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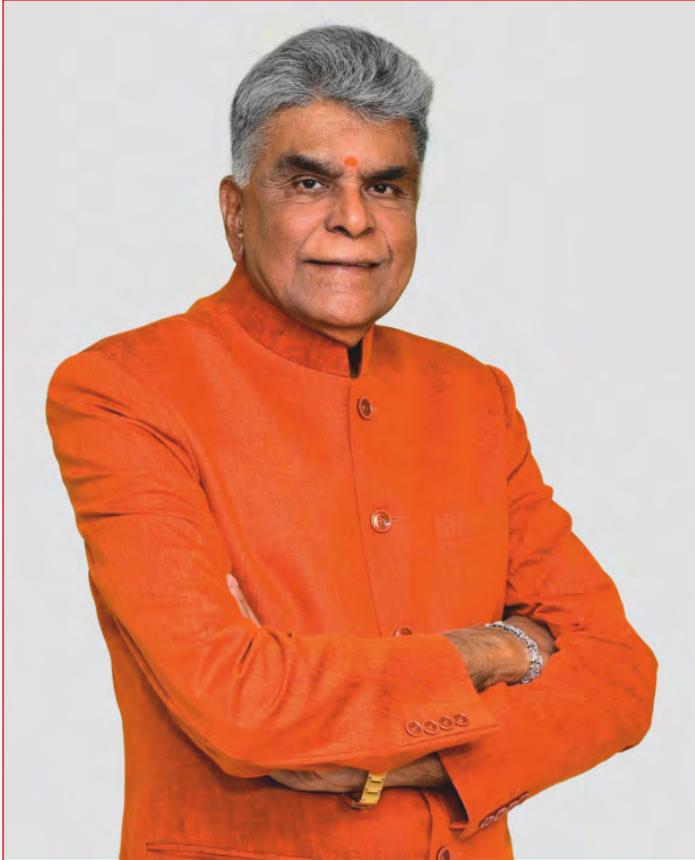
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corresponding period of the previous financial year. This growth, though measured, reflects the strength, adaptability, and commitment of our exporters in challenging times.

In our continued efforts to advocate for the industry, I had the privilege of leading a high-level delegation under the AEPC banner- comprising representatives from key industry associations- to meet Hon'ble Minister Shri Piyush Goyal and Hon'ble Union Minister of State for Commerce & Industry Jitin Prasada. We conveyed our sincere appreciation for the government's proactive trade diplomacy and reiterated our commitment to achieving ambitious export targets.

Friends, the measures announced in this Union Budget will surely enhance the competitiveness of India's apparel industry, particularly MSMEs. The Government's strong commitment to building a competitive, resilient, and globally integrated textile and apparel ecosystem provides a clear roadmap focused on self-reliance, sustainability, employment generation, and global competitiveness. These initiatives will empower MSMEs to upgrade technology, strengthen compliance capabilities, and expand their footprint in global markets.

Further, recognizing the critical role of MSMEs, I also met Shri Sanjay Malhotra, Governor, Reserve Bank of India, in Mumbai and requested the formulation of a separate **MSMEs export-oriented policy** for the MSME sector. I proposed the introduction of a dedicated Special Interest Package Scheme for MSMEs. At present, lending rates are determined by banks based on internal policies and balance sheet considerations, resulting in inconsistencies and relatively high borrowing costs. A structured and uniform interest support mechanism would significantly enhance competitiveness and ease financial pressures on small exporters.

Staring 22nd February 2027, next year will be a golden jubilee year for AEPC. 50th year will be an era of apparel exports growth, with FTAs with 38 countries, now our efforts will be growing the apparel exports with an aim of reaching 40 billion USD of exports by 2030. Let us prepare ourself to invest for the expansion of our capacity and for implementing AI driven technologies. Another good news is our FTA with UK will be implemented in the month of April 2026.

Let us move forward with confidence, unity, and a shared vision for growth.

