters to tackle all the challenges and grow your apparel export business.

As part of strategy event to boost RMG exports through participation in overseas events, AEPC participated in Barcelona Textile Expo, Spain (from 2nd - 4th June, 2025). The India Pavilion at the Barcelona Textile Expo, held at Fira de Barcelona, was inaugurated by Mr. Inbasekar Sundaramurthi, Consul General of India in Barcelona. AEPC participated in the event with 27 exhibitors.

Going forward, we will be participating in India Tex Trend Fair (ITTF), Tokyo, Japan scheduled from 23-25 July, 2024, I appeal to all exporters to make full use of this opportunity and have maximum business conversion during the show.

Despite the RBI's interest rate cut, the country's micro, small, and medium enterprises (MSME) sector is battling for credit at affordable interest. Banks are not open to giving credit to the MSMEs. The RBI's rate cut has not been passed on to these micro and small enterprises, which have been facing serious challenges due to the uncertain tariff regime and other supply chain issues. It would be worthwhile for banks to set up their in-house credit assessment mechanisms for MSMEs and help them realize export potential needed for the growth momentum.

Industry is thankful to the government for its efforts to provide a bigger and more accessibility in the international markets through FTAs. We are hopeful that India- EU and India-USA FTAs are also finalized quickly to help exporters in these crucial markets commanding our major share of exports.

Stronger economic ties can help build resilience during a time of growing policy uncertainty. Exports have led growth in many emerging economies amid lackluster global demand; it is time for India to explore its full potential.

Keep sending your feedbacks and suggestions at Chairman@aepcindia.com

Best wishes!

Sudhir Sekhir
(Chairman AEPC)

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		9.8	
June	1248.0	1293.9		3.7	
July	1142.0	1277.2		11.8	
August	1133.5	1268.2		11.9	
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**	**15988.9**	**1371.3**	**10.0**	**14.4**

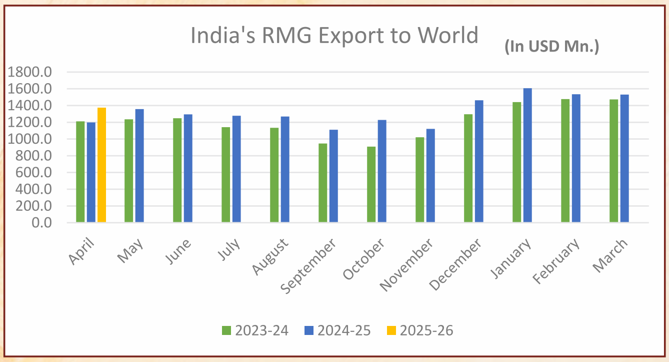
Note- 1) Data for the month of April 2025 is provisional data released on PIB by Ministry of Commerce on 15.05.2025

2) Sum of the value for (Apr) 2023-24 is USD 1210.9 mn and (Apr) 2024-25 is USD 1198.4 mn. and (Apr) 2025-26 is USD 1371.3 mn.

3) Source: DGCI&S 2025

RMG exports for the month of April 2025 has increased by 14.4% as compared to April 2024 and increased by 13.3 % as compared to April 2023.

Similarly, cumulative RMG exports for the period April- March 2024-25 is USD 15988.9 mn. showing a growth of 10.0% over April-March 2023-24 and a decline of 1.3 % over April- March 2022-23.



India's Index of Industrial Production (IIP)

Textiles & Wearing Apparel update for India's Index of Industrial Production (IIP) for the month of March in FY 2024-25

Month	Manufacture of Textiles		Growth Rate (In %)	Manufacture of Wearing Apparel		Growth Rate (In %)
	2023-24	2024-25	2024-25 over 2023-24	2023-24	2024-25	2024-25 over 2023-24
April	105.6	105.3	-0.3	92.1	105.1	14.1
May	107.4	107.0	-0.4	112.2	123.6	10.2
June	107.8	106.2	-1.5	120.1	122.6	2.1
July	108.5	109.1	0.6	103.9	111.7	7.5
August	107.1	109.4	2.1	97.8	112.5	15.0
September	108.4	109.3	0.8	102.4	103.7	1.3
October	110.2	111.1	0.9	97.8	104.0	6.3
November	103.7	106.2	2.6	93.0	110.3	18.5
December*	112.3	113.9	1.3	113.1	119.1	5.4
January	109.7	113.7	3.3	117.3	120.2	2.9
February	104.1	106.6	2.4	125.6	120.1	-4.4
March	106.9	112.1	4.9	143.0	144.8	1.3
Cumulative Index (Apr-Mar)	**107.6**	**109.2**	**1.5**	**109.9**	**116.7**	**6.2**

Source: CSO,2025
***Figures for March 2025 are Quick Estimates. (Base: 2011-12=100)**
Compiled by the R&PA Department, AEPC

- *__Manufacturing of Textiles Index__ for the month of March, 2025 is 112.1, which has increased by 4.9% as compared to March, 2024.*

- *Manufacturing of Textiles Index for the financial year 2024-25 is 109.2, which has shown a growth of 1.5% to as compared to the year 2023-24.*

- *__Manufacturing of Wearing Apparel Index__ for the month of March, 2025 is 144.8, which has increased by 1.3% as compared to March, 2024.*

- *Manufacturing of Wearing Apparel Index for the financial year 2024-25 is 116.7, which has shown a growth of 6.2% as compared to the financial year 2023-24.*

Trump's tariff policy hurts US textile industry

US textile companies are not only struggling with fashion trends, but also with Trump's tariffs. What happens when fabric and buttons become more expensive before they even get under the needle?

Mr. Joseph Ferrara, the owner of a factory in New York City's garment district, is struggling with rising costs due to US import tariffs, particularly on imported fabrics and materials. Despite investing millions in his factory and employing 115 workers, Mr. Ferrara is under financial pressure. The new situation is forcing him to absorb costs internally while passing some on to customers. Unpredictable trade policies, including fluctuating tariffs and short-term agreements, create uncertainty, making long-term business planning difficult.

Beyond the textile industry, the tariff changes are disrupting logistics and import strategies, leading businesses to stockpile inventory. With America's textile sector already lacking skilled workers, higher tariffs alone won't boost domestic production. Retailers remain reliant on imports, fearing inflation and extended industry ramp-up times, while entrepreneurs like Mr. Ferrara advocate for lower tariffs on machinery to modernize U.S. apparel production.

President Mr. Donald Trump has stressed that his US tariff policies, impacting global trade and supply chains across several industries and financial markets, are intended to encourage and support domestic manufacturing of advanced technology and defense equipment, not consumer goods like t-shirts or sneakers.

Talking with reporters in New Jersey, Mr. Trump said that he "tended to agree" with comments made by Secretary Mr. Scott Bessent on April 29 that the US does not necessarily need to bring back textile manufacturing.

"I'm not looking to make T-shirts, to be honest. I'm not looking to make socks. We can do that very well in other locations," said Mr. Trump to reporters in New Jersey on May 25, reported Reuters. "We want to make military equipment. We want to make big things. We want to make, do the AI thing. We are looking to do chips and computers and lots of other things, as well as tanks and ships."

His comments have drawn feedback and criticism from American manufacturers, textile organizations, and producers of fibers, yarn, and other woven fabrics, including the American Apparel & Footwear Association (AAFA), who stressed that additional tariffs would only negatively impact the industry.

"With 97 percent of the clothes and shoes we wear being imported, and with clothes and shoes already the most highly tariffed industry in the US, we need to focus on common sense solutions that can move the needle," said Mr. Steve Lamar, President of the AAFA, in a statement.

"More tariffs will only mean higher input costs for U.S. manufacturers and higher prices that will hurt lower-income consumers."

Pursuing FTA with India with real intent: New Zealand Foreign Minister

New Zealand is pursuing a free trade agreement (FTA) purposefully with India for which negotiations were launched earlier this year, visiting Deputy PM and Foreign Minister Mr. Winston Peters said .

Mr. Peters discussed with his counterpart Mr. S Jaishankar issues related to trade, economy, defence and security in a bilateral meeting, while unequivocally condemning the Pahalgam terrorist attack and expressing solidarity with the people of India.

They also affirmed their shared commitment to a free, open, secure, and prosperous Indo-Pacific.

Speaking at the Ananta Centre later, Mr. Peters said that FTA talks were continuing with a real meaning now and described it as a breakthrough in economic ties with India. Differences remain over tariffs on dairy products though and the minister said he was aware of the concerns of the dairy industry in India.

"Despite India's economic scale, it remains our 12th largest partner in trade, accounting for just 1.5% of our exports. We are determined that we're going to work to change that. Our strengths, from food and beverage products to agriculture, forestry, horticulture, education and tourism, are world-class. And our innovation in areas like outer space and renewable energy will find a welcome partner in India," said Mr. Peters, describing India as an emerging geopolitical giant. Mr. Peters added, "we are not in it to enrich ourselves, we are in it to enrich both peoples".

Shri Piyush Goyal to hold bilateral meetings with French Ministers of Economy and Trade to strengthen economic partnership

Union Minister of Commerce and Industry, Shri Piyush Goyal, commenced his three-day official visit to France on 1st June 2025, as part of his ongoing visit to France and Italy from 1–5 June 2025. The visit reflects India's continued commitment to deepening strategic and economic ties with key European partners and advancing a shared vision for resilient and inclusive global growth.

During his engagements in France, Shri Goyal was scheduled to hold bilateral meetings with French Ministers, including Mr. Eric Lombard, Minister of Economy, and Mr. Laurent Saint-Martin, French Trade Minister. The discussions will focus on strengthening the Indo-French economic partnership and exploring new avenues for enhancing trade and investment cooperation.

As part of the high-level visit to France, a comprehensive agenda of strategic business meetings and engagements has been scheduled - with top leadership of major French companies such as Vicat, Total Energies, L'Oréal, Renault, Valeo, EDF and ATR, the visit will feature the India-France Business Round Table and the India-France CEO Forum, fostering dialogue between leading industry stakeholders from both countries.

During his stay, the Minister also participated in the informal gathering of WTO Ministers on the margins of the OECD Ministerial Council Meeting. At this crucial forum, he engaged with global counterparts on key multilateral trade issues and articulate the perspectives and priorities of India.

As part of the visit, the Minister held a series of high-level bilateral meetings with key international partners. These include the United Kingdom's Secretary of State for Business and Trade, Mr. Jonathan Reynolds; Singapore's Deputy Prime Minister and Minister for Trade and Industry, Mr. Gan Kim Yong; and Saudi Arabia's Minister of Commerce, Dr. Majid bin Abdullah Al-Kasabi. The Minister also engaged with Israel's Minister for Trade and Investment, Mr. Nir Barkat; Nigeria's Minister for Trade, Industry and Investment, Dr. Jumoke Oduwole OON; and Brazil's Foreign Minister, Mr. Mauro Luis Iecker Vieira. These dialogues was aimed at advancing strategic economic cooperation and fostering mutually beneficial partnerships across regions.

Further reinforcing India's engagement with regional blocs, meetings were planned with key EU officials, including Mr. Maroš Šefčovič, Commissioner for Trade and Economic Security, Interinstitutional Relations and Transparency, and Mr. Christophe Hansen, European Commissioner for Agriculture and Food. These engagements reflected India's ongoing efforts to strengthen bilateral and multilateral partnerships, and position itself as a pivotal player in global trade and investment.

Following his engagements in France, Shri Goyal proceeded to Italy for the next leg of his visit.

Good news very soon on India-Oman free trade agreement: Shri Piyush Goyal

Commerce and Industry Minister Shri Piyush Goyal has said that negotiations between India and Oman for the proposed free trade agreement (FTA) are progressing, and some "good news" may come "very soon" on that.

The negotiations received a much-needed impetus after the visit of Goyal to Muscat in January this year.

The talks for the agreement, officially dubbed as the Comprehensive Economic Partnership Agreement (CEPA), formally began in November 2023.

"I think you will see some good news very soon on the Oman FTA," the minister told reporters here when asked whether the FTA talks with Oman can be concluded this year.

Shri Goyal was on an official visit to hold talks with French leaders and businesses to boost trade and investments. He also attended a mini-ministerial meeting of the World Trade Organisation (WTO) on June 3.

In such agreements, two trading partners either significantly reduce or eliminate customs duties on a maximum number of goods traded between them. They also ease norms to promote trade in services and attract investments.

Oman is the third-largest export destination among the Gulf Cooperation Council (GCC) countries for India. India already has a similar agreement with another GCC member UAE which came into effect in May 2022.

The bilateral trade was about $10.5 billion (exports $4 billion and imports $6.54 billion) in 2024-25.

India's key imports are petroleum products and urea. These account for over 70 per cent of imports. Other key products are propylene and ethylene polymers, pet coke, gypsum, chemicals, and iron and steel.

Taking about such agreements, the minister said these FTAs not just promote trade in goods and services, but also strengthen supply chain, bring confidence in businesses of both sides about stable polices, and predictability. "So in a way, it's a big message when you conclude an FTA," he added.

When asked if India could see further domestic reforms as a result of these agreements, the minister said FTA stands on their own footing and have no relationship to "our own" domestic efforts to make the country more attractive.

"These agreements are more towards opening markets on both sides which lead to greater competitiveness, improved productivity and efficiency in all processes," he said.

Shri Goyal said the National Manufacturing Mission, announced in the Budget, may come up soon.

It will further bring an "orderly shape" to how states and the Centre work together in the direction of promoting manufacturing in India, he added.

CBAM Transition: Opportunities and Challenges for the Textiles Sector

As you may be aware, the European Union (EU) has introduced a new carbon tool called the Carbon Border Adjustment Mechanism (CBAM) as part of its Fit for 55 agenda. This mechanism aims to tackle the risk of 'carbon leakages' by taxing high-risk emissions from imports from nations with less ambitious and stringent green standards.

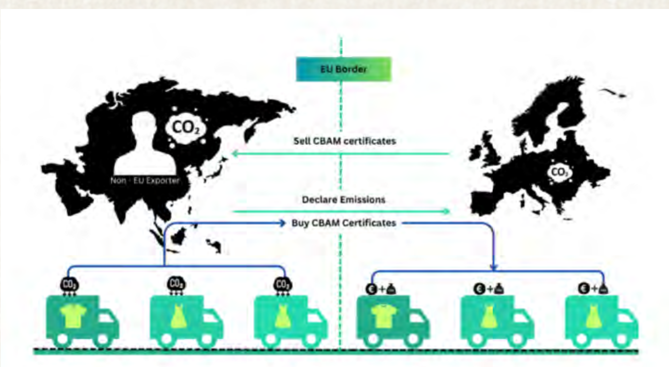
In its transitional phase (2023-2026), the textiles sector is not part of this tax regime , however, given the high emissions involved in the manufacturing process of the textiles, it can come under its umbrella in the years following the definitive regime (2026 - 2034).

Potential Effects of CBAM on Textiles

The textile and garment sector is estimated to produce 10% of global carbon emissions of 1.7 billion tonnes per year. The EU, the world's largest importer of textiles, generated 121 million tonnes of emissions in 2020, making textiles one of the largest emitters of greenhouse gases in Europe. The fashion industry accounts for 10% to 15% of the total EU emissions. The European Parliament reports that there are 12.6 million tonnes of textile waste in the EU every year and only 1% of used clothes are recycled. It can be practicable for the EU to levy a carbon tax on textiles.

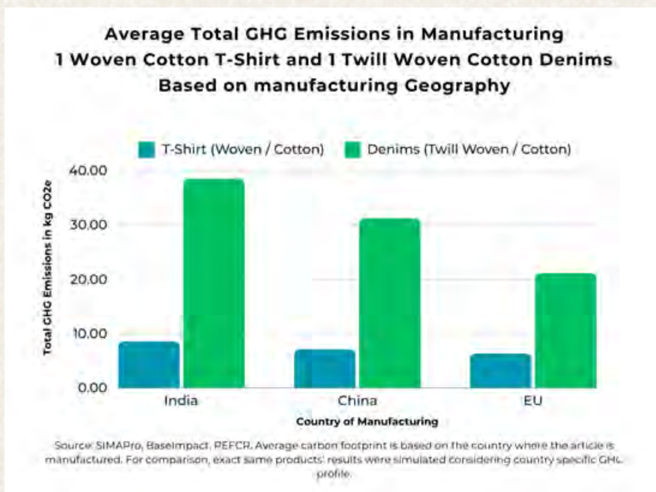
This would increase the cost of production and reduce the marginal profit for exporters in developing countries, which are the major suppliers to the EU. This green measure will make exports from outside the EU less competitive and impact the bilateral trade between the EU and the rest of the world. Other countries may counter this move and change the geopolitical dynamics of trade by implementing similar carbon tax regimes in their economies.

There will be opportunities for businesses in non-EU countries to re-evaluate their manufacturing and supply base footprints and move to greener procurement policies to reduce the emissions embedded in their product production and capture newer demands.



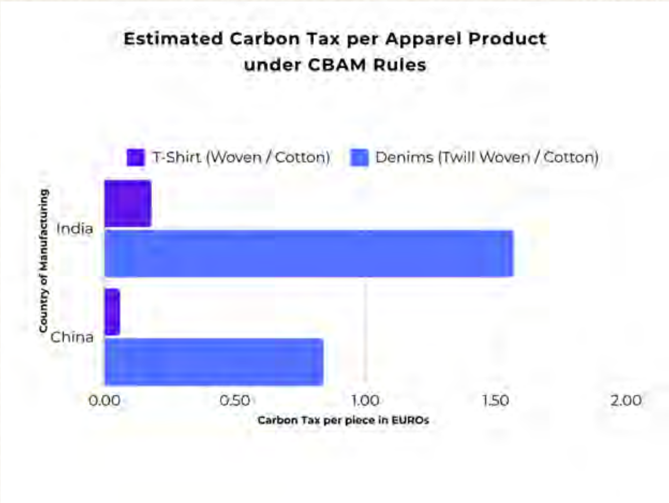
The carbon emissions from producing different articles of textiles depend on various factors such as the type of raw materials (cotton, polyester, wool, etc), technologies, amount of energy, and heat used in manufacturing processes. According to the report Fashion on Climate 2022 by M|S McKinsey & Company, more than 70% of the GHG(Green House Gas) emissions come from upstream activities particularly energy-intensive raw material production (38%), yarn preparation (8%), fabric preparation (6%), wet processing (15%) and cut make trim (4%). The remaining 30% are generated by downstream activities such as transport (3%), retail operations (3%), usage (20%), and end-of-use (3%).

In developing countries such as India and China, carbon emissions embedded in the sub-processes of manufacturing textiles are higher than in the European Union. This can be illustrated in the figure below where the carbon emissions from producing one cotton jeans in India and China are 1.9 times and 1.5 times higher than in Europe respectively. Similarly, the carbon emissions in India for producing one cotton T-shirt are 1.3 times higher than in Europe. To reduce the gap in carbon intensities between domestic and foreign production, the EU has proposed the CBAM which incentivizes other nations to decarbonise their supply chains and production processes, if they want to enhance their bilateral trade with the EU countries.