Warm regards,

Dr. A. Sakthivel
Chairman
Apparel Export Promotion Council (AEPC)

Dear Fellow Exporters,

It gives me immense pride and optimism to address you at a time when India's apparel industry stands at the threshold of transformative opportunity. The successful conclusion of the India-EU Free Trade Agreement and the Interim Trade Deal with the United States is a landmark development for our sector. These agreements are a welcome sign for apparel exporters, and the industry is deeply grateful to Hon'ble Prime Minister Shri Narendra Modi and Hon'ble Commerce and Industry Minister Shri Piyush Goyal for their relentless efforts in making these historic outcomes a reality.

The India-EU FTA, which is described as the "mother of all deals," and the trade agreement with the United States — the "father of all deals" — will significantly enhance market access, strengthen investor confidence, and create a robust platform for exponential export growth. With India now having free trade agreements with countries covering nearly 70% of global GDP, the coming decade clearly belongs to India's textile and apparel sector.

Despite global headwinds, geopolitical uncertainties, and ongoing supply chain disruptions, our sector has demonstrated resilience. During April-January 2025-26, apparel exports registered a moderate growth of 1.6% compared to the

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	2025-26
				Over 2023-24	Over 2024-25
April	1210.9	1198.4	1371.3	-1.0	14.4
May	1235.8	1357.4	1511.5	9.8	11.4
June	1248.0	1293.9	1309.8	3.7	1.2
July	1142.0	1278.0	1338.7	11.9	4.7
August	1133.5	1268.2	1234.6	11.9	-2.6
September	946.3	1110.1	997.6	17.3	-10.1
October	908.8	1227.6	1069.4	35.1	-12.9
November	1021.2	1121.1	1247.4	9.8	11.3
December	1295.3	1461.9	1504.1	12.9	2.9
January	1441.4	1606.4		11.5	
February	1476.3	1534.9		4.0	
March	1472.8	1531.3		4.0	
Total	14532.2	15989.2	11584.3	10.0	2.4

Note- 1) Data for the month of December 2025 is provisional data released on PIB by Ministry of Commerce on 15.01.2026

2) Sum of the value for (Apr-Dec) 2023-24 is USD 10141.7 mn and (Apr-Dec) 2024-25 is USD 11316.5 mn. and (Apr-Dec) 2025-26 is USD 11584.3 mn.

3) Source: DGCI&S 2026

RMG exports for the month of December 2025 has increased by 2.9% as compared to December 2024 and increased by 16.1% as compared to December 2023.

Similarly, cumulative RMG exports for the period April- December 2025-26 is USD 11584.3 million. showing a growth of 2.4% over April- December 2024-25 and a growth of 14.2 % over April- December 2023-24.



India's Index of Industrial Production (IIP)

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

Month	Manufacture of Textiles		Growth Rate (In %)	Manufacture of Wearing Apparel		Growth Rate (In %)
	2024-25	2025-26	2025-26 over 2024-25	2024-25	2025-26	2025-26 over 2024-25
April	105.3	105.7	0.4	105.1	114.2	8.7
May	107.0	103.8	-3.0	123.6	126.5	2.3
June	106.2	107.8	1.5	122.6	127.5	4.0
July	109.1	107.3	-1.6	111.7	112.7	0.9
August	109.4	107.7	-1.6	112.5	107.2	-4.7
September	109.3	110.7	1.3	103.7	100.6	-3.0
October	111.1	106.6	-2.4	104.0	89.6	-6.1
November	106.2	110.0	3.2	110.3	105.3	-14.4
December	114.2	111.4	-2.5	119.1	109.5	-8.1
January	113.7			120.2		
February	106.6			120.1		
March	112.1			144.8		
Cumulative Index (Apr-Dec)	107.9	107.4	-0.6	112.5	110.3	-2.0

Source: CSO, 2026

*Figures for Dec 2025 are Quick Estimates. (Base: 2011-12=100)

➤ **Manufacturing of Textiles Index** for the month of December, 2025 is 111.4, which has declined by 2.5% as compared to December, 2024.

➤ **Manufacturing of Textiles Index** for the financial year 2025-26 (April-December) is 107.9, which has shown a decline of 0.6% to as compared to the year 2024-25 (April- December).

➤ **Manufacturing of Wearing Apparel Index** for the month of December, 2025 is 109.5, which has declined by 8.1% as compared to December, 2024.

➤ **Manufacturing of Wearing Apparel Index** for the financial year 2025-26 (April-December) is 110.3, which has declined by 2.0% as compared to the financial year 2024-25 (April- December).

Inauguration of International Textile Summit 360, 29-30 January 2026; CODISSIA Trade Fair Complex, Coimbatore



The International Textile Summit 360 was successfully inaugurated at Codissia Trade Fair Complex, Coimbatore on 29 January 2026, by the Hon'ble Deputy Chief Minister of Tamil Nadu, Shri Udhayanidhi Stalin, in the august presence of the Hon'ble Minister for Handlooms and Textiles, Shri R. Gandhi, Dr. A. Sakthivel, Chairman, AEPC, along with senior government officials and distinguished members of the textile and apparel trade fraternity.

position for best exports were awarded a prize money of Rs. 2 lakhs each. Shri Udhayanidhi Stalin said, "The textile sector provides employment to 30 lakh people in the state and 42% of the women working in this sector across the country are from Tamil Nadu. This Govt is implementing various schemes for the textile sector. I believe the textile sector will contribute to achieving the target of a 1 trillion USD economy.



While inaugurating the Summit organised by the CII and the Government of Tamilnadu, the Hon'ble Deputy Chief Minister Shri Udhayanidhi Stalin issued an order for a State Govt. share of Rs. 1.30 Core for the integrated textile park project and an order for Rs.138.32 lakh for six research projects related to technical textiles and synthetic Fibres. 55 memorandums of understanding (MOUs) worth Rs. 915 Crore were signed. Five Companies that secured the first



The Hon'ble Deputy Chief Minister released "Tamil Nadu New Integrated Textile Policy 2026" at the International Textile Summit 360 conference in Coimbatore and it focuses on the modernisation of the textile value chain in the state. Few important announcements were made, including:

- * Extension of 6% Interest Subvention to pre-loom and post-loom machineries, and
- * 20% Capital Interest Subsidy for high-end fabric formation machinery, including Airjet looms and Warp Knitting machines.



The Hon'ble Chief Minister of Tamil Nadu joined the inaugural event through video conference and delivered his felicitations for the Summit. Hon'ble Chief Minister Shri M K Stalin said that the State government would allocate ₹30 crore every year to extend 20% capital subsidy to investments aimed at modernising weaving and knitwear units.

Addressing the International Textile Summit 360 in Coimbatore through video conference, Mr. Stalin said Tamil Nadu had been the largest exporter of readymade garments in India for the last five years. It held a 33% share of the country's textile business and provided employment to 3.1 million people, and more than 60% of whom were women, he said.

Speaking about the 50% US tariff on India's textile and garment exports, the state is working with the centre to support the industry in identifying new markets, conducting buyer seller meets. At the recent investment conclaves held in Coimbatore, Madurai and Thoothukudi, MoUs worth Rs.9,764 crore were signed, he said.



In his address, Dr. A. Sakthivel, Chairman, AEPC expressed his deep appreciation to the Government of Tamil Nadu and conveyed sincere thanks to the Hon'ble Chief Minister for his unwavering commitment towards the growth and global competitiveness of the textile and apparel sector. He highlighted the Government's strong focus on Technical Textiles and Man-Made Fabric (MMF), and commended the proactive initiatives taken in the areas of processing and

infrastructure development, machinery modernization, automation, energy-efficient systems, and sustainability.

Dr. Sakthivel also underlined the significance of the recently concluded India–EU Free Trade Agreement, describing it as the **“Mother of All Deals”**. He noted that with the implementation of this landmark FTA, India's apparel exports are expected to double over the next three years.