In Europe, the average price of a cotton T-shirt imported from India and China is €5.4 and €6.5 respectively. The average imported price for a pair of cotton jeans from India and China is €5 and €6.7 respectively. Based on the differences in carbon emissions in India and China from the production of *both goods with Europe, exporters from India and China will pay an additional 3.4% and 0.9% of the imported price for exporting 1 kg of cotton T-shirts, respectively.*

To export 1 kg of cotton jeans to Europe, India and China are required to pay 31.8% and 13% more than the price of the dress imported. This is illustrated in the figure below:



Future Prospects

The EU may propose CBAM for textiles due to the huge carbon emissions generated by non-EU textile exporters. The top four textile exporters (Bangladesh, India, Turkey, and China) together emit 84% and 62% of GHG emissions from all non-EU cotton T-shirts and jeans exports respectively. Imports from Bangladesh and Turkey account for the highest percentage of these emissions in Europe.

Thus, green measures such as CBAM insure against ever-increasing carbon emissions from other nations by providing additional revenues from tax collection, which can further be used to invest in greener initiatives. This measure offers a competitive advantage for sustainable brands globally exporting to the EU. Older businesses have to resort to innovation such as using recycled fibers instead of new fibers, biodegradable fabrics, recycling and upcycling, circular fashion, 3D and virtual printing, self-cleaning clothes, rechargeable fabrics, waterless dying techniques, etc to add sustainability components to production processes. However, it is also important to note that sustainability is not a short journey, and hence businesses need to monitor it regularly to achieve sustainability goals.

Moreover, organisations can adapt to carbon accounting which will provide them with end-to-end calculations of carbon emissions in the development of their products while simultaneously tracking each node of the supply chain. Various carbon accounting software such as GreenStitch etc, automatically calculates the emissions generated at various stages of the supply chain with internally developed formulae and algorithms. These calculations will identify the nodes with high carbon intensity and give focused solutions to reduce the same.

Further, with the increased responsible consumerism where sustainability is incorporated in making consumer choices, new business models can be discovered such as the sharing economy where renting and swapping of clothing reduces overall consumption; made-to-order business where a garment is made only when a customer has placed an order thereby reducing wastage; permanent collection business where a collection will fit across all seasons and clothing will last years; waste led design and upcycling models that use textiles waste to make new clothes.

- *As EU plans to expand its CBAM to include textiles, Indian textiles face growing pressure to meet strict environmental standards.*
- *Despite stable export growth and moderate fossil fuel reliance, India lags behind its competitors in renewable energy use.*
- *To secure EU market access, India must urgently invest in clean energy solutions, modernise infrastructure, and embrace sustainable manufacturing.*

Government Plans Centralised Exporters Portal

Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry, Government of India has launched an official digital platform- Trade Connect Portal (https://www.trade.gov.in/) to serves as a trade platform for India exporters.

By registering, Indian exporters can gain access to a unified platform that consolidates the following key export-related services, among other, thereby eliminating the need to navigate multiple portals.

1. Enhanced Visibility and Networking

Once registered the portal will offer information about your company to potential international buyers so that they can connect with your company. This will also be promoted by our consulates in different countries.

2. Digital Certificate of Origin (CoO) Issuance

The portal facilitates the electronic application and issuance of Certificates of Origin, essential for availing preferential tariffs under Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs). This digital process enhances efficiency and reduces paperwork.

3. Free Trade Agreements (FTAs) section on the Trade Connect Portal serves as a comprehensive resource for Indian exporters, providing detailed information on India's trade agreements and the benefits they offer along with a Tariff and Custom Duty Information based on HS codes or search by product.

4. Educational Resources and Expert Assistance

Features like 'EXIM Paathshaala' offer educational materials, while the 'Ask an Expert' service provides personalized assistance, helping exporters navigate complex trade procedures.

How to Register

Exporters already registered on the DGFT Customer Portal can use their existing credentials to access the Trade Connect Portal, ensuring a seamless experience.

1. Visit: https://www.trade.gov.in/pages/register

2. Select: Register as "Importer/Exporter"

3. Complete: Fill in the required details and submit

4. Verify: Confirm registration via OTP sent to your registered mobile number

5. Access: Log in using your credentials to explore the portal's features

According to officials, it will integrate data from multiple government and private sources, including the Directorate General of Foreign Trade, various export promotion councils, and private trade directories, eventually creating a unified digital market.

The move is part of the government's broader strategy to boost exports, especially in high-potential niche markets. Exporters are expected to gain increased visibility and global outreach, while importers can access verified, comprehensive information on Indian offerings. The discussion comes at a time when India is pushing for exports to be the next growth lever in the journey to a developed economy by 2047.

India Challenges Indonesia's Cotton Yarn Tariffs at WTO

India sought consultations with Indonesia under the WTO rules on the extension of safeguard measures by the Southeast Asian country on cotton yarn, according to a WTO communication.

The Committee on Safeguards has circulated to WTO Members a notification dated May 24, 2025, by Indonesia concerning the finding of serious injury or threat to the domestic industries producing cotton yarn and a notification of proposed safeguard measures against the importation of the product.

As a country having a substantial trade interest in the export of textile products, India "hereby requests consultations" with Indonesia pursuant to a provision of the WTO's Agreement on Safeguards with a view to reviewing the information and exchanging views on the extension of the measure.

"India would like to propose that consultations mentioned above take place virtually from 10 June to 13 June 2025 or on a mutually convenient date and time," it added.

India reserves all its rights under the agreement on the safeguard of the World Trade Organisation (WTO).

These consultations, however, do not fall under the World Trade Organisation's (WTO's) dispute settlement system.

India Records USD 81.04 Billion FDI Inflow in FY 2024-25

The Government has put in place an investor-friendly Foreign Direct Investment (FDI) policy, under which most sectors are open for 100% FDI through the automatic route. This policy is reviewed on an ongoing basis to ensure that India remains an attractive and competitive investment destination. As a result, FDI inflows have seen a steady rise—from USD 36.05 billion in FY 2013-14 to USD 81.04 billion (provisional) in FY 2024-25, marking a 14% increase from USD 71.28 billion in FY 2023-24.

The services sector emerged as the top recipient of FDI equity in FY 2024-25, attracting 19% of total inflows, followed by computer software and hardware (16%) and trading (8%). FDI into the services sector rose by 40.77% to USD 9.35 billion from USD 6.64 billion in the previous year.

India is also becoming a hub for manufacturing FDI, which grew by 18% in FY 2024-25, reaching USD 19.04 billion compared to USD 16.12 billion in FY 2023-24.

Maharashtra accounted for the highest share (39%) of total FDI equity inflows in FY 2024–25, followed by Karnataka (13%) and Delhi (12%). Among source countries, Singapore led with 30% share, followed by Mauritius (17%) and the United States (11%).

Over the last eleven financial years (2014–25), India attracted FDI worth USD 748.78 billion, reflecting a 143% increase over the previous eleven years (2003–14), which saw USD 308.38 billion in inflows. This constitutes nearly 70% of the total USD 1,072.36 billion in FDI received over the past 25 years. Additionally, the number of source countries for FDI increased from 89 in FY 2013–14 to 112 in FY 2024–25, underscoring India's growing global appeal as an investment destination.

In the regulatory domain, the Government has undertaken transformative reforms across multiple sectors to liberalize FDI norms. Between 2014 and 2019, significant reforms included increased FDI caps in Defence, Insurance, and Pension sectors, and liberalized policies for Construction, Civil Aviation, and Single Brand Retail Trading.

From 2019 to 2024, notable measures included allowing 100% FDI under the automatic route in coal mining, contract manufacturing, and insurance intermediaries. In 2025, the Union Budget proposed increasing the FDI limit from 74% to 100% for companies investing their entire premium within India.

These trends reaffirm India's position as a preferred global investment hub, enabled by a proactive policy framework, an evolving business ecosystem, and rising international confidence in India's economic resilience.

Government extends RoDTEP Benefits for AA, SEZ, and EOU Exports

The Government of India has announced the extension benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for exports made by Advance Authorization (AA) holders, Export-Oriented Units (EOUs), and units operating in Special Economic Zones (SEZs). The benefits will be applicable for all eligible exports made from 1st June 2025 onwards.

The decision comes as part of the government's sustained efforts to boost India's export competitiveness in global markets. The benefits under RoDTEP for these categories were previously available until 5th February 2025, and their reinstatement is expected to provide a level playing field for exporters across sectors.

Operational since 1st January 2021, the RoDTEP scheme is designed to reimburse exporters for embedded duties, taxes, and levies that are not otherwise refunded under any other existing scheme. It is compliant with World Trade Organization (WTO) norms and is implemented via a comprehensive end-to-end digital platform to ensure transparency and efficiency.

As of 31st March 2025, total disbursements under the RoDTEP scheme have crossed Rs. 57,976.78 crore, underscoring its significant role in supporting India's merchandise exports.

For the Financial Year 2025–26, the Government has allocated Rs. 18,233 crore under the scheme. The support will cover 10,780 HS lines for Domestic Tariff Area (DTA) exports and 10,795 HS lines for AA/EOU/SEZ exports, ensuring broad-based coverage for diverse sectors of the economy.

The reinstatement of RoDTEP benefits for special export categories reflects the government's continued commitment to creating a conducive, competitive, and compliant export ecosystem that drives India's long-term trade growth.

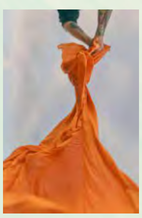
India's Textile Waste: Turning a Crisis into Circular Value

Authored by: Ram Ramprasad

Summary:

India is both a generator and importer of massive volumes of textile waste. While cities like Panipat recycle a portion of this waste into low-value goods, most of it ends up downcycled or landfilled. Emerging global technologies now make it possible to convert this waste into premium fibers for new garments. This essay explores the potential for India to lead in textile circularity by adopting these innovations and building a future-ready ecosystem.

India's Textile Waste Problem—Domestic and Imported



India generates approximately 7.8 million tonnes of textile waste annually—accounting for around 8.5% of global waste. This includes pre-consumer waste from cutting and production, and post-consumer waste from discarded garments. India also imports over $380 million worth of waste textiles annually, largely in the form of worn clothing and rags, sourced from countries like Bangladesh, Vietnam, and likely the United States .

In cities like Panipat, imported and local waste is shredded and re-spun into coarse yarn for products such as blankets, carpets, and mop heads. These are either sold domestically or exported to developing markets. While this supports livelihoods, much of the ecosystem operates informally, offers minimal value addition, and contributes little to true circularity.

About 59% of India's textile waste is reused or recycled in some form, but typically into low-value products with short lifespans. The remaining 41% is incinerated, landfilled, or left unmanaged—causing environmental harm and squandering valuable material.

Circular Technology Breakthroughs

Several international companies have developed breakthrough technologies to turn old garments into high-quality fiber, enabling circular manufacturing:

- **Infinited Fiber Company (Finland):** Converts cellulose-rich textile waste (like cotton, viscose, and denim) into a regenerated fiber called Infinna™. The process involves breaking down textiles into a liquid pulp, purifying it, and regenerating it into a cotton-like biodegradable fiber already used by brands like Zara and H&M .

- **Circ (USA):** Uses hydrothermal technology to separate and recover polyester and cotton from blended fabrics—enabling raw material recovery for new textiles .

- **Evrnu (USA):** Produces NuCycl™ fiber by extracting usable molecules from old garments and regenerating them into new fibers with customizable properties .

- **Pure Waste (Finland):** Specializes in creating 100% recycled yarns and garments from pre-consumer waste, minimizing water and energy use .

- **Recover™ (Spain):** Combines post-industrial and post-consumer waste to produce new high-performance recycled cotton fibers used in global fashion supply chains .

The Role of Advanced Cleaning Technologies

Before garments are recycled, they often require washing to remove dirt, oil, and dyes. U.S.-based Tersus Solutions uses liquid CO_2 technology to clean textiles without water, offering a more sustainable pre-processing step. This system is used by Patagonia, a U.S.

outdoor clothing brand known for pioneering environmental and ethical standards, especially through its Worn Wear program which refurbishes and resells used garments. Such technologies could be deployed in India to improve quality and hygiene in textile recovery operations.

Building a Circular Textile Ecosystem in India

India has a unique opportunity to move from low-value recycling to high-value regeneration. By investing in local production of next-gen fibers—through licensing, joint ventures, or indigenous innovation—India can:

- *Reduce dependency on virgin fiber like cotton or polyester.*
- *Create green jobs in fiber production, logistics, and R&D.*
- *Attract global sustainable fashion brands to source from India.*
- *Tackle mounting waste through environmentally sound practices.*

A public-private partnership model—bringing together textile associations, startups, urban local bodies, and technology providers—can turn this vision into reality. Startups in India stand to benefit from a multi-billion-dollar opportunity in circular fashion, especially as global fashion houses seek sustainable suppliers.

Textile experts to gather at AATCC Circularity Conference in June

The American Association of Textile Chemists and Colorists (AATCC) is set to host its Circularity Conference on June 17–18, 2025, at the University of Rhode Island in Kingston, Rhode Island. This two-day event aims to address the complexities of implementing circular systems in the textile industry, focusing on sustainable practices and waste reduction.

Keynote speaker Mr. David Hinks will inaugurate the conference, which will feature over 15 expert speakers across four focused sessions: Regulations, Sustainable Materials, Sustainability Metrics, and Circular Design. The conference is part of AATCC's ongoing sustainability series, following successful events on PFAS and fiber sustainability.

Industry leaders, researchers, designers, and policy experts will collaborate to explore strategies for fostering a more sustainable future for textiles. The event provides a platform for professionals to discuss challenges and solutions related to creating closed-loop systems and reducing waste across the textile supply chain.

AATCC encourages industry professionals to participate in this key event, which aims to drive sustainable transformation across the textile sector.

AATCC's 2025 sustainability event series represents a commitment to addressing the most pressing environmental challenges facing the textile industry. The Circularity Conference continues this important focus on sustainability, offering attendees a comprehensive framework for implementing circular systems across their operations.

Industry professionals were encouraged to register for the Circularity Conference before the June 3 early registration deadline to secure their participation in this pivotal industry event.

Secretary, Ministry of Textiles, Smt. Neelam Shami Rao, presides over the fourth meeting of the ESG Task Force

Secretary, Ministry of Textiles, Smt. Neelam Shami Rao, presided over the fourth meeting of the ESG Task Force, to co-create a vision for the Indian Textiles & Apparel Industry.

Shri. Rohit Kansal, Additional Secretary, Ministry of Textiles, Dr. M. Beena, Textile Commissioner, Smt. Padmini Singla, Joint Secretary (Fibre), Ms. Renu Lata, Economic Advisor, Ministry of Commerce & Industry, Shri. Ashok Kumar, Deputy Director General, Bureau of Energy Efficiency, along with officials from related Ministries, Industry Associations, Brands, Multilateral Agencies, and other key stakeholders were present. The whole textile value chain was represented in the consultations through lead associations and experts in the meeting.

In her keynote address, Smt. Rao stated that sustainability is an experiential reality, evident in textile clusters like Tiruppur, Surat, and Panipat, where efforts such as wastewater recycling, renewable energy adoption, and textile waste management are already underway. While the industry has made commendable progress, she stressed the need to scale these measures nationally through a collaborative and cooperative approach. She underlined that sustainability is no longer a choice, but a defining imperative for the future of India's textile sector.

Shri. Kansal highlighted that sustainability is inherent to India's traditions and practices. He emphasised the growing imperative for sustainability in the textile sector and outlined the actions being undertaken by various stakeholders, including the government. He spoke about the importance of cluster-level conversations, the industry's proactive efforts in skilling, and the need to embed sustainability deeply across the value chain. He underscored that sustainability must evolve beyond a compliance requirement into a competitive advantage for Indian textiles on the global stage. He echoed Hon'ble Prime Minister's emphasis on making India a leader in Fashion for Environment and Empowerment.

The Ministry shared a brief outline of its vision for the textile industry and invited comments and suggestions from stakeholders to collaboratively co-create the roadmap. The meeting featured a consultation on the draft Roadmap 2047 for a Sustainable, Circular, and Resource-Efficient Indian Textile Industry, with discussions focusing on several key areas. These included building awareness across the value chain—from large industry players and MSMEs to consumers and students—along with capacity building, R&D, innovation, and knowledge dissemination. Stakeholders also deliberated on the need for a unified and harmonised framework for sustainability standards and certification, a simplified compliance regime, and a balance between voluntary and regulatory mechanisms to advance circularity. The discussion further highlighted the importance of aligning national policy with evolving global expectations around ESG compliance, green finance, and responsible consumption.

The meeting concluded with a shared commitment from all stakeholders to actively contribute to the revised policy framework. Members from the industry and across the textile value chain expressed their sincere appreciation for the Ministry's prompt and pragmatic approach in taking up this crucial issue in such an inclusive and diverse setting.

Union Minister of Textiles Shri Giriraj Singh Chairs Textile Advisory Group (TAG) meeting on Cotton and MMF

♦ Mission for Cotton Productivity will support Indian Textile Industry to achieve target of 350 billion USD by 2030: Shri Giriraj Singh

Union Minister of Textiles, Shri Giriraj Singh, chaired the Textile Advisory Group (TAG) meeting on Cotton and MMF to review the progress of initiatives aimed at strengthening the entire textile value chain. The said meeting held in Vigyan Bhawan, New Delhi was also graced by Shri Pabitra Margherita, Minister of State for Textiles and Smt. Neelam Shami Rao, Secretary, Textiles.

In his address, Shri Giriraj Singh highlighted the Mission for Cotton Productivity, and underscored the critical need to enhance cotton productivity and quality to match the 5F vision of Hon'ble Prime Minister. He emphasized that innovation and collaboration will be centric to boosting farm productivity and ensuring benefits are received at all levels of the value chain. The Union Minister also suggested that data mapping will ensure a more targeted and data-driven approach to policy interventions. In his address, the union Minister of Textiles, also called upon all stakeholders to conduct a comprehensive gap analysis across the demand-supply spectrum of the industry.

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

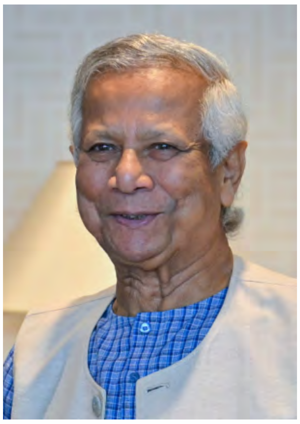
Secretary, Textiles emphasized that all stakeholders should work together to strengthen the entire textile value chain and urged industry leaders for a concerted effort to develop a comprehensive roadmap, including integration across the value chain and adoption of advanced technologies.

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

Senior officials from the Ministries of Textiles, Agriculture & Farmers' Welfare, Commerce and Industry, O/o Textile Commissioner, Textiles Committee, Research Institutes, and Industry Associations were present at the meeting. The whole textile value chain was represented in the consultations in the meeting.

Bangladesh ready to buy more US cotton, oil to reduce trade gap: Yunus

Bangladesh is prepared to ramp up its imports of American cotton, oil and gas in a bid to narrow the trade gap with the United States and offset the potential impact of proposed tariffs, Chief Adviser Mr. Muhammad Yunus has said.



Speaking to Nikkei Asia on the sidelines of the Future of Asia conference in Tokyo on 30 May, Mr. Yunus revealed that the offer to boost purchases of US commodities will form part of Dhaka's strategy in trade negotiations with the Trump administration, as Bangladesh faces the threat of a 37% tariff on its exports to the US.

"President Mr. Donald Trump is aiming to reduce his country's trade deficit with each partner," Mr. Yunus told Nikkei Asia. "If the offer to buy more American commodities is accepted, Bangladesh will divert the flow of similar imports from other countries." He explained that Bangladesh buys cotton from Central Asia, India, and many other countries. "We are now looking...why don't we buy it from the US, so our trade deficit with the US will go down very big?"