Further, he emphasized India's vision of becoming a USD 100 billion textile and apparel export powerhouse, in which Tamil Nadu will play a pivotal role. He also reiterated that AEPC has set an ambitious target of achieving USD 40 billion in apparel exports by 2030.

As part of the Summit, AEPC and TEA jointly organised a Fashion Show, showcasing the rich heritage, craftsmanship, and global strength of India's textile and apparel industry.

Key highlights of the event included 100 exhibition stalls representing the entire textile value chain of Tamil Nadu, participation by over 1,500 textile delegates, extensive networking opportunities, and 300 buyer–seller meetings.



The Summit also featured a series of panel discussions and conferences covering Tamil Nadu Textiles @ 2030, customer insights and expectations, smart manufacturing, B2B and B2C opportunities, sportswear, sustainability and circularity goals, and a roadshow on the PM MITRA Park initiative.

The Summit brought together global industry leaders, investors, policymakers, innovators, and technology providers to foster strategic collaborations, technology partnerships, and investment opportunities across the textile and handloom ecosystem. With an exhibition showcasing the complete textile value chain of Tamil Nadu, the Summit celebrated the State's rich legacy while envisioning its future as a leader in sustainable, technology-driven textile manufacturing.



Union Budget 2026–27: Major Push to Employment- Intensive Textile Sector through Integrated Programmes, Mega Parks and Export Facilitation

The Union Budget 2026–27 has laid strong emphasis on the labour-intensive textile sector, recognising its critical role in employment generation, exports, rural livelihoods and sustainable manufacturing. A comprehensive and integrated policy framework has been announced to strengthen the entire textile value chain—from fibre to fashion, from village industries to global markets.



Integrated Programme for the Textile Sector

To enhance competitiveness, self-reliance and employment, the Government has proposed an Integrated Programme for the Textile Sector with the following five sub-components:

(a) National Fibre Scheme: Aimed at achieving self-reliance across the fibre spectrum, the scheme will support natural fibres such as silk, wool and jute, man-made fibres, and new-age fibres. This initiative will strengthen domestic fibre availability, reduce import dependence and support innovation in advanced textile materials.

(b) Textile Expansion and Employment Scheme: This component focuses on modernisation of traditional textile clusters through capital support for machinery, technology upgradation, and establishment of common testing and certification centres. The scheme is expected to enhance productivity, quality compliance and large-scale employment generation.



(c) National Handloom and Handicraft Programme:

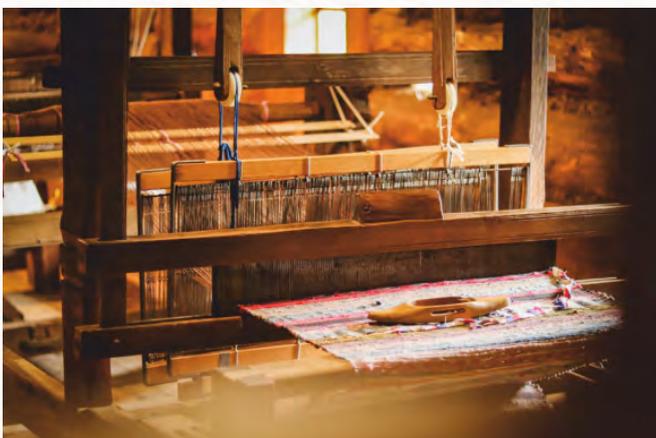
Existing schemes for handloom and handicrafts will be integrated and strengthened under a unified national programme to ensure targeted and effective support to weavers and artisans, improve incomes and preserve India's rich textile heritage.

(d) Tex-Eco Initiative: The initiative aims to promote globally competitive, environmentally sustainable textiles and apparel manufacturing, aligning the Indian textile industry with international sustainability standards and emerging green market opportunities.

(e) Samarth 2.0: The upgraded skilling programme will modernise the textile skill ecosystem through deeper collaboration with industry and academic institutions, ensuring availability of industry-ready skilled manpower across the value chain.

Mega Textile Parks and Technical Textiles

The Government has also announced the setting up of Mega Textile Parks in challenge mode, with a focus on integrated infrastructure, scale efficiencies and value addition. These parks will also support growth in technical textiles, a high-potential segment critical for industrial, medical, defence and infrastructure applications.



Mahatma Gandhi Gram Swaraj Initiative

To strengthen khadi, handloom and handicrafts, the Mahatma Gandhi Gram Swaraj Initiative will be launched. The initiative will focus on global market linkage, branding, streamlined training, skilling, quality improvement and process modernisation. It will benefit weavers, village industries, rural youth and support the One District One Product (ODOP) initiative.

Export Promotion Measures for Textiles and Allied Sectors

In a major boost to exports of textiles, leather and marine products, the Budget has announced:

- Extension of the export obligation period from 6 months to 12 months for exporters of textile garments, leather garments, leather or synthetic footwear and other leather products manufactured using duty-free imported inputs.
- This measure will provide greater operational flexibility, ease of compliance and improved working capital management for exporters.

Liquidity Support for Textile MSMEs through TReDS

To further strengthen liquidity access for textile MSMEs, the Government has announced key measures to enhance the effectiveness of the Trade Receivables Discounting System (TReDS), under which over ₹7 lakh crore has already been facilitated:

- Mandatory use of TReDS by CPSEs for procurement from MSMEs;
 - Credit guarantee support through CGTMSE for invoice discounting on TReDS;
 - Linking GeM with TReDS to enable faster and cheaper financing of government procurement receivables;
 - Introduction of TReDS receivables as asset-backed securities to deepen secondary markets and enhance liquidity.
- Creation of "Champion SMEs" and supporting micro enterprises:

A dedicated ₹10,000 crore SME Growth Fund has been introduced to create future Champions, incentivizing enterprises based on select criteria.

Measures announced in Union Budget to enhance the competitiveness of India's apparel industry, especially MSMEs: Chairman AEPC

Commenting on the Union Budget 2026–27, Dr. A. Sakthivel, Chairman, Apparel Export Promotion Council (AEPC), said that, "The Budget is forward-looking, growth-oriented and balanced, reflecting the Government's strong commitment to building a competitive, resilient and globally

integrated textile and apparel sector.” This budget provides a roadmap for strengthening India’s textile and apparel ecosystem, with a strong focus on self-reliance, sustainability, employment generation and global competitiveness. AEPC welcomes the government’s clear commitment to positioning India as a resilient and future-ready textile powerhouse, he added.

“The Budget 2026–27 provides a significant boost to SMEs and MSMEs, which form the backbone of India’s apparel and textile exports. The emphasis on providing liquidity, ease of exports, particularly through customs-related reforms and simplified documentation procedures, will reduce transaction costs, enhance efficiency, and improve the overall ease of doing business for exporters,” Dr. Sakthivel stated.

Further Chairman said, the strengthening of Trade Receivables Discounting System (TReDS), with mandatory onboarding of Central Public Sector Enterprises (CPSEs), credit guarantee support through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), linkage with Government e Marketplace (GeM), and introduction of TReDS receivables as asset-backed securities, will greatly enhance liquidity, access to affordable finance and cash-flow stability for MSMEs.

AEPC also welcomes the proposal to set up Mega Textile Parks in challenge mode, with a focus on value addition in technical textiles, which will attract investment, boost scale, and strengthen India’s presence in high-growth segments. Also, the Textile Expansion and Employment Scheme to modernise traditional clusters through capital support for machinery, technology upgradation, and common testing and certification centres will greatly enhance productivity, quality and employment opportunities, particularly in MSME-dominated clusters.