In the last fiscal year ending June, Bangladesh exported $6.8 billion worth of goods to the US, while importing $2.5 billion. Of the imports, cotton accounted for $361 million.

As one of the world's leading garment exporters, Bangladesh annually imports $7.9 billion worth of raw cotton - much of it from Uzbekistan, Turkmenistan, and India. Cotton made up 12.5% of Bangladesh's total imports last year.

"Cotton producers in the US have become very good friends of ours," Mr. Yunus said, noting that the support of these producers provides "some political access to the administration."

He added, "America's Cotton Belt (states) elect their members of Congress, in the House and in the Senate, so they become our supporters."

Bangladesh also relies heavily on energy imports, particularly oil from the Middle East. However, Mr. Yunus indicated that this too could shift towards the US, as Dhaka seeks to rebalance its trade relationship with Washington.

Though a timeline for the proposed trade discussions has yet to be confirmed, Mr. Yunus remained optimistic about the diplomatic challenge. "We see the situation not as a kind of a threat; we see it as an opportunity," he said.

His comments came just a day after the US Court of International Trade blocked the Trump administration's proposed tariffs from taking effect, stating that the president does not have the authority to override Congress in matters of commerce.

On domestic issues, Mr. Yunus spoke about financial crimes under the previous administration, claiming that approximately $234 billion had been laundered abroad during Ms. Sheikh Hasina's tenure.

"$11-12 billion worth of money inside Bangladesh already has been identified and attached and frozen," Mr. Yunus said, adding that the interim government plans to use the recovered assets to launch two sovereign wealth funds dedicated to education, healthcare, and youth entrepreneurship.

"These funds will transform the lives of the poor," he said.

India's cotton crisis: A new mission takes shape to revitalise the common man's fabric

India's cotton industry, the world's second-largest producer of the fabric, has been grappling with progressively shrinking yields unable to keep up with advanced farming practices and technology, prompting a series of emergency measures by the government.

The Centre has begun the groundwork for launching a National Cotton Productivity Mission, with discussions underway to chart out a strategy focused on crop diversification, yield improvement, introduction of new seed varieties, and promoting mechanised farming, officials said.

These measures are aimed at revitalising India's cotton economy amid inconsistent yields.

India's cotton output dropped from about 33.7 million bales in 2022-23 to 32.5 million bales in FY24 and an estimated 30.7 million bales in FY25, according to the agriculture ministry data. (One bale is 170 kg of cotton; a full cotton year runs from October through September.)

Also, India's cotton yield, at around 465 kg per hectare in FY25, remains far below China's average of over 2,170 kg/ha.

According to the US department of agriculture, China is the world's largest producer of cotton, with its 32 million bales in 2024/2025 accounting for 26% of global production. India stood second with its 25 million bales accounting for 21% of global cotton production.

As part of the five-year mission to improve India's cotton productivity, the textiles ministry, in coordination with the agriculture and farmers' welfare ministry, has started consultations with agricultural experts, farmer groups, and state governments to devise a comprehensive strategy.

"To stop the decline (in India's cotton production), discussions are being held to finalise a plan that includes crop diversification, better yields, new seed varieties, and more use of machines in farming. This is the first formal step toward starting the long-awaited mission to revive India's cotton economy, which has been under pressure due to falling production," said the first of the two officials mentioned above.

"We are aiming to double the yield from 465 kg/ha to 1,000 kg/ha across 11 states under the upcoming National Cotton Productivity Mission," said the official. "The mission will address core structural issues across the cotton value chain, especially at the farm level," the official said, adding that improved access to modern machinery and high-quality seeds will be central to the plan.

Lower yields have naturally spiked cotton prices, which have increased from ₹7,100-7,500 per quintal (or 100kg) in 2024 to ₹7,600-7,900. "At this price, it's not viable to continue operations as it makes the business unviable. Ultimately, it will lead to closure of spinning mills," said Mr. Sukhdev Singh, a spinner based in Punjab.

The National Cotton Productivity Mission is still in its early planning stage, and further rounds of consultations with major cotton-growing states are expected in the coming weeks. A detailed implementation roadmap, including timelines and funding mechanisms, is likely to be developed after these consultations conclude. India's major cotton-growing states are Maharashtra, Gujarat, Telangana, and Andhra Pradesh.

The government's move to improve the country's cotton productivity is timely and critical for export-led growth, said Mr. Prabhu Dhamodharan, Convenor, Indian Texpreneurs Federation.

"Nearly 60-65% of our apparel exports are cotton-based, and India has a clear opportunity to scale up in global markets. However, with the minimum support price (MSP) being raised year after year to support farmers facing poor yields, Indian cotton has become more expensive than that of competing countries," Mr. Dhamodharan said.

"The only sustainable way forward is to improve yield. We hope the Union government's cotton mission will address this gap and make Indian cotton viable both for farmers and exporters," Mr. Dhamodharan added.

As per commerce ministry data, India's export of cotton yarn increased from $10.94 billion in FY23 to $11.68 billion in FY24 and $12.04 billion in FY25. Major export destinations for Indian cotton are the US, Bangladesh, Sri Lanka, the UK, the UAE, Germany, China, and Egypt.

But cotton imports too have been rising sharply—from about 1.46 million bales in FY23 to 1.52 million in FY24 and 2.15 million during October-March FY25, as per textiles ministry data.

Farmers have been demanding better technology to improve yields.

"We are still sowing the BG2 variety of cotton while other countries have moved ahead and adopted BG3 and BG4 varieties with higher yield potential," said Mr. Ganesh Nanote, a cotton farmer in Maharashtra's Vidarbha region. "Unless farmers get access to better seeds and improved farming practices, yields are not going to improve."

The sharp drop in India's cotton production is also affecting the ginning industry, which separates cotton fibers or lint from their seeds and other impurities.

"The lower productivity has cast a shadow over the future of ginning and spinning mills," said Mr. Bhagwan Das Bansal, former president of the Punjab Cotton Factory and Ginners Association. "Our ginning season starts from 1 October to 31 May. But due to inadequate supply of cotton, a majority of the mills stopped ginning operations in February only."

US made 'tough' requests to Vietnam in trade talks, sources say

The U.S. has sent a "long" list of "tough" requests to Vietnam in its tariff negotiations, including demands that could force the country to cut its reliance on Chinese industrial goods imports, two people briefed about the matter told media agency.

Washington wants Vietnam-based factories to reduce their use of materials and components from China and is asking the country to control more carefully its production and supply chains, one of the people briefed on the talks said, without elaborating on whether quantitative targets were included.

The list is part of an "annex" to a framework text prepared by U.S. negotiators, according to four people familiar with the matter.

One of them, who had direct access to the document, said the list was sent to Hanoi at the end of May after the conclusion of a second round of talks with Washington aimed at avoiding 46% "reciprocal" tariffs on imports from Vietnam.

The President Mr. Trump administration wants countries to provide their best offers on trade negotiations, citing a draft letter to negotiating partners.

It was unclear which countries would receive the letter, but it was directed at those with active negotiations that included meetings and exchanges of documents. Washington has been engaged in such talks with countries including Vietnam, the European Union, Japan and India.

The sources described the U.S. requests Vietnam as "tough" and "difficult". It is unclear how Hanoi will respond to Washington's requests and whether it will send its own proposal.

The U.S. Trade Representative did not respond to a request for comment outside U.S. business hours. Vietnam's trade ministry did not reply to a request for comment.

A source briefed on the matter said if U.S. requests to effectively cut Vietnam's reliance on China were met, they could pose a serious challenge to the Southeast Asian country's economy. Its sprawling manufacturing industry, which produces consumer goods including Apple devices and Nike shoes, is closely integrated into its much bigger neighbour's supply chains.

It might also complicate Vietnam's long-standing policy of maintaining good relations with China, a major foreign investor but also a source of security concerns due to conflicting claims in the South China Sea.

Booming Trade

Vietnam has nearly tripled its exports to the United States since the start of the U.S.-China trade war in 2018, when the first Mr. Trump administration imposed wide-ranging tariffs on Beijing, pushing some manufacturers to move production south.

But as exports to the U.S. boomed, Vietnam also vastly expanded imports from China, with their inflow almost exactly matching the value and swings of exports to the United States over the years, each totalling around $140 billion in 2024, data from the U.S. and Vietnam show.

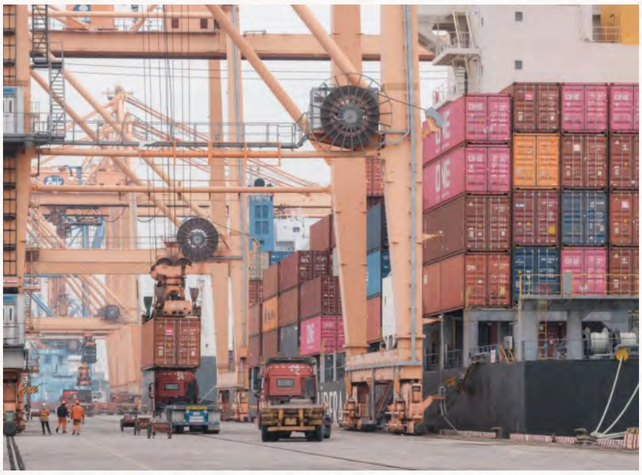
U.S. officials have long accused Vietnam of being used as a waypoint for Chinese goods destined for the United States. At times, according to the allegations, goods had "Made in Vietnam" labels despite having receive no or insufficient added value in the country - allowing Chinese exporters to avoid high U.S. duties on their goods.

Aware of the U.S. criticism, Hanoi has launched a crackdown on illegal transhipment of goods. The effect *has yet to be seen in trade flows, however, as exports to the United States and imports from China both reached a record high in April, according to the latest data.*

Vietnam has also repeatedly shown its willingness to reduce non-tariff barriers and to import more U.S. goods, in line with long-standing requests from Washington.

In recent weeks, officials have reiterated plans to buy U.S. planes and have signed or pledged multiple non-binding agreements, including on the purchase of farm products and energy.

That may, however, not be enough, as U.S. negotiators seek real contracts, one of the people said.



Garment and textile fair in Germany in September

About 100 garment and textile exporters from different textile clusters in the country will put up stalls at Texpo 2025, an exhibition focusing on sustainability, to be held in Germany from September 16 to 18.

Organised by the Tiruppur Exporters and Manufacturers Association (TEAMA) and Texpo Global Projects, the event is supported by the Tamil Nadu government and will have nearly 30 exhibitors from Tiruppur.

There are plans to have a similar expo in the US too.

The exhibitors will be supported to go online with their products for business-to-business opportunities. Buyers will be identified in Germany and they will participate in the buyer-seller meet to be held during the three days in Germany. The organisers have tied up with multiple international agencies who will help prepare samples for the buyers, etc.

The focus will be on sustainability, circular economy, innovation. The sellers will be certified manufacturers, the organisers said.

A roadshow was held in Tiruppur recently and similar meetings will be held in Karur, Surat, Ludhiana, etc.

China's textile industry tiding through challenges with reforms

While braving headwinds, textile industrial players in China are continuing with reforms in production models, technology innovation and marketing that help tide them through challenges.

These entrepreneurs increasingly realized that taking the initiative in reforming for high-quality development is the best choice, whether in prosperity or adversity.

"The world is changing, and if you don't change, you'll be left behind," said Mr. Xiong Li, Chairman of Foshan Cape of Good Hope Clothing Co., Ltd. in South China's Guangdong Province.

It is worth mentioning that Shein, a fast fashion cross-border e-commerce company, has deeply influenced the internal structure of the global textile industry chain with its pioneering "small order, quick response" production model.

"Collaborating with Shein has helped alleviate the decline in our company's orders. What we need to do now is to continuously enhance our production capabilities to adapt to this 'quick response' model," Mr. Xiong said.

Mr. Xiong's remarks came against the background that the international situation is constraining, and domestic production capacity is declining, posing severe challenges to China's textile industry.

Many textile enterprises, under the pressure of international circumstances, are increasingly investing in research and development of new materials and are actively moving toward the high end of the international industrial chain. Many entrepreneurs have also expressed that the era of low-end competition is outdated, and future development lies in originality, branding and technology.

"Since 2017, we have felt uncertainties of the foreign market, prompting us to shift towards the domestic market. This transformation is very challenging. Without progress, there can be no future," said Mr. Pang Runwo, Chairman of Foshan Xiangweirun Textile Co., Ltd.

Mr. Pang is planning to create a comprehensive production line that span knitting, dyeing, apparel and branding, noting that "we must focus on supporting the industrial chain and innovation, which needs generations of relentless efforts."

Mr. Zhang Yinfang, General Manager of Foshan Ruien Clothing Co., Ltd., stated that the company's transformation has been successful, and it has become a core supplier for Li-Ning, a leading Chinese athletic apparel and footwear brand.

"We used to be an export-oriented enterprise heavily reliant on foreign orders, which once accounted for 80 percent of our business. Now, that share has dropped to around 10 percent," said Mr. Zhang.

Experts analyze that although international market volatility has intensified and domestic challenges persist, the textile industry, as a traditional sector, still possesses significant scale, broad market demand, and strong employment capacity. It maintains its role as an important pillar of the economy and people's livelihoods.

Enhancing risk resilience and achieving high-quality development in the industry is of great significance, experts added.

Mr. Zhang Jiangping, Chairman of the Peacebird Group, one of China's most well-known apparel brands, said that from the perspective of enterprises, it is crucial to leverage brand leadership, actively embrace new business formats and channels, drive digital transformation, and accelerate upgrades in strategy, products, channels and marketing.

Mr. Zhang Weiwei, Board Secretary of Texpro Precision Technology (Guangdong) Co., Ltd., said that "Apparel consumption represents a vast market. As long as we adapt to global shifts, we will always find viable paths."

Meanwhile, insiders suggested that there is an urgent need to create a healthier development environment for enterprises and to combat rat-race irrational competition by focusing on the legal enforcement against false advertising, traffic hijacking, and commercial defamation.

An experienced entrepreneur in the textile industry noted that China has a complete self-sufficient production chain for textile machinery, auxiliaries, and products, which is unique globally.

"No matter what winds blow internationally, we firmly believe that China's textile industry will not falter," said Mr. Pang.

Urgent need for stable energy supply to sustain Bangladesh's textile export competitiveness

In recent months, Bangladesh's textile and ready-made garment (RMG) industries have faced severe disruptions due to an acute gas shortage. Approximately 50% of the 1,856 member mills of the Bangladesh Textile Mills Association (BTMA)—including both export-oriented and domestic units—have been forced to scale down or entirely halt production.

Several mills have shut down specific units or suspended operations altogether.

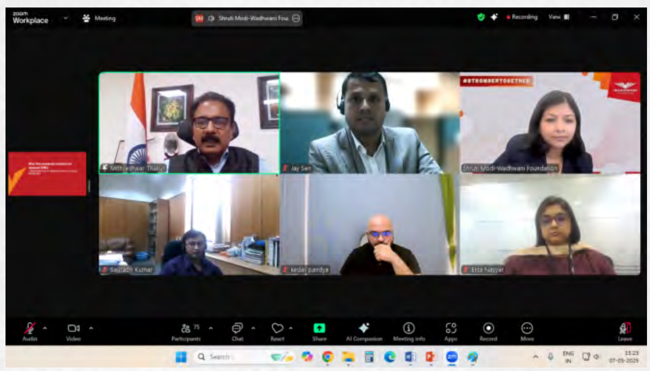
Key industrial zones—such as Gazipur, Sreepur, Mymensingh, Narsingdi, Bhulta, Maona, Tongi, Bhaluka, Narayanganj, Savar, and Ashulia—have been hit especially hard. Many mills in these areas are operating under gas pressures as low as 0 to 2 PSI, significantly below the minimum required pressure of 10–15 PSI for optimal production.

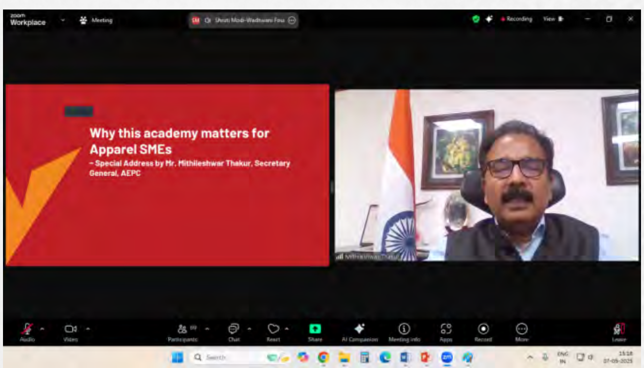
A significant number of textile and apparel exporters in Bangladesh—particularly members of the Bangladesh Textile Mills Association (BTMA)—have been forced to reschedule product delivery dates in recent months due to acute gas shortages. According to BTMA estimates, around 50% of the association's 1,856 member mills have experienced reduced production capacity, compelling many to delay shipments to buyers. This disruption has particularly affected spinning, dyeing, and weaving units that rely heavily on uninterrupted gas supply for operations.

This situation has placed BTMA member factories under considerable financial strain and jeopardized their reputation with international buyers, underlining the urgent need for stable energy supply to sustain Bangladesh's textile export competitiveness.

Online Capacity Building Program to Grow Apparel Export Business

AEPC in association with All India Management Association (AIMA) has desgined a capacity building program for strategic management, sales management, marketing management, people management, digital marketing, financial management, data analysis, supply chain operations for the apparel exporters. This free of cost, 10-week (class once-a-week) online program will help the exporters to tackle all the challenges and grow your apparel export business.





The Orientation Session of the program was held on 7-May-2025. Mr. Mithileshwar Thakur, Secretary General, AEPC gave opening remarks and informed the gathering about the importance of this training program. He also urged the company owners to include their employees in this training program, so that everyone gets benefit and help in the growth of apparel exports from India.

Mr. Kedar Pandya, Senior Director – Wadhwani Foundation; Mr. Amit Jain, Founder – A&M Consulting & past President – Trident Group; Dr. Rajesh Bheda, CEO & MD – Rajesh Bheda Consulting; Dr. Rohit Singh, Director – AIMA gave presentation & share their insights on the training program.

This 10-week online capacity building training program got registration of more than 150 pan India apparel exporters.

AEPC enters into MoU with Green Business Certification Institute Pvt Ltd (GBCI) to make Indian apparel export sector LEED Certified & ESG Compliant

On May 8, 2025, AEPC entered into an MoU with Green Business Certification Institute Pvt Ltd (GBCI). Mr. Mithileshwar Thakur, Secretary General, AEPC and Mr. Gopalakrishnan P, Managing Director – APAC and Middle East Markets signed the Memorandum of Understanding on behalf of their respective organizations.

By signing this MoU, GBCI & AEPC have decided to work jointly in areas of mutual interest with following objectives:

- *GBCI & AEPC share a common vision of promoting sustainable environment through efficient use of Energy, Water, Waste and selection of advanced technology for monitoring, thereby enhancing operational excellence of the factories and warehouses of Garment and Textile firms.*
- *GBCI & AEPC MOU shall advance to create the maximum number of LEED certified factories from India and showcase Indian apparel industry as one of the global leaders in sustainable garment manufacturing.*

AEPC organized roadshow in Ludhiana to promote IIGF

A Road show was organised by the Apparel Export Promotion Council and International Garment Fair Association on 17th May'2025 at Hotel Park Plaza, Ludhiana for promotion of 73rd India International Garment Fair.