The announcement of the National Fibre Scheme is a significant step towards self-reliance across natural fibres such as silk, wool and jute, man-made fibres and new-age fibres. This integrated approach will help India build a robust raw material base and reduce import dependence while supporting innovation. The launch of the Mahatma Gandhi Gram Swaraj Initiative will further energise khadi, handloom, and handicrafts, promoting inclusive growth and rural livelihoods.

The launch of Samarth 2.0 to modernise and upgrade the textile skilling ecosystem through collaboration with industry and academic institutions will help bridge skill gaps and promote employment especially for youth and women.

The Tex-Eco Initiative is a timely and much-needed intervention to promote globally competitive and sustainable textiles and apparel. This will further reinforce India’s image as a

trusted supplier of environmentally responsible fashion in international markets.

Trade facilitation measures such as recognition of trusted importers, reduced cargo verification, and factory-to-port clearance using electronic sealing will significantly reduce logistics costs and improve ease of doing business.

The Chairman AEPC welcomed the National Handloom and Handicrafts Programme, which seeks to integrate and scale up existing schemes.

Dr. Sakthivel overall expressed confidence that the Union Budget 2026–27 will accelerate export growth, strengthen domestic manufacturing, promote sustainability, and support India’s journey towards becoming a global textile and apparel powerhouse, in line with the vision of a Viksit Bharat.

The Union Budget 2026–27 reflects a clear strategic vision to position India as a global textile manufacturing and export hub, while ensuring inclusive growth, sustainability and large-scale employment. The Ministry of Textiles will work closely with States, industry, MSMEs, artisans and skilling institutions to ensure timely and effective implementation of these initiatives.



India–EU Free Trade Agreement Concluded: A Strategic Breakthrough in India's Global Trade Engagement

- Historic Milestone Announced at the 16th India–EU Summit by Hon'ble Prime Minister Shri Narendra Modi and European Commission President H.E. Ms. Ursula von der Leyen



Hon'ble Prime Minister Shri Narendra Modi and European Commission President H.E Ms. Ursula von der Leyen, today jointly announced the conclusion of the India–European Union Free Trade Agreement (India–EU FTA) at the 16th India–EU Summit, held during the visit of the European leaders to India. This announcement marks a historic milestone in India–EU economic relations and trade engagement with key global partners.

The conclusion of this FTA positions India and the European Union as trusted partners committed to open markets, predictability, and inclusive growth.

The FTA comes after intense negotiations since the re-launch of negotiations in 2022. The announcement of the FTA today marks the culmination of years of sustained dialogue and cooperation, between India and the EU, demonstrating the political will and shared vision to deliver a balanced, modern, and rules-based economic and trade partnership.

The European Union is India's one of the largest trading partner, with bilateral trade in goods and services growing steadily over the years. In 2024–25, India's bilateral trade in goods with the EU stood at INR 11.5 Lakh Crore (USD 136.54 billion) with exports worth INR 6.4 Lakh Crore (USD 75.85 billion) and imports amounting to INR 5.1 Lakh Crore (USD 60.68 billion). India-EU trade in services reached INR 7.2 Lakh Crore (USD 83.10 billion) in 2024.

India and EU are 4th and 2nd largest economies, comprising 25% of Global GDP and account for one third of global trade. Integration of the two large diverse and complementary economies will create unprecedented trade and investment opportunities.

Union Minister for Commerce and Industry, Shri Piyush Goyal, lauded the strategic vision and steadfast leadership of

Hon'ble Prime Minister Shri Narendra Modi. He stated:

“The conclusion of the India–European Union Free Trade Agreement represents a defining achievement in India's economic engagement and global outlook. This supports India's approach to secure trusted, mutually beneficial and balanced partnerships.

Beyond a conventional trade deal, it represents a comprehensive partnership with strategic dimensions and is one of the most consequential FTA. India has secured unprecedented market access for more than 99% of Indian exports by trade value to the EU that also bolsters the 'Make in India' initiative. Beyond goods, it unlocks high-value commitments in services complemented by a comprehensive mobility framework enabling seamless movement of skilled Indian professionals.