A total number of 120 representatives from the trade and industry participated in the said event. The event was graced by Sh. Sudhir Sekhri, Chairman AEPC & IGFA; Shri Mithileshwar Thakur, Secretary General, AEPC; Sh. Animesh Saxena, Vice Chairman, IGFA; Sh. Rakesh Vaid, Sr. Vice Chairman, ATDC; Sh. H.K.L. Magu & Sh. Harish Dua, Executive Committee Members among others.

The India International Garment Fair (IIGF), one of the biggest sourcing fairs in Asia for Apparel and Fashion Accessories, was first organised in the year 1988. Held twice a year – one for Spring/Summer Season (June/July) and another for Autumn/Winter Season (Jan/Feb) – IIGF is organised by the International Garment Fair Association (IGFA) in collaboration with three major associations of the India i.e. GEMA, Gurugram; CMAI, Mumbai and GEAR, Jaipur with the support of Apparel Export Promotion Council (AEPC). Seventy two editions of IIGF have been organised so far. The coming edition of IIGF will be held on 1st,2nd, and 3rd July, 2025 at Yashobhoomi, New Delhi

The products on display will include Menswear, Womenswear, Kidswear, Knitwear and Fashion Accessories. Overseas buyers from all over the world and buying consultants and representatives of prominent global brands are expected to participate.

The gathering at Ludhiana was addressed by Shri Sudhir Sekhri, Chairman, AEPC & IGFA; Shri Mithileshwar Thakur, Secretary General, AEPC; Sh. Rakesh Vaid, Sr. Vice Chairman, ATDC; Sh. H.K.L. Magu, Executive Committee Member, AEPC; Sh Harish Dua, Ludhiana -based senior AEPC Member and Sh. Utpal Acharya, Joint Director General Foreign Trade, Ludhiana

Sh. Animesh Saxena, Vice Chairman, IGFA gave presentation outlining the details of 73rd IIGF and Dr. Roopali Shukla, Director, ATDC gave a presentation on ways and means to improve garment floor efficiency.

AEPC in collaboration with WGSN successfully organized a training session at Apparel House, Gurugram

AEPC in collaboration with WGSN—a global leader in fashion forecasting and trend analysis—successfully organized a seminar-cum-training workshop on 30th May 2025, at Apparel House, Gurugram.

The workshop aimed to empower the industry with valuable insights into the design directions for future, including a deep dive into Spring/Summer 2026 and Autumn/Winter 2026/27 forecasts. The training also covered practical guidance on maximizing WGSN's platform usage, exploring navigation tools, identifying emerging trends, and engaging in hand-holding and live Q&A sessions.

The session featured insightful presentations by:

Ms. Urvashi Gupta, Director, WGSN

Ms. Anvita Mittal, Client Services Associate – South Asia, WGSN

Both speakers provided an in-depth walkthrough of the platform's tools and capabilities and effectively addressed all queries and doubts of participants.

In the special addressed by SG AEPC, stressed upon the critical role fashion and trend forecasting plays in enhancing the competitiveness of the Indian apparel industry by enabling industry stay ahead of the curve and making informed decision about product development. Accurate forecasting of trends and designs reduces risks associated with over-production and unsold inventory, helps identify opportunities to innovate and capitalize on the emerging consumer preferences besides establishing strong market presence and enhancing brand relevance.

These knowledge-sharing sessions will help the exporters keep abreast of the ever changing global fashion market. The seminar witnessed enthusiastic participation from a large number of industry professionals, who found the session highly informative and relevant.

UNDP organised two days training workshop on ESG/Responsible Business Practices for Delhi/NCR based Apparel Exporters

United Nations Development Programme (UNDP) organised a 2-day in-person training workshop, in collaboration with the Apparel Export Promotion Council (AEPC) on 24-25 April 2025 at India Habitat Centre, Lodhi Road, New Delhi to raise awareness amongst Indian apparel exporters. The objective of the training workshop was to provide participants with an understanding of the 'responsible business practices' landscape globally, nationally and in their operating contexts, i.e., challenges related to ESG in the apparel industry.

Sh. Mithileshwar Thakur, Secretary General, AEPC gave the opening remarks and Sh. Ajay Gupta, Joint Secretary, Ministry of Textiles gave the key remarks. Around 50 participants attended the two day event.

SG, AEPC in his opening remarks spoke about decarbonization concerns, the growing demand for sustainable clothing, India's preparedness, the choices before the industry and the action plan to convert challenges into opportunity. He also spoke on the New Challenges and Decarbonization Concerns, Responsible Clothing New Normal, Choices before the Industry and on how India can convert this challenge into opportunity.

This seminar represented timely response to the growing need to engage with stakeholders to ensure that India's apparel sector remains competitive, compliant, and future-ready. The level of interest at this seminar was encouraging and reflected shown growing recognition of aligning business operations with sustainability and international regulatory developments.

AEPC participates in Barcelona Textile Expo, Spain (from 2nd - 4th June, 2025)

The India Pavilion at the Barcelona Textile Expo, held at Fira de Barcelona, was inaugurated by Mr. Inbasekar Sundaramurthi, Consul General of India in Barcelona, and Shri Sudhir Sekhri, Chairman of AEPC. The inauguration was marked by a ceremonial ribbon-cutting. AEPC participated in the event with 27 exhibitors.

Mr. Sumodh Sarasan, Vice Consul of India in Barcelona, Mr. Elangovan, EC Member AEPC, and participating Indian exhibitors were also present at the event.

AEPC extended a traditional welcome by felicitating the Consul General and the Vice Consul with shawls. Following the inauguration, the Consul General, Chairman AEPC, and Vice Consul visited all the Indian exhibitors' booths, including the AEPC stall, engaging with the participants. Mr. H.K.L. Magu, EC Member of AEPC, also joined the delegation during their tour of the stalls.

Overall, the first day saw a modest footfall, with steady engagement from visitors.

Spain has been a very attractive market for Indian Apparels. Main items of export to Spain are– Men/Boys/Women's/Girls/ Kids Trousers, Breeches & Shorts, Dresses, T-shirts, Singlet's, Jerseys, Jackets, Pullovers, Cardigans, Waist Coats, Blouses, Shirts, Blazers suits Jerseys, Sweatshirts, Sports & swimwear Night & Underwear Caps, socks, gloves, Shawls, Belts, Ties, Anoraks and other Vests, Infant wear Garments and other clothing accessories, etc.

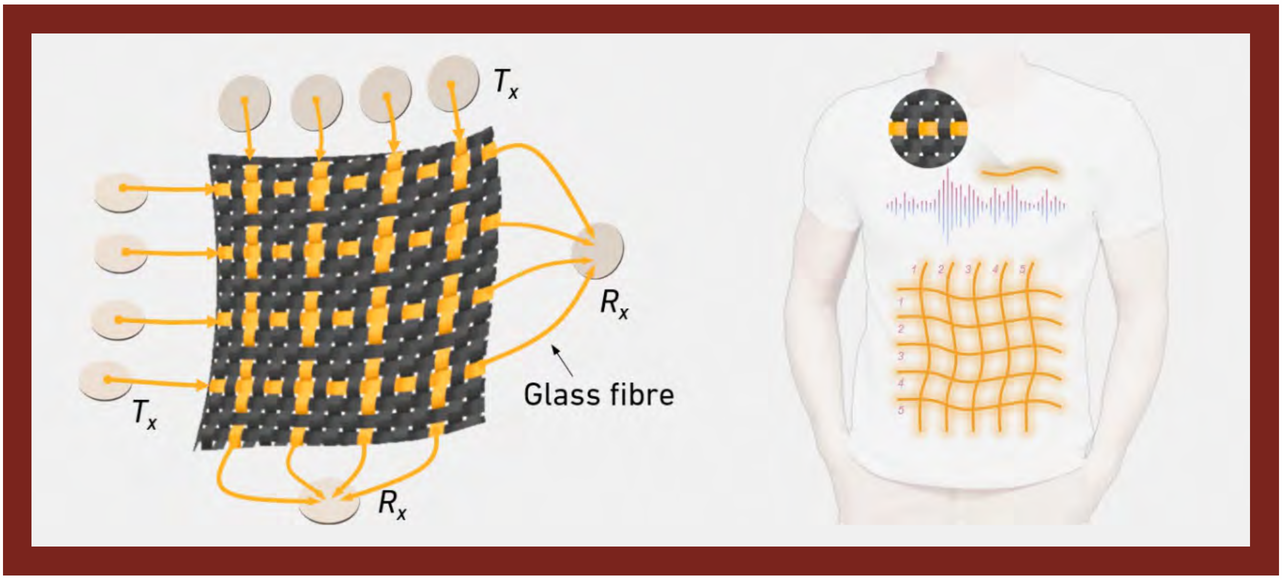
Spain is the one of largest importer of garments with imports of over USD 20348.61 from world in 2023. Indian export to Spain has been stable during the last five years with India capturing share of 3.46% approx. in 2023. At a category level, Woven garments hold a much better acceptance in Spain as compared to knitted garments.

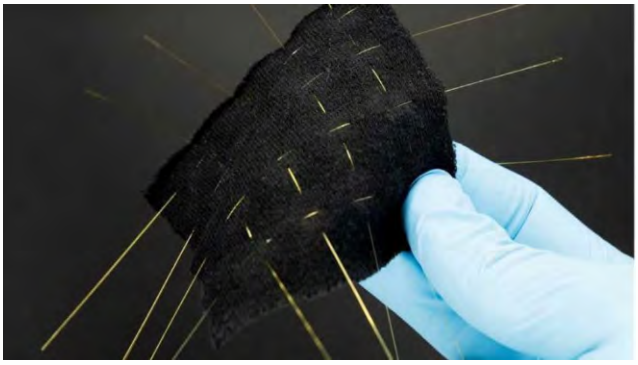
Despite good presence of Indian products in Spain, India's share in apparel imports by Spain is very less. There is a huge potential for this to grow as India has taken several structural reforms in the recent past and there is a growing positivity in the Indian economy.

About Barcelona Textile Expo – 2025 is a prestigious event and the largest apparel & textile exhibition in Spain, serving as a vital gateway to the European market, with significant visitor traffic from across the region. This Textile Expo created in response to market demand started its journey with the target to become the most attractive meeting point in Barcelona. Over 300 plus exhibitors from 12 countries like Spain, Italy, Germany, Turkey, Korea, Egypt, Netherland, Japan, China, Romania, Bangladesh & Uzbekistan etc. and thousands of visitors usually to participate in the show with their models and creations.

The goal of the exhibition is to create trade relations between textile, apparel, accessories, fabric, producer exhibitors and professional buyers. Visiting Textile Expo is a great opportunity to see new creations, to make first contacts, and to buy the high quality with the best prices. The main product groups of exhibitors are Apparel & garments, knitted fabrics, fabrics, home textile, yarn, and accessories.

ETH Zurich unveils acoustic smart textiles for precision motion and touch detection





ETH Zurich researchers have made a significant leap in the world of wearables with SonoTextiles: a smart textile that uses acoustic waves instead of electronics to obtain incredibly accurate measurements of touch, pressure, and body movements. Professor Daniel Ahmed is at the forefront of this work. His lab has integrated glass fibers (multi-channel ultrasonic transducers) in textiles that use ultrasonic signals to transmit and receive very subtle body movements.

Unlike conventional electronic-based smart textiles, this acoustic methodology offers many benefits including more accurate measurements, lighter, breathable fabric, low power consumption, and low maintenance dispositions. Each glass fiber measures its own ultrasonic frequency (approximately 100 kHz, which is beyond our hearing range), allowing each sensor to be tracked without burdening the computational resources, which has been a persistent problem for existing smart textile systems.

The applications for the technology are countless, from T-shirts that monitor breathing, gloves that interpret sign language, to wearables that provide variable feedback for an athlete in real-time. Future scenarios could even include use of the technology in assistive tech, such as clothing that improves posturing, or informs a wheelchair user when it's time to shift positions to prevent the onset of pressure ulcers.

`Although SonoTextiles has shown potential in the lab, difficulties still exist for actual day-to-day daily use. The researchers have begun to explore using metal fibers as an alternative to glass for durability, with the goal of full and seamless integration into daily clothing.

With further development, SonoTextiles will transform everything from health care, rehabilitation and sports to virtual reality and beyond, in the new era of intuitive, responsive, smart wearables.

Microplastic Free Clothing Market to Hit USD 7,672 Million by 2035, Growing at 12.5% CAGR

The global Microplastic Free Clothing Market is expected to reach USD 7,672 million by 2035, up from USD 2,100 million in 2024. During the forecast period, the industry is projected to register a CAGR of 12.5%. Microplastic-free clothes are gaining more and more importance in the market as the awareness of environmental issues set in by those regulations across the globe. Microplastics from synthetic textiles upon washing became possibly the largest pollutant, enforcing stricter regulations by governments mainly in Europe and North America. On the other hand, the proposed restriction on microplastic emissions under the REACH framework of the EU is essentially fast-tracking the development of sustainable textile alternatives and pushing apparel brands to reimagine their materials and methods of production.

Consumers, largely concentrated in cities and younger age groups, are beginning to favor more environmental options such as biodegradable and traceable kinds of clothes. Responding to this demand, a number of brands have introduced collections made from organic cotton, hemp, bamboo, and regenerated cellulose fibers such as Tencel, which promote lesser release of microplastics. Most of these are highly advertised with sustainability certifications, and many brands are also pursuing new technologies such as lifecycle analysis and blockchain-based tracking to satisfy growing demand for transparency and environmental accountability.

The microplastic-free clothing market is projected to grow at 5% CAGR and reach USD 7,672 million By 2035

The market created an absolute $ opportunity of USD 5,309 million between 2025 to 2035

North America is a prominent region that is estimated to hold a market share of 3% in 2035

Predominating market players are Harvest & Mill, Pact, Kowtow, Community Clothing, Water from Mars, MATE the Label, Lucy & Yak, Toad&Co, The Hemp Trading Company, and Another Tomorrow. North America is expected to create an absolute $ opportunity of USD 1,096.6 million

"Growing environmental awareness, stricter regulations on microplastic pollution, and rising demand for sustainable, non-shedding textiles are driving strong growth in the Microplastic-Free Clothing Market. Brands and institutions are increasingly adopting eco-friendly apparel to meet sustainability goals and regulatory compliance" says a Fact.MR analyst.

Top apparel brands that have felt the market shifts and have launched eco-conscious collections while investing in a new type of fiber that will not shed much microplastic. Alliances with NGOs, a landscape for fabric treatments, and digital tools for tracing the source and movement of the microplastic-free fiber are all enhancing the market's credibility. Governments in both Europe and the Asia-Pacific arena have assisted within this initiative of green procurement, bolstering demand for these goods. The concept of the closed-loop recycle approach with circular fashion is becoming widespread, giving the microplastic-free clothing facet a big voice in the future direction of environmentally aware clothing production.

For example, in December 2024, Heriot-Watt University (HWU) introduced the world's first microplastic grading system for fashion. This system aims to assess and mitigate microplastic pollution from textiles, addressing one of the pressing environmental challenges associated with the fashion industry.

BY Material Type- *(Natural Fibers (Organic Cotton, Hemp, Linen, Others), Regenerated Cellulose Fibers, Animal-Based fibers), BY Clothing Type (Everyday Apparel, Sportswear, Outdoor & Travel Clothing, Undergarments, Kids & Baby Clothing), BY Distribution Channel (E-commerce (Direct-to-Consumer), Retail Stores, Subscription & Rental Service, B2B and Wholesale).*

Key Companies Profiled- *Key players in the microplastic free clothing industry are Harvest & Mill, Pact, Kowtow, Community Clothing, Water from Mars, MATE the Label, Lucy & Yak, Toad&Co, The Hemp Trading Company, Another Tomorrow, and other players.*

United Kingdom

Economic Overview:

High-income, non-EU European economy; global financial center and dominant service sector; sluggish growth from stringent monetary policy, reduced business investment, low productivity and participation rates; fiscal austerity in face of high public debt.

♦ Economic Indicators:

Indicators	Value (in USD)
Real GDP (Purchasing Power Parity), 2023 est.	3.728 trillion
Real GDP (Growth Rate), 2023 est.	0.34 %
Real GDP (Per Capita), 2023 est.	54,500
GDP (Official Exchange Rate), 2023 est.	3.381 trillion
Inflation Rate, 2023 est.	6.79 %
Source: The World Factbook – CIA 2025	

♦ Exchange Rate:

Indicators	Value (in INR)
Indian Rupees (INR) per British Pound (GBP)	112.79
British Pound (GBP) per US Dollar (USD)	0.75
Source: X-Rates 2025 (May 2025)	

♦ Climate:

Temperate; moderated by prevailing southwest winds over the North Atlantic Current; more than one-half of the days are overcast

♦ Average Tariff for India:

9.6%

♦ UK's RMG Trade:

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

	2022	2023	2024	% Change 2024 over 2023
UK's RMG imports from World	24365.9	20277.9	19673.4	-3.0
UK's RMG imports from India	1416.9	1244.7	1198.4	-3.7
India's Share in UK's total RMG imports from World, %	5.8	6.1	6.1	
Source: UN Comtrade 2025				

The above table shows that UK's RMG import from the World were to the tune of USD 19673.4 mn in 2024 showing a decline of 3.0 % as compared to 2023. RMG import from India has also decreased to USD 1198.4 mn, registering a decline of 3.7 % as compared to 2023. India's percentage share in UK's RMG import from the World has remain same on 6.1 % in 2024.

♦ Top RMG Supplier to UK:

Top RMG Supplier to UK and India's Position

Position	Countries	Imported value in 2024 (in USD mn	% Share
	World	19673.4	100
1	China	5003.6	25.4
2	Bangladesh	3924.2	19.9
3	Turkey	1556.5	7.9
4	*India*	1198.4	6.1
5	Cambodia	1083.7	5.5

Source: UN Comtrade 2025

The above table shows that China has remain the top supplier of RMG to UK with 25.4 % share in 2024. India is the 4th largest supplier of RMG to UK with 6.1 % share. Bangladesh and Turkey has a share of 19.9% and 7.9 % respectively.

♦ UK's top 10 RMG Products Import from World vs India's share:

Top 10 RMG products imported by UK 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	**19658.6**	**1198.4**	**6.1**
		Sum of Top 10	**7846.0**	**293.4**	**3.7**
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	1480.5	125.1	8.5
2	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	1220.3	8.0	0.7
3	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	1152.9	41.4	3.6
4	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	698.9	17.6	2.5
5	610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	696.9	13.2	1.9
6	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	602.0	27.8	4.6
7	620140	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	565.4	1.0	0.2
8	620240	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	520.8	1.9	0.4
9	610463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, ...	475.6	3.2	0.7
10	620443	Women's or girls' dresses of synthetic fibres (excl. knitted or crocheted and petticoats)	432.8	54.3	12.5

Source: UN Comtrade 2025

The above table shows UK'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 7846.0 mn. in 2024 and import from India of these top 10 products were to the tune of USD 293.4 mn. India has 3.7 % share in UK's top 10 products import from the World.

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

♦ UK's top 10 RMG products import from India:

Top 10 RMG Products Imported by UK from India (in USD mn)

S. No.	HS Code	Product label	Import from India, 2024	% Share in 2024
		Total RMG	**1198.4**	**100.0**
		Sum of Top 10	**608.6**	**50.8**
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	125.1	10.4
2	620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	85.3	7.1
3	611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	83.1	6.9
4	620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excl. knitted or crocheted and ...	64.4	5.4
5	620443	Women's or girls' dresses of synthetic fibres (excl. knitted or crocheted and petticoats)	54.3	4.5
6	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	45.4	3.8
7	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	41.4	3.5
8	620640	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres (excl. knitted or crocheted ...	40.6	3.4
9	620444	Women's or girls' dresses of artificial fibres (excl. knitted or crocheted and petticoats)	37.1	3.1
10	610831	Women's or girls' nightdresses and pyjamas of cotton, knitted or crocheted (excl. T-shirts, ...	32.0	2.7

Source: UN Comtrade 2025

The above table shows UK's top 10 RMG products imported from India. UK's top 10 products imported from India were to the tune of USD 608.6 mn with 50.8 % share in UK's total RMG import from India.

*The top products imported by UK from India includes **(i)** T-shirts, singlets and other vests of cotton, knitted or crocheted; **(ii)** Women's or girls' dresses of cotton; **(iii)** Babies' garments and clothing accessories of cotton, knitted or crocheted.*

India Participates in 9th BRICS Industry Ministers' Meeting in Brasília

India participated in the 9th BRICS Industry Ministers' Meeting held under the Chairship of Brazil on 21st May 2025 at the Itamaraty Palace, Brasília – Federal District. The overarching theme of the meeting was "Strengthening Global South Cooperation for More Inclusive and Sustainable Governance".

The meeting witnessed the presence of Industry Ministers and representatives from all BRICS member countries including Brazil, Russia, India, China, South Africa, as well as newly inducted members Egypt, Ethiopia, Iran, Indonesia, Saudi Arabia, and the United Arab Emirates. The Joint Declaration adopted at the meeting reaffirmed the collective commitment to fostering an open, fair, and resilient global environment, strengthening the multilateral system, and enhancing economic and social resilience amid rapid global transformations.

As a key initiative, India launched the BRICS Startup Knowledge Hub on 31st January 2025, under the aegis of the BRICS Start-Up Forum. This is the first-of-its-kind dedicated platform for BRICS nations, aimed at enhancing cross-border collaboration and strengthening startup ecosystems across member countries. India extended an invitation to all BRICS nations to contribute to and derive benefits from this platform through the exchange of policy insights, innovations, and best practices.

In line with the Joint Declaration, India also emphasized the critical role of Micro, Small, and Medium Enterprises (MSMEs) in the national and global economy. India highlighted that with 5.93 crore registered MSMEs employing more than 25 crore individuals, the sector contributed 45.73% of the country's total exports in 2023–24.

The Ministers underscored the need to deepen industrial cooperation and promote sustainable and inclusive growth across BRICS nations. The Joint Declaration emphasized the pivotal role of innovation and digital technologies under Industry 4.0 as key drivers of sustainable development. India, in its intervention, articulated its vision for a future-ready industry that is inclusive, innovative, and digitally empowered, aligning with the objectives of the Fourth Industrial Revolution.

It was noted that India's Digital India campaign has transformed the country into the world's largest digitally connected democracy. The number of internet users in India increased significantly from 251.59 million in 2014 to 954.40 million as of March 2024.

India concluded its remarks by calling upon BRICS members to be guided by the principles of Sahyog (Collaboration), Samanjasya (Harmony), Samagrata (Inclusiveness), and Sarvasammati (Consensus) in all cooperative endeavours going forward.

6th Meeting of National Traders' Welfare Board held in New Delhi

The 6th meeting of the National Traders' Welfare Board (NTWB) was convened at Vanijya Bhawan, New Delhi, on 20th May 2025.

During the meeting, Joint Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Shri Sanjiv Singh underscored the vital contribution of the retail trade sector to the Indian economy. He called upon the Board members to provide constructive and inclusive suggestions towards the formulation of the National Retail Trade Policy, with a particular emphasis on participation from the grassroots level.

Chairman of the National Traders' Welfare Board (NTWB), Shri Sunil J. Singhi chaired the meeting and outlined several trader- and MSME-centric announcements from the Union Budget 2025–26, reiterating the Government's commitment to creating a conducive business ecosystem through simplification of regulatory processes, financial assistance, and infrastructure development. On this occasion, a special magazine titled "Journey of the National Traders' Welfare Board" was released, documenting the milestones, initiatives, and achievements of the Board since its inception.

A key focus of the meeting was the 'Vocal for Local' initiative aimed at promoting indigenous industries and locally manufactured goods. Shri Singhi urged all Board members to actively advocate for this initiative in their respective States and Union Territories. All members present took a symbolic pledge to act as ambassadors of the movement, thereby strengthening its reach and impact across the country.

Shri Singhi also emphasised the role of digital transformation in empowering India's small traders. He encouraged the adoption of digital platforms like the Open Network for Digital Commerce (ONDC), noting that such initiatives can significantly enhance market access and income opportunities for small retailers. Members were urged to support the onboarding of local traders onto such platforms to ensure their integration into the digital economy.

The Chairman informed that various representations from trade associations and Board members had been forwarded to the concerned Ministries and Departments for appropriate action. He invited further suggestions to improve awareness and outreach of Government welfare schemes for the retail sector.

The meeting was attended by non-official members nominated by the Central Government, representing Trade Associations and various States and Union Territories, along with ex-officio members from nine key Ministries and Departments of the Government of India.

India Assumes Chairmanship of Asian Productivity Organization at 67th Governing Body Meeting in Jakarta

India has formally assumed the Chairmanship of the Asian Productivity Organization (APO) for the 2025–26 term during the ongoing 67th Session of the Governing Body Meeting (GBM) of the APO, being held from 20–22 May 2025 in Jakarta, Indonesia. The Indian delegation is led by the Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), and APO Director for India, Shri Amardeep Singh Bhatia, IAS.

As Chair of the APO, India reiterated its commitment to advancing the APO Vision 2030 and expanding the Green Productivity 2.0 framework. India emphasized the importance of regional collaboration in driving digital transformation, sustainability, innovation, and entrepreneurship. It also expressed its intent to contribute to inclusive, responsive, and results-driven APO programs that address evolving productivity and development challenges in the Asia-Pacific region.

Each year, over 100 Indian professionals participate in APO-led capacity-building initiatives through the National Productivity Council (NPC) under DPIIT. These programs contribute significantly to productivity improvements in India's industrial, services, and agricultural sectors. Several demonstration projects, including those focused on Green Productivity and Industry 4.0 applications for MSMEs, have also been implemented across the country.

The Governing Body is the APO's highest decision-making authority and meets annually to set the organization's strategic direction, approve major proposals, and review Secretariat performance. The 67th GBM is being hosted by the Government of Indonesia.

Established in 1961, the Asian Productivity Organization is a Tokyo-based intergovernmental body that promotes productivity enhancement across the Asia-Pacific region through mutual cooperation and capacity building. The APO currently comprises 21 member economies, including Bangladesh, Cambodia, Taiwan, Fiji, Hong Kong (dormant), India, Indonesia, Iran, Japan, Republic of Korea, Lao PDR, Malaysia, Mongolia, Nepal, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand, Turkiye, and Vietnam. As one of its founding members, India has played a pivotal role in shaping the organization's vision and supporting its initiatives.

Why U.S. Fashion Brands Are Shifting to Turkey to Avoid Tariffs and Delays

GBS Trend Inc, a Los Angeles-based private label apparel manufacturer, is offering U.S. fashion brands a smarter alternative to Asian production by providing full-service manufacturing in Turkey—delivering faster turnaround times, lower minimums, and major savings through reduced or zero tariffs.

As trade tensions, high tariffs, and global shipping delays continue to challenge U.S. fashion brands, Turkey is emerging as a strategic production hub. With deep experience serving European retailers and a strong infrastructure in place, GBS Trend Inc. bridges U.S. brands with Turkey's advanced, cost-effective, and ethical manufacturing capabilities.

Made in Turkey: A Competitive Advantage for American Fashion Brands

Unlike many producers who rely on Asia, GBS Trend Inc. manufactures 100% in Turkey, giving its clients access to:

- Reduced or zero import tariffs, thanks to U.S.-Turkey trade preferences

- Faster lead times, with average production ready in 5–6 weeks

- Low MOQs starting from 200 pcs per color for hoodies and sweaters, and 300 pcs per color for T-shirts, denims, and wovens

• Streamlined logistics with shorter transit times and fewer supply chain disruptions

• High-quality, vertically integrated production, trusted by leading European fashion brands

A Trusted Manufacturing Partner with a U.S. Presence

Founded by a company with nearly 50 years of manufacturing experience, GBS Trend Inc. has a dedicated team and showroom in Los Angeles, California, supporting American clients with sampling, sourcing, and communication—eliminating time zone challenges and miscommunications.

"We know what U.S. brands need today: speed, flexibility, reliability, and transparency," says Mr. Mehmet GEBES, President of M\S GBS Trend Inc.

"Our operations in Turkey are optimized to deliver quality quickly, and our U.S. team ensures seamless service from concept to delivery."

Product Expertise Across All Categories

GBS Trend Inc. specializes in a wide variety of product categories, including:

*• **Knits & Jerseys:** T-shirts, sweatshirts, hoodies, polos, tanks*

*• **Wovens:** Shirts, dresses, skirts, light jackets, bottoms*

*• **Sweaters:** Premium knitwear in cotton, blends, recycled yarns*

*• **Denims:** Pants, jackets, skirts, using Turkish premium denim mills*

• Streetwear, Casualwear, Activewear, and Contemporary Fashion

The company's vertically integrated structure covers everything from fabric sourcing and development to cutting, sewing, printing, embroidery, quality control, and finishing—all under one roof.

Sustainability, Certifications & Ethical Labour Standards

Turkey is well-known for its commitment to sustainable and ethical fashion manufacturing, and GBS Trend Inc. is no exception. The company offers:

*• **Certified sustainable fabrics:** GOTS, OEKO-TEX, and recycled yarns*

*• **Traceable production:** Clear documentation of sourcing and compliance*

*• **Ethical labour practices:** Fair wages, clean working environments, and social compliance*

*• **Eco-friendly processes:** Water-saving dyeing techniques, waste reduction systems, and more*

Sustainability is not a trend for us—it's a standard. GBS Trend partners only with certified, responsible mills and factories, ensuring every step of production meets global expectations.

Built for Today's Brands — From Startups to Scaleups

Whether you're a growing DTC brand, a well-established retailer, or a designer launching a new line, GBS Trend Inc. is designed to be flexible, fast, and easy to work with. The company's low minimum order quantities and ability to develop custom collections make it ideal for smaller brands looking to scale without overcommitting.

They also offer support for sampling based on sketches, inspiration photos, or physical samples, giving U.S. designers creative freedom without sourcing headaches.

See the Difference Yourself

GBS Trend Inc. invites fashion professionals to visit its Los Angeles showroom or connect at upcoming sourcing events, including Sourcing at MAGIC Las Vegas, where the company is known for its high-visibility booth at the main entrance of the sourcing hall.

Port curbs on Bangladesh imports may create Rs 1,000 crore business for textiles

India's ban on imports from Bangladesh through the land ports could generate an additional business of more than Rs 1000 crores for the domestic textile industry, said industry experts. However, certain branded garments may see some supply issues in the winter season, which could raise prices of items like t-shirts and denims 2-3%.

The Director General of Foreign Trade (DGFT) in a notification banned imports of garments and several other products from Bangladesh through land routes, but allowed them to be shipment in via Kolkata and Nhava Sheva ports. The local industry had been demanding restrictions on imports, concerned about a double-digit growth in textile imports from Bangladesh due to zero import duty

The move is also expected to curb the unauthorised import of Chinese fabric, which otherwise attracts 20% import duty. The trade and industry unanimously think that Bangladesh will lose more than India due to change in the import policy. "India is not going to lose much... It will be difficult for Bangladesh to import by sea route through containers over the land route, which took a couple of days," said Mr. Bimal Bengani, Chairman (eastern region) at Federation of Indian Export Organisations (FIEO).

Italian textile machinery orders drop 29% in Q1 2025: ACIMIT

In the first quarter of 2025, orders for textile machinery recorded by ACIMIT, the Association of Italian Textile Machinery Manufacturers, showed a sharp decline compared to the same period in 2024, down 29%. The index stood at 41.8 points (base year 2021=100).

The negative result reflects both a significant contraction in the domestic market and a pronounced slowdown abroad. In Italy, orders dropped by 57%, while foreign orders fell by 25%. The index for foreign markets stood at 43.3 points, while the domestic figure dropped to 30.5 points. The order backlog at the end of the quarter ensured 3.6 months of production.

The downturn also continues when compared to the previous quarter (October-December 2024), with overall orders decreasing by 15%.

Mr. Marco Salvadè, President of ACIMIT, commented: "The sector started 2025 on an even weaker footing than it ended 2024. On international markets, the deep uncertainty triggered by last year's geopolitical tensions has been further worsened by the tariff decisions implemented by the Trump administration. In the US, orders remain at a standstill as the market awaits the next steps from the President. Some glimmers of hope come from the estimates of global export data for textile machinery in the first quarter: China, India, and

Pakistan—key markets for technology suppliers—show signs of recovery compared to the same period in 2024."

In Italy, the situation is even more critical, with the orders index at its lowest level, even surpassing the slump of 2020. "We need to look beyond 2025 and call on the Government to implement targeted, structural incentives for investments in capital goods, with simple procedures that allow companies to access them quickly", Mr. Salvadè noted.

China woos Sri Lanka with FTA and business deals

China and Sri Lanka are exploring a free trade agreement (FTA) as Beijing continues to strengthen economic and military ties with India and neighbours.

A high-level Chinese delegation led by its Commerce Minister Mr. Wang Wentao will attend the Sri Lanka-China Trade and Investment Forum in Colombo on May 30, according to persons familiar with the development. The 115-member business delegation representing 77 Chinese companies will engage with potential Sri Lankan business and investment partners at the forum hosted by The Ceylon Chamber of Commerce and Sri Lankan commerce department. The forum will offer "a platform to strengthen bilateral commercial ties, facilitate business matchmaking, and identify new trade and investment avenues, in a diverse range of sectors," the chamber said.

Apart from discussing the China-Sri Lanka FTA, the countries are expected to sign two memoranda of understanding (MoUs) – for establishing a working group on promoting trade, and strengthening economic cooperation in industrial and supply chains, according to Colombo-based sources. The development comes at a time when the international community is monitoring the China-Pakistan military axis after Beijing provided military and economic support to Islamabad during the recent India-Pakistan conflict.

Chinese delegates visiting Sri Lanka will represent four major chambers representing various industries including textiles, machinery, electronic products, food stuff, native produce and animal by-product, sources cited above said. Mr. Wang would co-chair the eighth session of the China-Sri Lanka Joint Committee on Economic and Trade Cooperation with his counterpart Mr. Wasantha Samarasinghe, it has been learnt. Following up on the discussions held during the seventh session in 2021, both sides would review MoUs on (i) formulation of rules and regulations on Hambantota Free Port Act, (ii) strengthening investment cooperation in the digital economy, and (iii) promoting investment cooperation in green development.

The Sri Lankan foreign ministry has expressed apprehensions on the MoU on the digital economy because it encourages exchanges and cooperation at the local level that needs careful consideration due to constitutional limitations, sources said on the condition of anonymity. Moreover, the MoU warrants broader stakeholder consultations in view of the sensitivity of the subject.

The Chinese delegation will also participate in the inaugural meeting of the China-Sri Lanka Working Group on Investment and Economic Cooperation, set up in accordance with an MoU signed during President Mr. Anura Kumara Dissanayake's visit to China in January.

The highlight of the visit was Sinopec agreeing to invest $3.7 billion to construct a 'state-of-the-art oil refinery' with a capacity of 200,000 barrels in the southern Hambantota region. It is relevant to mention that in Dec 2017, China secured the strategic Hambantota port in the Indian Ocean on a 99-year lease as a debt swap. China has also secured a long-term lease to build an economic zone at Hambantota. Incidentally, Dissanayake was a critic of the Hambantota port deal for its long-term lease while he was in the opposition.

US calls out China's unfair trade practices as 28 textile plants shut down

The United States has issued a sharp warning over China's trade practices in the textiles and apparel sector, citing a pattern of non-market policies.

The Office of the United States Trade Representative (USTR) noted a growing strain on US producers, with 28 US manufacturing plants having closed over the past 22 months. In 2024, the United States imported USD 79.3 billion worth of apparel, with 21 per cent of that coming from China.

Sharing a post on X, the USTR wrote, "In honor of National Textile Day, USTR is calling out the unfair trade practices undercutting the American textiles and apparel sector. China's non-market policies and practices in the textiles and apparel sector provide unfair competitive advantages to its domestic manufacturers by enabling them to charge artificially low prices for their products. US textile and apparel manufacturers have been negatively impacted with 28 US plants closing in the past 22 months."

In another post, USTR wrote, "The United States imported $79.3 billion worth of apparel in 2024, 21% of which came from China. Chinese e-commerce companies accounted for over 30% of all daily de minimis shipments into the United States, flooding our market with cheap apparel products while bypassing tariffs and evading trade enforcement mechanisms. The influx of cheap apparel has decimated local industries, particularly in the Southeast United States."

According to USTR, the US total goods trade with China was an estimated USD 582.4 billion in 2024. US goods exports to China in 2024 were USD 143.5 billion, down 2.9 per cent (USD 4.2 billion) from 2023. US goods imports from China in 2024 totalled USD 438.9 billion, up 2.8 per cent (USD 12.1 billion) from 2023. The US goods trade deficit with China was USD 295.4 billion in 2024, a 5.8 per cent increase (USD 16.3 billion) over 2023.

BGMEA election 2025: Forum unveils 14-point plan to promote sustainable RMG industry

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Forum Panel has announced a comprehensive 14-point election manifesto aimed at transforming the country's readymade garment (RMG) sector into a more sustainable and dynamic industry. The manifesto was unveiled during a ceremony held at the BGMEA building in Uttara, Dhaka, 24th May, where candidates for the upcoming elections were introduced.

Forum panel leader Mr. Mahmud Hasan Khan Babu highlighted key commitments designed to address long-standing challenges faced by the industry. Among the main proposals are the formation of a dedicated ministry for the garment sector, ensuring fair pricing from international buyers, and establishing specialised cells to explore new markets and manage regional crises.

The manifesto also emphasises a firm stance against unreasonable buyer pressure, calls for greater transparency and accountability within BGMEA management, and advocates for appointing specific directors responsible for resolving member issues. Additionally, the panel stressed the importance of preparing the workforce for future demands by providing modern training programs.

Mr. Babu underscored the need for effective leadership and member engagement, stating, "We want to build an effective and beneficial BGMEA by engaging with the members. If elected, the directors will be given responsibility for specific factories so that they can be there in times of need." He also highlighted the panel's focus on experienced entrepreneurs, youth leadership, SME entrepreneurs, and women leaders to ensure inclusive growth.

Reflecting on the industry's broader significance, Babu remarked, "The garment industry is not just a business, it is a reflection of labour, sacrifice, and dreams. We need leadership that will identify problems, find solutions, and work to establish Bangladesh as a global brand."

The election is set to take place soon, with the manifesto signaling a clear vision for a more resilient and responsible RMG sector in Bangladesh.