India, powered by a young and dynamic workforce and one of the fastest-growing major economies, stands poised to leverage this FTA to create jobs, spur innovation, unlock opportunities across sectors, and enhance its competitiveness on the global stage.”

The India-EU trade pact covers conventional areas such as trade in goods, services, trade remedies, rules of origin, customs and trade facilitation, as well as emerging areas such as SMEs and digital trade, amongst others.

The India–EU FTA gives a decisive boost to its labour-intensive sectors such as textiles, apparel, leather, footwear, marine products, gems and jewellery, handicrafts, engineering goods, and automobiles bringing down tariffs up to 10% on almost 33 bn USD of exports to zero on entry into force of the Agreement. Beyond enhancing competitiveness, it empowers workers, artisans, women, youth, and MSMEs, while integrating Indian businesses more deeply into global value chains and reinforcing India's role as a key player and supplier in global trade.

On automobiles, calibrated and carefully crafted quota based auto liberalisation package will not only allow EU auto makers to introduce their models in India in higher price bands but also open the possibilities for Make in India and exports from India in future. Indian consumers to benefit from high tech products and greater competition. The reciprocal market access in EU market will also open up opportunities for India made automobiles to access EU market.

India's agricultural and processed food sectors are poised for a transformative boost under the India–EU FTA, creating a level playing field for Indian farmers and agrarian enterprises. Key commodities such as tea, coffee, spices, fresh fruits and

vegetables, and processed foods will gain enhanced competitiveness, strengthening rural livelihoods, promoting inclusive growth, and reinforcing India's position as a trusted global supplier. India has prudently safeguarded sensitive sectors, including dairy, cereals, poultry, soymeal, certain fruits and vegetables, balancing export growth with domestic priorities.

Beyond tariff liberalisation, the FTA provides measures to tackle non-tariff barriers through strengthened regulatory cooperation, greater transparency, and streamlined customs, Sanitary and Phytosanitary (SPS) procedures, and Technical Barriers to Trade disciplines.

Through CBAM provisions, commitments have been secured including a forward-looking most-favoured nation assurance extending flexibilities if any granted to third countries under the regulation, enhanced technical cooperation on recognition of carbon prices, recognition of verifiers, as well as financial assistance and targeted support to reduce greenhouse gas emissions and comply with emerging carbon requirements.

Services being dominant and faster-growing part of both economies will trade more in future. Certainty of market access, non-discriminatory treatment, focus on digitally delivered services, ease of mobility will provide boost to India's services exports.

The FTA secures expanded and commercially significant commitments from the EU across key sectors of Indian strength, including IT and IT-enabled services, professional services, education, financial services, tourism, construction, and other business sectors.

India's predictable access to EU's 144 subsectors (which includes IT/ITeS, Professional Services, Other Business Services and Education Services) will provide boost to Indian service providers and enable them to provide competitive world class Indian services to EU's consumers while EU's access to 102 subsectors offered by India will bring in high tech services, investment into India from EU resulting in a mutually beneficial arrangement.

On mobility, the India-EU FTA provides a facilitative and predictable framework for business mobility covering short-term, temporary and business travel in both directions. These enable professionals to travel between the two economies to provide services under different scenarios. EU and India is providing mobility commitments to each other for Intra-Corporate Transferees (ICT) and Business Visitors, along with entry and working rights for dependents and family members of ICTs. The EU has also offered commitments in 37 sectors/sub-sectors for Contractual Service Suppliers (CSS) and 17 sectors/sub-sectors for Independent Professionals (IP), many of which are sectors of interest to India, including Professional Services, Computer and related Services, Research and Development Services, and Education Services.

India also secured a framework to constructively engage on Social Security Agreements over a five-year horizon, together with framework supporting student mobility and post-study

work opportunities.

Additionally, India has also secured access for practitioners of Indian Traditional Medicine to work under home title in EU Member States where traditional medical practices are not regulated.