Bangladesh-Pakistan Business Forum begins in Dhaka

Commerce Adviser Mr. Sk Bashir Uddin and Pakistan's High Commissioner to Bangladesh Mr. Syed Ahmed Maroof jointly inaugurated the Pakistan-Bangladesh Business Forum, 2025 in Dhaka .

The Business Forum aims at further enhancing bilateral trade and commercial cooperation between the two countries. The Forum featured a visiting multi-sectoral business delegation from Pakistan, representing textiles, sports goods, sports-wear, and maize sectors, says a press release.

Commerce Adviser Mr. Sk Bashir Uddin emphasized the importance of engagement between the business communities of both countries to tap the untapped trade potential and foster sustainable commercial ties for mutual benefit.

He welcomed the delegation from Pakistan and expressed hope that the Forum would open new avenues for mutual trade, investment, and economic collaboration. "We have shared goals and shared *aspirations. We need to find enablers and I am sure there are many opportunities which can resonate and create true business opportunities, "said the Adviser.*

The Adviser assured the business leaders of the Interim Government's full support and facilitation to enhance bilateral trade. Speaking at the forum, High Commissioner Mr. Syed Ahmed Maroof underlined that Pakistan and Bangladesh, with their complementary economies and dynamic business communities, hold significant potential for bilateral trade and investment. He expressed confidence that by easing trade barriers, promoting investment partnerships, and strengthening people-to-people and business-to-business linkages, the two countries can unlock new opportunities for shared growth and prosperity.

The Forum also entailed signing of an MoU between Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and Pakistan Readymade Garments Manufacturers and Exporters Association. An MoU was also signed between Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Pakistan Hosiery Manufactuers Association (PHMA).

Business leaders from both Pakistan and Bangladesh attending the Forum expressed optimism that the platform would help identify new areas of cooperation, encourage direct interactions, and lay the groundwork for expanding trade and commercial partnerships in the coming months.

US manufacturing sector expands marginally in April: S&P Global Ratings

The US manufacturing sector expanded only marginally in April this year, amid subdued growth in new work and a further fall in output, according to S&P Global Ratings.

Although order books were supported by domestic demand, tariffs resulted in heightened uncertainty and a noticeable drop in new export sales. Confidence in the outlook fell to its lowest since last June, while job losses were recorded for the first time in six months. Tariffs reportedly led to steep increases in both input costs and selling prices. Output charges notably rose to the greatest degree in over two years, a release from S&P Global Ratings said.

The seasonally adjusted S&P Global US manufacturing purchasing managers' index (PMI) recorded 50.2 in April, unchanged since March. Although above the crucial 50 no-change mark for the fourth consecutive month, the index again signalled only a marginal expansion. Manufacturing production declined for a second month in a row during April, albeit marginally and at a slower pace than in March. This partly reflected ongoing gains in new work, for which April's survey indicated a fourth successive monthly rise. Some firms reported that sales had risen on the back of clients switching, where possible, to US produced goods due to tariffs on imports.

International sales fell and acted as a noticeable drag on total new order book growth, which was marginal overall and the softest recorded in 2025 so far.New export orders declined to the greatest degree since last November. Tariffs were reported as the key reason behind the decline in new export sales. Panellists noted an increased apprehension in product markets, mainly around the future direction of US trade policy. This served to weigh on confidence. Although many firms expect to see growth in production over the next year, linked in part to hopes that tariffs will boost domestic-based manufacturing, sentiment overall dropped to its lowest since last June.

Supply disruptions and cost concerns, again linked to tariffs, were widely noted. Present price trends showed input prices rising at a fractionally slower pace than in March, when costs had increased to the greatest degree since August 2022.Tariffs PMI Input Prices and exchange rate factors were cited as pushing up the price of inputs during April. In response, firms sought to protect margins by increasing their own selling charges to the greatest degree since early 2023.

Tariffs were also reported to have led to some modest supply-side disruptions. Average lead times lengthened for a seventh successive month in April, and to the greatest degree for two-and-a-half years. This was despite a reduction in demand pressure as purchasing activity declined for a second month running, the rating agency noted.

Meanwhile, stocks of finished goods in the United States were reduced for a fifth month in a row, and to the greatest degree of the year so far. In some instances, subdued sales forecasts led firms to adjust their inventories downwards. Lacklustre growth in order books and uncertainty about future prospects meant on an average, manufacturers reduced employment for the first time since last October, generally by choosing not to replace leavers at their plants. Capacity remained sufficiently high to ensure backlogs of work were cut for a thirty-first successive month.

China says assessing US proposals for talks to reduce tariffs

China said it is assessing whether to start trade talks with the US on tariff reductions following recent approaches by Washington. China is making assessments as the United States has recently reached out to convey messages to China through relevant parties many times, expressing hope to engage in talks with Beijing over tariff issues, the Chinese Commerce Ministry said in a statement here.

The tariff and trade wars were unilaterally initiated by the United States. If the US wants to negotiate, it must demonstrate sincerity, and make preparations and take concrete actions on issues such as correcting its erroneous practices and lifting the unilateral tariffs, the statement by its spokesperson said.

US President Mr. Donald Trump slapped 145 per cent tariffs on Chinese exports. Later the White House said Tariffs on Chinese goods amounted to 245 per cent. Beijing retaliated by imposing 125 per cent levies on US exports. China has been denying any talks with the US on tariffs while Trump said talks were on and Chinese President Mr. Xi Jinping spoke to him. The Chinese Foreign Ministry denied any such talks took place between the two Presidents.

Nigeria to launch textile clusters in Lagos, Abia: Minister John Enoh

The Nigerian government is set to launch industrial hubs in Kano, Abia, Lagos and Ogun states. These include textile clusters in Lagos and Abia, Minister of State for Industry Mr. John Enoh said at the 16th National Council on Industry, Trade and Investment (NCITI) in Lagos.

Mr. Enoh said Nigeria's economic transformation hinges squarely on the agenda of the Industrial Revolution Work Group (IRWG), a cross-sectoral initiative he inaugurated in February this year.He called on the private sector and regional governments to embrace the momentum.

Mr. Enoh outlined the five foundational pillars of the IRWG: financing and investment transformation, energy and infrastructure modernization, regulatory reforms and ease of doing business, product standards and market expansion, and human capital development and industrial innovation, according to domestic media reports.

He described IRWG as "a strategic engine room designed to dismantle legacy barriers, ignite real sector productivity, and position Nigeria as a continental powerhouse of value-added manufacturing."

US Runs $35-40 Billion Surplus with India, Free Trade Agreement Negotiations- The Next Step

The US, despite reporting a USD 44.4 billion trade deficit with India, runs a USD 35-40 billion overall surplus when revenues from education, digital services, financial activities, royalties, and arms trade are factored in, economic think tank GTRI said .

It said for India, this means it has every reason to walk into free trade agreement negotiations with confidence, pushing back hard against inflated deficit claims and demanding fair, balanced terms that reflect the full economic relationship, not just a narrow, cherry-picked slice of the ledger. In 2024-24, the US has recorded a trade deficit of about USD 44.4 billion with India, which means Washington has imported far more goods and services from India than it exported. US President Donald Trump has on multiple occasions highlighted this gap, accusing India of unfairly benefiting from trade. Washington is also using the deficit figures to push India to unilaterally lower tariffs and open its market further, the Global Trade Research Initiative (GTRI) said.

"But this trade deficit narrative is misleading and incomplete," GTRI Founder Shri Ajay Srivastava said, adding that according to the think tank, the US quietly rakes in USD 80-85 billion every year from India through education, digital services, financial operations, intellectual property royalties, and arms sales."These massive earnings do not show up in the narrow goods trade statistics. When you factor them in, the US isn't running a deficit with India at all - it's sitting on a USD 35-40 billion surplus," he said.

He added that there's no reason for India to hand over sweeping concessions in sectors that have nothing to do with balancing trade, especially when these concessions would only further boost America's already dominant earnings from the Indian market. In FY2025, trade between India and the US reached USD 186 billion as per the commerce ministry data. India exported USD 86.5 billion in goods while importing USD 45.3 billion, creating a goods trade surplus of USD 41 billion.In services, India exported an estimated USD 28.7 billion and imported USD 25.5 billion, adding a USD 3.2 billion surplus. Altogether, India ran a total trade surplus of about USD 44.4 billion with the US. Explaining further, Srivastava said that one of the biggest US money-makers from India is its higher education sector."Indian students studying in the US spend over USD 25 billion every year, about USD 15 billion on tuition and another USD 10 billion on living expenses," he said, adding that with the average Indian student spending between USD 87,000 and USD 142,000 per year, top universities like USC, NYU, Northeastern, and Purdue are major beneficiaries, making education one of America's biggest "exports" to India.

Also, the US tech giants like Google, Meta, Amazon, Apple, and Microsoft bring in another USD 15-20 billion a year in sales from India's booming digital market, the GTRI said. These revenues come from digital advertisements, cloud services, app stores, software and device sales, and streaming subscriptions, most of which flow straight back to the US, thanks to limited local rules on data and taxation, it added. American banks and consulting firms earn an estimated USD 10-15 billion in revenue annually from their work in India's financial sector, advising companies, managing corporate deals, and providing high-end services, it said.Another major source of US income, it said, comes from Global Capability Centers (GCCs) in Indian tech hubs like Bengaluru and Hyderabad.

While most work is done in India, much of the real economic value is booked in the US as GCCs earn USD 15-20 billion revenue yearly through India operations, the Delhi-based think tank said."Further, the American pharma firms earn USD 1.5-2 billion annually through patents, drug licensing, and technology transfer. Auto companies and component suppliers earn USD 0.8-1.2 billion through licensing and technical services," it said, *adding that Hollywood and US streaming platforms contribute another USD 1-1.5 billion through Indian box office sales, subscriptions, and content licensing. Shri Srivastava added that the US defence sales to India bring in billions more, although exact figures are often confidential.*

"As the US pushes India to make one-sided trade concessions, New Delhi should stand firm. The facts are clear - India is not just a passive trade partner but a major contributor to American wealth across education, technology, finance, and defence," he said. India can and should negotiate the free trade agreement from a position of strength, rejecting "hollow" deficit arguments and demanding fair, balanced, and reciprocal terms, he said.

Brazil tops global cotton exports with 30.5% share in 2024-25 season

Brazil's cotton sector has achieved a milestone, now accounting for 14 per cent of global production and a record 30.5 per cent of world exports in the 2024-25 season, according to April data from the USDA. This surpasses the US share of 25.8 per cent and places Brazil as the top global cotton exporter, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

Between August 2024 and April 2025, Brazil exported 2.35 million tons of cotton—just 12 per cent below the previous season's level, per the Secretariat of Foreign Trade at the Ministry of Economy (Secex).

In the 17 production days of April, Brazil exported 210.1 thousand tons of cotton to the international market—12.1 per cent less than in March 2025 and 13 per cent below the volume recorded in April 2024, according to Secex data. Nevertheless, the volume exported in April 2025 so far is already the second highest on record for the month, only behind April 2024 (241.4 thousand tons). With a current daily average of 12.36 thousand tons, total exports for April may reach 247 thousand tons, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

In the domestic market, strong seller positioning on remaining 2023-24 crop stocks has kept prices firm, especially for premium-quality cotton. The CEPEA/ESALQ Index rose by 4 per cent from March 31 to April 30 2025, reaching BRL 4.3871 (~$0.77) per pound.

Turkiye's clothing & footwear CPI up 16.92% YoY, 5.5% MoM in April 2025

Turkiye's general consumer price index (CPI) increased by 3 per cent month on month (MoM) and by 37.86 per cent year on year (YoY) i, according to the Turkish Statistical Institute (Turkstat).

It increased by 13.36 per cent over the December 2024 figure and by 48.73 per cent on the twelve-months moving averages basis in the month. The clothing and footwear CPI increased by 16.92 per cent YoY and by 5.5 per cent MoM in the month, a Turkstat release said. The transportation CPI increased by 22.76 per cent YoY and by 3.8 per cent MoM in the month.

Excluding unprocessed food, energy, alcoholic beverages, tobacco and gold, CPI increased by 3.10 per cent MoM and by 36.81 per cent in April. It increased by 12.71 per cent over the December 2024 figure and by 47.82 per cent on the twelve-months moving averages basis in the month.

Challenges for Turkish manufacturing in April despite some improvement.

The Turkish manufacturing sector continued to face challenges, although there were some signs of improvement as rates of moderation in output, new orders and exports all eased, according to S&P Global Ratings.

Firms again scaled back employment and purchasing activity, while muted demand conditions contributed to the most pronounced quickening of vendor lead times since the end of 2022. Meanwhile, inflationary pressures strengthened. The headline Istanbul Chamber of Industry Turkiye manufacturing purchasing managers' index (PMI) was unchanged at 47.3 in April, 2025 signalling a further solid moderation of the health of the sector. Business conditions have eased in 13 consecutive months.

Manufacturing output eased for the thirteenth consecutive month, with firms reporting challenging international market conditions and subdued demand. Although solid, the latest moderation was less pronounced than that seen in March 2025.Similarly, both total new orders and new business from abroad eased to lesser extents at the start of the second quarter. Demand conditions remained muted both in the country and abroad. With new orders slowing, manufacturers scaled back employment and purchasing activity, extending the current periods of moderation to five and 12 months respectively. Inventories were also reduced.

With demand for inputs muted, manufacturers reported that suppliers quickened their deliveries in April, the second month running in which this has been the case. Moreover, the latest improvement in vendor performance was the most pronounced since December 2022. The rate of input cost inflation quickened to the fastest for a year amid currency weakness and higher costs for raw materials in Turkiye. These factors also led to a further rise in selling prices. Here too, the pace of inflation accelerated, reaching the fastest for seven months.

Việt Nam's textile and garment Industry accelerates exports

Việt Nam's textile and garment industry is pressing forward with steady growth and enhanced positioning in the global supply chain, thanks to timely strategies in response to ongoing international challenges. As of April 15, 2025 Việt Nam's total textile and garment export turnover reached US$1.8 billion, representing an 8.7 per cent increase compared to the same period in 2024.

Recent statistics from the General Department of Customs show encouraging growth across key export markets. The US remains Việt Nam's largest customer, with market share climbing from 36.3 per cent to 38 per cent, followed by gains in the EU (from 9.1 per cent to 9.4 per cent) and Japan (from 10.8 per cent to 11 per cent).This growth is viewed as a positive signal, especially amid unpredictable market conditions and declining global consumer demand as impacts from the US's reciprocal tax policy.

However, challenges surfaced in early April when the US announced a temporary 10 per cent tariff on Vietnamese textile and garment imports, causing disruption in orders and uncertainty across the sector.

Fortunately, the 90-day delay before officially imposing tariffs on import goods is being viewed as a 'golden time' for enterprises to accelerate production and exports. Industry experts anticipate the latter half of 2025 to be particularly difficult, marked by unpredictable demand and ongoing trade tensions.

In response, many businesses have begun formulating contingency plans while closely monitoring negotiations between Việt Nam and the US over tax rates. In the short term, Việt Nam's garment companies are pursuing diversification strategies - expanding into new markets, strengthening domestic sales, and improving raw material management. They are also investing in services, workforce training and retail operations to enhance overall resilience. Garment 10 Corporation, reported VNĐ1.25 trillion ($48 million) in revenue during the first quarter - a 12 per cent increase year-over-year.

Hưng Yên Garment Corporation (Hugaco) also recorded a 10 per cent revenue increase and confirmed sufficient orders through the end of July, with negotiations ongoing for the remaining months of the year. Yet, Hugaco chairman Nguyễn Xuân Dương warned that unequal tax policies among competing textile-exporting nations could erode Việt Nam's competitiveness, shifting orders to countries with lower costs.

According to Việt Nam National Textile and Garment Group (Vinatex), the 90-day period for US tariffs presents a crucial opportunity for Việt Nam's manufacturers to ramp up production and exports. Although garment orders remain relatively stable, upstream segments such as the yarn industry have started to experience strain, with some companies halting operations due to supply chain bottlenecks. This underscores the need for a more integrated and self-reliant industry framework.

The Chairman of the Việt Nam Textile and Apparel Association (Vitas), Mr. Vũ Đức Giang, emphasised the importance of market agility. With 22 new-generation free trade agreements either active or pending, Vietnamese companies are well-positioned to diversify both clientele and product lines, a critical factor in reaching the sector's $48 billion export target for the year. Vinatex Chairman, Mr. Lê Tiến Trường, urged companies to maximize productivity in the second quarter of this year by extending regulated overtime, reorganizing production lines and securing reserves to weather the uncertainties of the latter half of 2025.

He highlighted the necessity of meeting current orders efficiently to demonstrate reliability and build credibility with international clients. Mr. Trường also emphasised transparency in sourcing and compliance with anti-fraud regulations. Vinatex is actively encouraging internal material sourcing, market-by-market risk assessments and broader efforts to diversify products and partners to mitigate market dependencies.

Bangladesh Govt recognises raw cotton as agricultural product

The council of advisers approved a proposal of recognizing raw cotton as an agricultural product. "The proposal of announcing locally produced raw cotton as an agricultural product has been approved. As a result, it will be easy to get agricultural loans for those who want to produce raw cotton," Chief Adviser's Press Secretary Mr. Shafiqul Alam told a press briefing at the Foreign Service Academy after a meeting of the council of advisers. The meeting was held at the Chief Adviser's Office (CAO) with Chief Adviser Mr. Muhammad Yunus in the chair.

Mr. Shafiqul said the council of advisers has taken the decision of announcing raw cotton as an agricultural product to encourage cotton production in the country. Noting that Bangladesh wants to expand its garments industry, he said if cotton could be produced locally, it will be an advantage for the country.

The press secretary said the council of advisers today cancelled the proposal of formation of a company - 'Bangladesh Energy Port Limited (BEPL)' - under public and private partnership, in Chattogram.

Gas crisis devastates Bangladesh's textile and RMG industries, threatening US $ 70 billion in investments

Bangladesh's vital textile and readymade garment (RMG) sectors are facing a severe crisis due to dwindling gas supplies, endangering an estimated US $ 70 billion in investments and impacting the country's export economy. Production across many mills has plummeted to just 30-40 per cent of capacity amid escalating gas shortages in key industrial zones including Narayanganj, Gazipur, Bhulta, Maona, and Tongi.

Textile units rely heavily on consistent gas supply for generating electricity, powering spinning machines, and producing steam for fabric dyeing. Despite recent hikes in gas tariffs and government assurances of improved supply, many manufacturers report no relief. Several factories have come to a standstill due to zero gas pressure, with Israq Spinning Mills Ltd in Gazipur operating at less than half of its capacity for over a week. Similarly, Khorshed Alam, chairman of Little Group, stated that his company's daily yarn production has fallen significantly, with less than half of the usual output.

The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) estimates the sector requires over 2,000 million cubic feet (mmcfd) of gas daily but currently receives only about 1,000 mmcfd. The primary textile sector, encompassing spinning, weaving, dyeing, finishing, and printing, has over US $ 25 billion in investments, while the garment industry contributes more than US $ 30 billion, forming the backbone of Bangladesh's export earnings.

Industry leaders warn that the ongoing gas shortage is a critical blow, compounded by uncertainty stemming from the US tariffs on imports. Although the tariffs are temporarily paused for 90 days, Western buyers remain cautious, delaying new orders for the upcoming seasons. This hesitancy has led to a slump in yarn demand locally, further straining manufacturers.

To mitigate the crisis, BKMEA's Hatem urged the government to expedite the import of liquefied natural gas (LNG) to stabilize supply. Meanwhile, the Bangladesh Textile Mills Association (BTMA) has described the situation as critical, with many mills unable to operate and daily losses averaging Taka 25 lakh per unit. Approximately 500 spinning mills are affiliated with BTMA, and many fear that prolonged shortages could force closures.

The crisis is not isolated but part of a series of recent shocks that have battered the sector. The industry is still recovering from the impacts of COVID-19, the Russia-Ukraine conflict, currency fluctuations, global inflation, and now the repercussions of US tariffs. The depreciation of the Bangladeshi Taka, from Taka 85 to Taka 122 against the dollar in just two years, has further strained import-dependent industries, squeezing working capital and compounding the difficulties faced by entrepreneurs. Industry leaders warn that unless the gas crisis is swiftly addressed, Bangladesh's textile and RMG sectors risk further decline, threatening millions of jobs and the nation's vital export revenue.

FBCCI seeks policy support to restore business confidence in Bangladesh

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) recently urged the government for policy support to restore confidence in trade and commerce in fiscal 2025-26 (Fy26).

FBCCI expects the government to frame an investment- and business-friendly budget that enables it to face the challenges stemming from the country's graduation from the least developed country (LDC) status in November 2026 and global economic uncertainty, said its administrator Mr. Mohammad Hafizur Rahman at the consultative committee meeting jointly organised by the National Board of Revenue (NBR) and FBCCI.

Businesses demanded expansion of the tax net to raise revenue collection and ensure uninterrupted supply of gas and electricity. Some expressed concern over the spike in production costs following the increase in gas prices, according to domestic media outlets. The chairman-cum-managing director of a big industrial house said while the government is inviting foreign investors, local investors are facing gas crunch and regular taxpayers are facing higher tax scrutiny. He appealed NBR to stop harassment of businesses without specific allegations.

Mr. Showkat Aziz Russel, President of the Bangladesh Textile Mills Association (BTMA), complained about mounting hassles in doing business. BTMA earlier issued clearance for the import of spare machinery parts. Russel said the process has become complicated after NBR took over that task.

Mr. Rahman suggested there should be a focus on ensuring price stability and the supply of essential commodities and budgetary measures should reduce economic disparity among people through appropriate tax policies and job creation. FBCCI proposed increasing the tax-free income limit to Tk 450,000 from the present Tk 350,000, and a gradual reduction in advance income tax on imports to reduce the operational costs of industries.

Sustainable alliance to strengthen textiles sector

Performance Days has announced a strategic partnership with Future Fabrics Expo, marking a significant step toward greater collaboration in sustainable textile innovation.

This alliance will debut with a dedicated Performance Days feature area at the Future Fabrics Expo in London on 24–25 June 2025. Both organizations share a clear mission - to promote sustainable materials, support industry education, and drive the innovation agenda for functional and fashion textiles.

The upcoming London event will showcase the Focus Topic from the last spring edition of Performance Days: Certifications – Which Ones Matter? The exhibit will help guide visitors through the increasingly complex landscape of sustainability certifications, offering clarity and support in sourcing responsible materials.

Future Fabrics Expo, founded by The Sustainable Angle in 2011, is the world's largest curated showcase of responsible textile innovations, with more than 10,000 materials and over 270 exhibitors. It combines material sourcing with educational tools and seminar programmes to drive industry transformation towards traceable, renewable and low-impact solutions. Performance Days continues to expand its influence, with the spring 2025 edition in Munich attracting 3,367 visitors and 588 exhibitors. This growth confirms its position as a central hub for sustainable performance fabrics and a catalyst for innovation across global markets.

The collaboration will extend beyond London, with joint events planned in New York (22–23 July 2025), Munich (29–30 October 2025), and Portland (12–13 November 2025). These future activations aim to increase industry-wide access to responsibly sourced fabrics and foster stronger global engagement in sustainability efforts.

Ms. Nina Marenzi, founder of Future Fabrics Expo, welcomed the partnership: "This cooperation allows us to amplify our impact and extend our curated Innovation Hub to new markets. It reflects a shared belief in the power of sustainable materials and the vital role of education in achieving positive industry change." Mr. Marco Weichert, CEO of Performance Days, added: "By joining forces, we can deliver a more holistic experience to trade visitors and accelerate progress toward a transparent, innovative and sustainable textile future."

Pakistani textile industrialists expect Trump to cut export tariffs after India ceasefire

Pakistani textile mill owners expressed their hopes that United States (US) President Mr. Donald Trump will reduce tariffs on Pakistan's exports, in line with his announcement to "substantially" increase trade with Pakistan and India following a ceasefire between the two nations. Mr. Trump's announcement came a day after Washington brokered the ceasefire after four days of fighter jet, missile, drone and artillery strikes by India and Pakistan against the other.

The US president has imposed a 10 percent baseline tariff on all imports to the US and higher duties on dozens of countries. Pakistan faces a 29 percent tariff due to a trade surplus with the US of about $3 billion, though the US last month announced a 90-day pause in reciprocal tariffs. The All-Pakistan Textile Mills Association (APTMA) said Trump's message was an "encouraging signal" for the future of US-Pakistan economic engagement, especially in the textile sector that serves as the backbone of Pakistan's export economy. "His statement is a timely recognition of the crucial role trade can play in this regard. The US remains Pakistan's largest export destination, with textiles accounting for nearly 80 percent of total exports to the American market.

Additionally, Pakistan is the second-largest importer of US cotton and has taken proactive steps to increase cotton imports in response to concerns over the trade imbalance," APTMA said. "In line with these increased imports, we expect the US to reduce existing and proposed tariffs on Pakistan's exports, thereby enhancing market access and unlocking greater trade opportunities."Mr. Trump said "We recognize that economic cooperation and regional stability are deeply interconnected and remain committed to promoting peace through trade-led engagement," it said. "Building on this momentum, we look forward to strengthening a resilient and mutually beneficial US-Pakistan trade partnership, grounded in respect, national sovereignty, and shared economic goals."

GST collection for April rises by 12.6% to ₹2.36 trillion

BY CA BALKISHAN CHHABRA

Gross GST collections grew 12.36 per cent to over Rs 2.36 lakh crore in April on higher revenues from domestic transactions.

The Central GST collection stood at Rs 48,634 crore, State GST at Rs 59,372 crore, Integrated IGST at Rs 1,15,259 crore and cess at Rs 13,451 crore, according to government data released on Thursday.

The total gross Goods and Services Tax (GST) revenue grew 12.36 per cent to over Rs 2.36 lakh crore in April as compared to Rs 2.10 lakh crore in the same month a year ago, it said.

In April, GST collections of Rs 2.36 lakh crore were the highest GST mop-up with 12.36 per cent annual growth. The highest-ever collection was in April 2025 at over Rs 2.36 lakh crore.

***New advisory by GSTN:** Reporting in Table 13 of GSTR-1/1A, Updates in Refund Filing Process for various refund categories-Reg, Updates in Refund Filing Process for Recipients of Deemed Export, GSTN has issued an important advisory on Appeal withdrawal with respect to Waiver scheme, Locking of GSTR-3B Data: GSTN issues another Significant Advisory for Taxpayers*

The Goods and Services Tax Network (GSTN) has announced the implementation of Seven important changes to the GST portal, which affect the business of buyers, sellers and transporters equally. All of these changes are effective from May 1, 2025.

Reporting in Table 13 of GSTR-1/1A

In Table 13 of GSTR 1/1A, which requires taxpayers to provide details of documents issued, is now mandatory from May 2025 return period. Taxpayers will no longer be able to leave this table blank and proceed with filing their return. If B2B or B2C supplies are reported in any table of GSTR-1 or GSTR-1A, an error message will appear if Table 13 has not been filled.

Updates in Refund Filing Process for various refund categories-Reg

The Goods and Services Tax Network (GSTN) recently launched some major amendments to the filing of refunds for some categories. These amendments made the process easy while moving away from a period-based to an invoice-based structure.

1. GSTN has been made important changes in the refund filing process under the following categories:

(a) Export of Services with payment of tax

(b) Supplies made to SEZ Unit/SEZ Developer with payment of tax

(c) On account of Refund by Supplier of Deemed export

2. For the above refund categories, the requirement to select a specific tax period ('From' and 'To') while filing refund applications has been removed. The taxpayers can now directly proceed with selecting the refund category as above and clicking on "Create Refund Application."

3. The most significant change is the shift from 'Tax Period-based filing' to 'Invoice-based filing.' This means

a. You now upload individual eligible invoices directly

b. Each invoice is considered separately, rather than bundling all invoices within a tax period

4. Taxpayers must ensure that all the returns (GSTR-1, GSTR-3B etc) due till the date of refund application, are filed.

5. The said refund categories are changed from 'Tax Period based filing' to 'Invoice based filing'. The taxpayers can upload eligible invoices and claim refund in the following statements:

(a) Export of Services with payment of Tax (Statement 2)

(b) SEZ Supplies with payment of Tax (Statement 4)

(c) In case of Deemed Exports, the application by Supplier (Statement 5B)

6. The invoices once uploaded with a refund application will be locked for any further amendment and will not be available for any subsequent refund claims. The said invoices will be unlocked only if the refund application is withdrawn or a deficiency memo is issued.

Updates in Refund Filing Process for Recipients of Deemed Export

*The Goods and Services Tax Network (GSTN) recently released an official notification on May 08, 2025, discussing the key amendments introduced in the refund filing process under the category **"On account of Refund by Recipient of Deemed Export."** The following key changes have been introduced in the refund filing process:*

*1. Refund applications under this category is **no longer need to be filed in chronological order** of Tax Period which means Taxpayers are not required to select **"From Period" and** "To Period" while filing refund application.*

2. Taxpayers must ensure that all the returns (GSTR-1, GSTR-3B etc) due till the date of refund application, are filed.

*3. Under the afore said category, the table **"Amount Eligible for Refund"** has been modified. The columns of the revised table are explained hereunder:*

*a. Col. 1 **'Balance in ECL at the time of filing of refund application'.** This column will reflect the balance available under various Head in Electronic Credit Ledger at the time of filing of application. It will be auto populated.*

*b. Col. 2 **'Net Input Tax Credit (ITC) of Deemed Exports (as per uploaded invoices)'**, in this column the amount of claimed ITC, under respective major Heads will be auto populated based on invoices furnished in Statement 5B.*

*c. Col. 3 **'Refund amount as per the uploaded invoices'** reflects the sum of the amount of ITC claimed under all major Heads (IGST/CGST/SGST/UT) as per the invoices uploaded by the taxpayer in Statement 5B and shall be **downward editable**.*

*d. Col. 4 **'Eligible Refund Amount'**. In this column, maximum amount of ITC which is available for refund claim will be auto populated. It will be auto-calculated based on the order of debit specified in Circular No. 125/44/2019-GST dated 18.11.2019.*

*e. Col. 5 **"Refund amount not eligible as***

insufficient balance in the ECL (5)". *This column reflects the difference between the total amount of claimed ITC and the total amount of ITC available in Electronic credit Ledger under various major Heads.*

4. *The refund process has been improved to help taxpayers get the maximum refund based on their uploaded invoices. Now, even if there isn't enough balance in each individual tax type (IGST, CGST, SGST), the system will compare the total claim with the total available ITC across all tax types to allow a higher refund.*

GSTN has issued an important advisory on Appeal withdrawal with respect to Waiver scheme.

Based on the recommendations of the GST Council made in its 53rdmeeting, Section 128A has been inserted in the Central Goods and Services Tax Act, 2017 (hereinafter referred to as 'the CGST Act') with effect from 01.11.2024to provide for waiver of interest or penalty or both, relating to demands under section 73 of the CGST Act pertaining to Financial Years 2017-18, 2018-19 and 2019-20.

In the GST system, when Withdrawal application (APL 01W) for appeal is filed before issuance of final acknowledgment (APL 02) by the Appellate authority, then the system automatically withdraws the Appeal application (APL 01). In such cases, the status of the appeal application will automatically change from "Appeal submitted" to "Appeal withdrawn".

However, if withdrawal application is filed after issuance of final acknowledgment, then the withdrawal of such appeal is subjected to the approval of the Appellate authority. Once the Appellate authority approves the withdrawal application, the status of the Appeal application changes from "Appeal submitted" to "Appeal withdrawn".

Waiver scheme under Section 128A mandates that any appeal against the requisite demand order should not remain pending with Appellate authority. In both the above-mentioned cases, the status of the Appeal application is changed to "Appeal Withdrawn" which essentially fulfilled the requirement.

While filing waiver application or in the already filed waiver application, taxpayers need to upload the screenshot of the appeal case folder showing status as "Appeal withdrawn".

Locking of GSTR-3B Data: GSTN issues another Significant Advisory for Taxpayers:

The Goods and Services Tax Network (GSTN) has today, May 16, 2025, issued a significant advisory to inform all taxpayers about the recent amendment made to Table 3.2 of Form GSTR-3B.

1. *As per the earlier advisory dated April 11, 2025, it was communicated that the auto-populated values in Table 3.2 of Form GSTR-3B would be made non-editable starting from the April 2025 tax period (i.e., for the return to be filed in May 2025).*

2. *However, GSTN has received several representations and grievances from taxpayers regarding this change. These concerns are currently being examined and will be suitably addressed in due course.*

3. *In the interest of taxpayer convenience and to facilitate smooth filing, it has been decided that Table 3.2 shall remain editable for the time being. Taxpayers are advised to report or amend the auto populated entries, if required and furnish their returns accurately, ensuring the correctness of the disclosed information.*

4. *Taxpayers will be duly informed through a separate communication once the proposed changes are implemented on the GST Portal.*

Case Laws

SC allows use of ITC for payment of mandatory pre-deposit under GST

The Gujarat High Court's decision permitting the use of the Electronic Credit Ledger (ECL), which contains accumulated input tax credit (ITC), to make the mandatory pre-deposit required for filing an appeal under the Goods and Services Tax (GST) law was upheld by the Supreme Court on Monday, May 19, in a landmark decision that will have far-reaching effects on businesses throughout India.

Businesses have been demanding urgent attention from the government over the use of accumulated ITC for various payments under the GST regime, and this decision comes at a time when they have already been demanding improvements in the usage of ITC.

The Supreme Court , in a matter between the Revenue Department and Yasho Industries, who are global manufacturers and suppliers of specialty and fine chemicals, dismissed the Special Leave Petition (SLP) filed by the Revenue Department, affirming that Section 107(6) of the CGST Act does not restrict the mode of pre-deposit payment to cash alone.

SC dismissed department's review petition in Safari Retreats case, ITC on immovable property allowed:-

The Supreme Court has dismissed the revenue department's review petition in the Safari Retreats case, reaffirming input tax credit rights under GST for immovable property used in business. The ruling offers relief to industries like real estate and hospitality, though concerns remain over the retrospective GST amendment introduced in the budget. Reaffirming taxpayers' rights on input tax credit (ITC), the Supreme Court on 20 May dismissed a review petition filed by the revenue department in the Safari Retreats case, providing clear ground for taxpayers under the Goods and Services Tax (GST) regime. Earlier, the Supreme Court had held that the functionality test and essentiality test must be applied to determine the eligibility of ITC. This means that if a constructed asset is functionally necessary and essential for making taxable supplies, such as leasing commercial property, ITC should not be denied solely because the asset is immovable.

The dismissal of the review petition is being viewed as a major relief for sectors like real estate, infrastructure, hospitality, and leasing, where blocked credit provisions have significantly increased project costs and disrupted tax planning.

Industry impact:

This ruling carries widespread implications across industries investing heavily in infrastructure and real estate for business use. Developers constructing malls, office spaces, hotels, and industrial parks for leasing or commercial purposes can now revisit their GST positions with renewed confidence.

By clarifying that ITC is not automatically blocked for immovable property, the ruling reduces litigation risk and opens up possibilities for cost savings and credit optimisation. Businesses that had written off credit or were engaged in disputes may now reassess their positions in light of the Supreme Court's clear stance.

"The dismissal of the review petition filed by the revenue in the Safari Retreats case is a significant affirmation of the legal position that input tax credit cannot be denied merely on the ground of its use in the construction of immovable property, particularly when such construction is intended for further business use such as leasing. With the review now conclusively dismissed, the matter tilts strongly in favour of the taxpayers."

[The author is Senior Partner in M/s. CHHABRA B K & ASSOCIATES (Delhi / NCR). He can be reached at bkchhabra1@gmail.com and # 9810380489 / 9871630858].

GOVERNMENT NOTIFICATIONS

SUB – Request for views/suggestions and data for review of All Industry Rates (AIR) of Duty Drawback for the year 2025

Drawback Division, CBIC, DoR, Ministry of Finance vide letter F. No. 14609/22/2025-DBK/381-452 dated 07.04.2023 has invited views/suggestions and data to review the All-Industry Rates (AIR) of Duty Drawback for the year 2025 with reference to the incidence of Custom and Central Excise duties on goods manufactured for exports.

To enable computation of appropriate Duty Drawback rates, the Drawback Division has sought data relating to inputs (including packing materials) used in the manufacture of the relevant export products. In addition views / suggestions, if any, for rationalization of entries in the AIR Drawback Schedule, including for those tariff items, where specific data has not been provided earlier, may also be provided with justification.

Notification No: 11/2025-26 New Delhi, 26May, 2025

Subject: Restoration of RoDTEP for Advance Authorisations (AAs) holders, Special Economic Zones (SEZs) and Export-Oriented Units (EOUs) from 01.06.2025 S.O.(E):

In exercise ofthe powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992, read with Para 1.02 of the Foreign Trade Policy 2023, the Central Government hereby notifies the restoration of RoDTEP for Advance Authorizations (AAs) holders, Special Economic Zones (SEZs), and Export-Oriented Units (EOUs) from 01.06.2025. 2. The rates are available in Appendix 4RE including newly aligned HS codes as per the Finance Act, 2025. The details are available on the DGFT portal at www.dgft.gov.in, under the link 'Regulations > RODTEP'. Effect of this Notification: The Support under the RoDTEP Scheme for exports of products manufactured from AAs, SEZs, and EOUs is restored with effect from 01.06.2025. This issues with the approval of the Minister of Commerce & Industry.

THE WEEK

Apparel exporters' body inks pact with GBIC for climate-friendly garment manufacturing

Apparel exporters body AEPC on Sunday said it has inked a pact with Green Business Certification Institute (GIC) with an aim to promote sustainable manufacturing in the garment sector. It will help increase the number of LEED (Leadership in Energy and Environmental Design) certified garment factories in India. LEED certification is a globally-recognized rating system for evaluating a building's environment performance and sustainability and indicates building's adherence to green building principles promoting energy efficiency, resource conservation and healthier indoor environments.

This Memorandum of Understanding was signed by Apparel Export Promotion Council (AEPC) Secretary General Mithileshwar Thakur and Gopalakrishnan P, Managing Director, GBCI Asia Pacific and Middle East. Sudhir Sekhri, Chairman AEPC, said the Indian garment industry is committed to promote sustainable practices.

"The LEED certification indicates reduced resource consumption, lower carbon footprint and improved air quality within the factory. Additionally, it lowers the operating cost, increases the property value, and improves investors' confidence. I am sure more and more factories will go for this certification in times to come," Sekhri said.

Thakur said that India has only 13 LEED certified garment factories as against around 250 in Bangladesh. "There is a greater emphasis from the reputed brands globally on sustainability and we need to quickly catch the boat for staying competitive in the international market," he said.

Read More at:
https://www.theweek.in/wire-updates/business/2025/05/18/dcm26-biz-aepc-pact.html

Business Standard

AEPC inks pact with GBIC for climate-friendly garment manufacturing

The Apparel Export Promotion Council (AEPC) announced that it has signed an agreement with the Green Business Certification Institute (GBCI) to encourage sustainable manufacturing in the garment industry.

The partnership aims to boost the number of garment factories in India that receive LEED (Leadership in Energy and Environmental Design) certification.LEED is a globally recognized system that assesses a building's environmental impact and sustainability, reflecting adherence to green practices such as energy efficiency, resource conservation and healthier indoor environments.

The Memorandum of Understanding was signed by AEPC Secretary General Mithileshwar Thakur and Gopalakrishnan P, Managing Director of GBCI Asia Pacific and Middle East.

Sudhir Sekhri, Chairman of AEPC, reaffirmed the Indian garment sector's dedication to sustainability, stating, "The LEED certification indicates reduced resource consumption, lower carbon footprint and improved air quality within the factory. Additionally, it lowers the operating cost, increases the property value and improves investors' confidence. I am sure more and more factories will go for this certification in times to come."

Thakur pointed out that while India currently has only 13 LEED-certified garment factories, Bangladesh has around 250."There is a greater emphasis from the reputed brands globally on sustainability and we need to quickly catch the boat for staying competitive in the international market," he said.

Read More at:
https://www.business-standard.com/amp/industry/news/aepc-gbci-leed-partnership-sustainable-garment-manufacturing-125051800546_1.html

NEWS DRUM

Apparel exporters' body inks pact with GBIC for climate-friendly garment manufacturing

Apparel exporters body AEPC on Sunday said it has inked a pact with s Certification Institute (GIC) with an aim to promote sustainable manufacturing in the garment sector. It will increase the number of LEED (Leadership in Energy and Environmental Design) certified garment factories in India.

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Thakur said that India has only 13 LEED certified garment factories as against around 250 in Bangladesh. "There is a greater emphasis from the reputed brands globally on sustainability and we need to quickly catch the boat for staying competitive in the international market," he said.

Read More at:
https://www.newsdrum.in/business/apparel-exporters-body-inks-pact-with-gbic-for-climate-friendly-garment-manufacturing-9081701

rediff.com

Apparel Exporters Sign Pact for Climate-Friendly Garment Manufacturing

India's apparel export body partners with GBCI to promote sustainable garment manufacturing, aiming to increase LEED certified factories and enhance global competitiveness. Apparel exporters body AEPC on Sunday said it has inked a pact with Green Business Certification Institute (GIC) with an aim to promote sustainable manufacturing in the garment sector. It will help increase the number of LEED (Leadership in Energy and Environmental Design) certified garment factories in India.

LEED certification is a globally-recognized rating system for evaluating a building's environment performance and sustainability and indicates building's adherence to green building principles promoting energy efficiency, resource conservation and healthier indoor environments.

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Thakur said that India has only 13 LEED certified garment factories as against around 250 in Bangladesh. "There is a greater emphasis from the reputed brands globally on sustainability and we need to quickly catch the boat for staying competitive in the international market," he said.

Read More at:
https://money.rediff.com/news/market/apparel-exporters-sign-pact-for-climate-friendly-garment-manufacturing/27068820250518

LATESTLY

Apparel Exporters' Body Inks Pact with GBIC for Climate-friendly Garment Manufacturing

Apparel exporters body AEPC on Sunday said it has inked a pact with Green Business Certification Institute (GIC) with an aim to promote sustainable manufacturing in the garment sector. It will help increase the number of LEED (Leadership in Energy and Environmental Design) certified garment factories in India.

LEED certification is a globally-recognized rating system for evaluating a building's environment performance and sustainability and indicates building's adherence to green building principles promoting energy efficiency, resource conservation and healthier indoor environments.

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"The LEED certification indicates reduced resource consumption, lower carbon footprint and improved air quality within the factory. Additionally, it lowers the operating cost, increases the property value, and improves investors' confidence. I am sure more and more factories will go for this certification in times to come," Sekhri said.

Thakur said that India has only 13 LEED certified garment factories as against around 250 in Bangladesh. "There is a greater emphasis from the reputed brands globally on sustainability and we need to quickly catch the boat for staying competitive in the international market," he said.

Read More at:
https://www.latestly.com/agency-news/latest-news-apparel-exporters-body-inks-pact-with-gbic-for-climate-friendly-garment-manufacturing-6863637.html/amp

INDIA BUSINESS & TRADE

AEPC inks pact with GBIC for sustainable garment manufacturing

The Apparel Export Promotion Council (AEPC) has entered into an agreement with the Green Business Certification Institute (GBCI) to encourage sustainable manufacturing within India's garment industry. This collaboration aims to significantly increase the number of LEED (Leadership in Energy and Environmental Design) certified garment factories across the country.

LEED is an internationally recognized certification system that assesses a building's environmental performance, focusing on energy efficiency, resource management, and healthier indoor spaces.

The Memorandum of Understanding (MoU) was signed by AEPC Secretary General Mithileshwar Thakur and Gopalakrishnan P, Managing Director of GBCI Asia Pacific and Middle East. AEPC Chairman Sudhir Sekhri reaffirmed the industry's dedication to sustainability.

Mr. Sudhir Sekhri stated, *"The LEED certification indicates reduced resource consumption, lower carbon footprint and improved air quality within the factory. Additionally, it lowers the operating cost, increases the property value, and improves investors' confidence. I am sure more and more factories will go for this certification in times to come."*

Mr. Thakur pointed out that India currently has just 13 LEED-certified garment factories, compared to approximately 250 in Bangladesh. He emphasized the growing global demand from leading brands for sustainable practices, underscoring the need for India to act swiftly in order to stay competitive in the global market.

Read More at:
https://www.indiabusinesstrade.in/news_buzz/aepc-inks-pact-with-gbic-for-sustainable-garment-manufacturing/

Devdiscourse

GBCI, apparel exporters' body sign pact for sustainable manufacturing

Apparel exporters body AEPC on Sunday said it has inked a pact with Green Business Certification Institute (GBCI) with an aim to promote sustainable manufacturing in the garment sector. It will help increase the number of LEED (Leadership in Energy and Environmental Design) certified garment factories in India.

LEED certification is a globally-recognized rating system for evaluating a building's environment performance and sustainability and indicates building's adherence to green building principles promoting energy efficiency, resource conservation and healthier indoor environments.

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"The LEED certification indicates reduced resource consumption, lower carbon footprint and improved air quality within the factory. Additionally, it lowers the operating cost, increases the property value, and improves investors' confidence. I am sure more and more factories will go for this certification in times to come," Sekhri said.

Thakur said India has only 13 LEED certified garment factories as against around 250 in Bangladesh. There is a greater emphasis from the reputed brands globally on sustainability and we need to quickly catch the boat for staying competitive in the international market," he said.

Read More at:
https://www.devdiscourse.com/article/entertainment/3416511-indian-apparel-sector-embraces-sustainable-manufacturing

THE ECONOMIC TIMES

GBCI, apparel exporters' body sign pact for sustainable manufacturing

Apparel exporters body AEPC on Sunday said it has inked a pact with Green Business Certification Institute (GBCI) with an aim to promote sustainable manufacturing in the garment sector. It will help increase the number of LEED (Leadership in Energy and Environmental Design) certified garment factories in India.

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Read more at:
https://manufacturing.economictimes.indiatimes.com/amp/news/fmcg/gbci-apparel-exporters-body-sign-pact-for-sustainable-manufacturing/121258728

FASHIONATING WORLD

AEPC, GBCI join hands to boost LEED-certified garment factories in India

In a move aimed at promoting a sustainable built environment across India's apparel manufacturing sector, the Apparel Export Promotion Council (AEPC) has signed a Memorandum of Understanding (MoU) with the Green Business Certification Institute Pvt Ltd (GBCI). The partnership seeks to increase the number of LEED-certified garment factories in the country through efficient energy, water, and waste management and advanced monitoring technologies.

The MoU was formalized last week by AEPC Secretary General Mithileshwar Thakur and Gopalakrishnan P, Managing Director of GBCI for Asia Pacific and the Middle East Highlighting the significance of the initiative, AEPC Chairman Sudhir Sekhri said, "The Indian garment industry is now more committed than ever to sustainable practices. LEED certification signals reduced resource consumption, a lower carbon footprint, and healthier working conditions, while also lowering operational costs and boosting investor confidence."

India currently has only 13 LEED-certified garment factories, compared to around 250 in Bangladesh. "There is strong global emphasis from major brands on sustainability. To stay competitive, Indian factories must embrace green building principles," said Thakur.GBCI, a global leader in certifying green business practices, will offer localized support to facilitate on-site certification, technical guidance, and sustainability verification. Gopalakrishnan noted that the collaboration would help Indian manufacturers meet the evolving environmental and social expectations of the global market.

The MoU includes cooperation in knowledge sharing, technical publications, and awareness campaigns. AEPC reaffirmed its mission to embed sustainability, traceability, human welfare, social compliance, and ESG principles in India's garment sector through strategic partnerships. This collaboration is a strategic step to enhance India's apparel industry's global standing through sustainable transformation.

Read more at:
https://www.fashionatingworld.com/new1-2/aepc-gbci-join-hands-to-boost-leed-certified-garment-factories-in-india

PROJECTS TODAY

Apparel Export Promotion Council inks agreement with GBCI for LEED certification

The Apparel Export Promotion Council (AEPC) has signed a strategic agreement with the Green Business Certification Institute (GBCI) to encourage sustainable manufacturing within the garment sector in India.

The collaboration seeks to increase the number of apparel factories in the country certified under the globally recognized LEED (Leadership in Energy and Environmental Design) system. LEED certification evaluates buildings on energy efficiency, environmental impact, and resource conservation, promoting healthier and more sustainable working environments. The partnership was formalized through a memorandum of understanding (MoU) signed by AEPC Secretary General Mithileshwar Thakur and GBCI's Managing Director for Asia Pacific and Middle East, Gopalakrishnan P.

AEPC Chairman Sudhir Sekhri emphasized the Indian garment industry's commitment to sustainability, noting that LEED-certified factories reduce energy and water usage, improve air quality, cut operational costs, and increase property value, enhancing investor confidence. This initiative is expected to help Indian manufacturers meet rising global sustainability standards and maintain competitiveness globally.

Read More at:
https://www.projectstoday.com/News/Apparel-Export-Promotion-Council-inks-agreement-with-GBCI-for-LEED-certification

APPARELVIEWS

AEPC inks MoU with GBIC to maximize number of LEED certified garment factories from India

With an objective of promoting sustainability built-environment through efficient use of energy, water, waste, and selection of advanced technology for monitoring and increase the number of LEED certified garment factories in India; AEPC signed a MoU with Green Business Certification Institute Pvt Ltd (GBCI) last week.

This Memorandum of Understanding was signed by Shri Mithileshwar Thakur, Secretary General AEPC and Shri Gopalakrishnan P Managing Director – GBCI Asia Pacific and Middle East. Emphasizing the importance of the MoU, Shri Sudhir Sekhri, Chairman AEPC stated that, "The Indian garment industry is committed to promote sustainable practices much more than ever before. The LEED certification indicates reduced resource consumption, lower carbon footprint and improved air quality within the factory. Additionally, it lowers the operating cost, increases the property value, and improves investors' confidence. I am sure more and more factories will go for this certification in times to come."

Speaking on the occasion Shri Mithileshwar Thakur, Secretary General AEPC stated that, "We only have 13 LEED certified garment factories in India as against around 250 in Bangladesh. LEED certification is a globally recognized rating system for evaluating a building's environment performance and sustainability and indicates building's adherence to green building principles promoting energy efficiency, resource conservation and healthier indoor environments. There is a greater emphasis from the reputed brands globally on sustainability and we need to quickly catch the boat for staying competitive in the international market."

OUTLOOK BUSINESS

India's Port Restrictions on Bangladesh Imports to Help MSMEs: Experts

Restrictions imposed by India on certain Bangladeshi goods will help the domestic ready-made garment industry, particularly MSMEs, to enhance their competitiveness, according to experts.

On May 17, India restricted imports worth $770 million from Bangladesh, covering nearly 42% of bilateral imports. Key goods like garments, processed foods, and plastic items are now limited to select sea ports or barred from land routes entirely.

Ready-made garments, valued at $618 million, now face strict routing through only two Indian seaports. This severely limits Bangladesh's most valuable export channel to India.

"Indian textile firms have long protested the competitive edge enjoyed by Bangladeshi exporters, who benefit from duty-free Chinese fabric imports and export subsidies, giving them a 10-15% price advantage in the Indian market," think tank Global Trade Research Initiative (GTRI) said.

The port restrictions will help Indian MSMEs (micro, small, and medium enterprises) from the textiles sector, GTRI founder Ajay Srivastava said.

Sharing similar views, Apparel Export Promotion Council (AEPC) Vice Chairman A Sakthivel said it was a demand of domestic exporters to impose these restrictions.

"It is a good decision now taken by the Indian government. The domestic industry will benefit from this," Sakthivel said. The move comes in response to Bangladesh's recent restrictions on Indian yarn, rice, and other goods, as well as the imposition of a transit fee on Indian cargo's departure from past cooperation.

Even as Dhaka moves closer to Beijing, India should not shut the door to dialogue, Srivastava said. "As the bigger neighbour and regional power, India has a greater responsibility to lead with patience, keep communication open, and avoid using trade as a weapon. Rebuilding trust through diplomacy and economic cooperation is still possible," he said. The import of apparels from Bangladesh is primarily in select categories such as cotton trousers of men and jackets, blazers of synthetic fibres for local consumption by many retails chains.

The total apparel imports from Bangladesh in 2024-25 was 677.5 million, up 13.8% from its 2023-24 level of $595.5 million. Apparel import from Bangladesh through Petrapole land port alone was $515.3 million in 2024-25, accounting for around 76% of apparel import into India from Bangladesh.

Mithileshwar Thakur, Secretary General AEPC, said that restrictions on land ports can limit their access to the Indian market, particularly for medium-sized garment factories that heavily rely on land routes.

Land routes are generally cheaper and more efficient for transporting goods, especially for smaller consignments. "Forcing garments to be shipped via sea ports will increase transportation costs and potentially make Bangladeshi garments less competitive in the Indian market," Thakur said, adding sea transportation is slower than land transportation, leading to longer delivery times.

"This can increase lead time and adversely impact the ability of Bangladesh to meet the needs of Indian retailers and consumers," he said, adding as apparel import from Kolkata and Nhava Sheva seaports is still allowed, the long-term impact will largely depend on how quickly and to what extent the import of ready-made garments from land port gets shifted to import from seaport.

"The real problem however lies in Bangladesh benefiting from a zero tariff rate on its exports to India under SAFTA and lower production cost owing to low wage rates and its subsidy regime on account of its LDC (least developed country) status," Thakur said.

For more details go on this link:
https://www.outlookbusiness.com/economy-and-policy/indias-port-restrictions-on-bangladesh-imports-to-help-msmes-experts-2

TOI

Bangladesh should not assume Northeast as a captive market for its exports: Experts

India's recent import restrictions on Bangladeshi goods have sparked a broader conversation about the future of bilateral trade, with officials and experts stressing that Bangladesh should not assume India's Northeast as a captive market for its exports.

On May 17, the government imposed curbs on imports worth $770 million from Bangladesh, impacting nearly 42% of the total import volume. The restrictions, affecting garments, processed foods, and plastics, barred many goods from land ports and limited them to just two seaports: Kolkata and Nhava Sheva. For Bangladesh, this is a major blow. Apparel exports alone, valued at $618 million, now face longer routes, higher shipping costs, and delayed delivery times.

Petrapole land port accounted for over 75% of apparel imports in 2024–25, according to official data, PTI reported. "This move will help Indian MSMEs in the textile sector regain competitiveness," said Ajay Srivastava, founder of Global Trade Research Initiative (GTRI). He pointed out that Bangladeshi firms enjoyed unfair pricing advantages thanks to duty-free Chinese fabrics and export subsidies, giving them a 10–15% edge.

Apparel Export Promotion Council (AEPC) Vice Chairman A Sakthivel agreed: "It was a long-standing demand from domestic exporters. This is the right step. "India's measures come amid growing unease over Bangladesh's own trade practices. Dhaka recently restricted Indian imports like yarn and rice and introduced a transit fee on Indian cargo, which New Delhi sees as a violation of earlier understandings.

"India will pursue reciprocal trade, not one-sided terms," a senior source said. "Bangladesh must realise it cannot cherry-pick trade benefits without giving back." Still, experts caution against a breakdown in ties. "As the larger neighbour, India must lead with maturity," Srivastava said. "Trade shouldn't be weaponised.

There's still room to rebuild trust through dialogue and economic cooperation." AEPC Secretary General Mithileshwar Thakur noted the shift to sea ports could strain small Bangladeshi exporters. "Sea shipping is costlier and slower. This could hurt their ability to meet demand from Indian retailers."

For more details go on this link:
https://timesofindia.indiatimes.com/business/india-business/bangladesh-should-not-assume-northeast-as-a-captive-market-for-its-exports-experts/articleshow/121250195.cms

The Telegraph

MSMEs to gain as India reroutes USD 770m worth of Bangladesh goods away from land borders

Restrictions imposed by India on certain Bangladeshi goods will help the domestic ready-made garment industry, particularly MSMEs, to enhance their competitiveness, according to experts.

On May 17, India restricted imports worth USD 770 million from Bangladesh, covering nearly 42 per cent of bilateral imports. Key goods like garments, processed foods, and plastic items are now limited to select sea ports or barred from land routes entirely.

Ready-made garments, valued at USD 618 million, now face strict routing through only two Indian seaports. This severely limits Bangladesh's most valuable export channel to India.

"Indian textile firms have long protested the competitive edge enjoyed by Bangladeshi exporters, who benefit from duty-free Chinese fabric imports and export subsidies, giving them a 10-15 per cent price advantage in the Indian market," think tank Global Trade Research Initiative (GTRI) said.

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"It is a good decision now taken by the Indian government. The domestic industry will benefit from this," Sakthivel said. The move comes in response to Bangladesh's recent restrictions on Indian yarn, rice, and other goods, as well as the imposition of a transit fee on Indian cargo's departure from past cooperation.

Even as Dhaka moves closer to Beijing, India should not shut the door to dialogue, Srivastava said. "As the bigger neighbour and regional power, India has a greater responsibility to lead with patience, keep communication open, and avoid using trade as a weapon. Rebuilding trust through diplomacy and economic cooperation is still possible," he said. The import of apparels from Bangladesh is primarily in select categories such as cotton trousers of men and jackets, blazers of synthetic fibres for local consumption by many retails chains.

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For more details go on this link:
https://www.telegraphindia.com/business/msmes-to-gain-as-india-reroutes-usd-770m-worth-of-bangladesh-goods-away-from-land-borders/cid/2100514

TOI

Transit delays, higher costs: Bangladesh garment import curbs to hit buyers

For more details go on this link:
https://timesofindia.indiatimes.com/business/india-business/transit-delays-higher-costs-bangladesh-garment-import-curbs-to-hit-buyers/articleshow/121254630.cms

msn

Bangladesh should not assume Northeast as a captive market for its exports: Experts

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