In financial services, the FTA promotes cooperation to advance innovation and secure cross-border electronic payments, while providing India with enhanced market access across several major EU member states. These provisions are expected to deepen financial integration and support the growth of financial services trade.

These commitments not only unlock high-value employment opportunities but also reinforce India's position as a global hub for talent, innovation, and sustainable economic growth.

The FTA reinforces intellectual property protections provided under TRIPS relating to copyright, trademarks, designs, trade secrets, plant varieties, enforcement of IPRs, affirms Doha Declaration and recognises the importance of digital libraries, specifically the Traditional Knowledge Digital Library (TKDL) project initiated by India.

The FTA is expected to facilitate cooperation in critical areas like Artificial Intelligence, clean technologies, and semiconductors, supporting India's technological advancement.

The FTA is expected to substantially scale up trade, enhance export competitiveness, and integrate Indian businesses more deeply into the European and global value chains.

The India-EU FTA marks a new chapter in bilateral economic engagement, strengthening trade, and strategic cooperation between India and the 27-member EU bloc. Cognizant of multifarious objectives placed on trade, dynamic nature of trade, fast evolving technologies and increasing regulatory complexities, the Agreement embeds multiple review, consultation and response mechanisms to deal with new, sudden challenges which emerge in future. The Agreement relies on strong stewardship and trust to deliver gains for both sides.

EU becomes India's 22nd FTA partner. The Government since 2014 has signed trade deals with Mauritius, UAE, UK, EFTA, Oman and Australia, and announced trade deal with New Zealand. In 2025, India signed trade deal with Oman and UK and announced conclusion of trade deal with NZ.

The India-EU trade deal, along with India's FTA with the UK and the EFTA effectively opens up the entire European market for Indian businesses, exporters and entrepreneurs.

Beyond boosting commerce, it reinforces shared values, fosters innovation, and creates opportunities across sectors and stakeholders from MSMEs, women and skilled professionals to farmers and exporters. Aligned with India's vision of "Viksit Bharat 2047," the FTA positions India as a dynamic, trusted, and forward-looking partner on the global stage, setting the foundation for inclusive, resilient, and future-ready growth for both regions.

Apparel Industry hail India- EU FTA



- Bilateral trade to double in next three years: Chairman AEPC

The apparel exports industry hailed the India- EU FTA. Speaking on this historic deal Chairman AEPC, Dr. A. Sakthivel said, “The industry sentiments are upbeat after the successful conclusion of the India–EU deal. It is a landmark moment for the Indian apparel industry. This deal will provide a significant boost to apparel exports which is expected to double in next three years. This marks a giant leap in India’s journey towards Viksit Bharat. The zero-duty access of Indian garments and clothing to the EU market will decisively turn the tables in India’s favour enhancing our competitiveness in the European market.”

Industry projections estimate that Indian apparel exports could grow by 20–25% year on year after operationalization of the FTA as against the current growth rate of 3.01% in the EU market.

This FTA enables Indian firms to compete more in terms of quality, design, and sustainability parameters rather than in terms of price, Chairman AEPC informed.

Further Dr. Sakthivel noted, “The FTA eliminates tariff on 100% of apparel tariff lines which will enhance market access to all member countries of the EU.” EU is the world’s largest apparel importer with total apparel import worth USD 202.8 billion in FY 2024-25. Some of the major garment importing countries of the EU like Germany, France, Spain and Italy source substantially from India and this deal will further boost our apparel exports to these economies, he added.

While the EU accounts for roughly 28% share in India’s apparel exports, India’s share is only 2.9% in the EU’s apparel market. With the elimination of tariff on Indian apparel products, the Indian apparel industry gain immensely as it will get a level playing field vis-à-vis its competing countries like Bangladesh, Turkey and Vietnam who enjoys duty free/ preferential duty access in EU’s market, Dr. Sakthivel opined.

AEPC is extremely thankful to the Government of India for concluding this long-awaited deal, which has come as a respite for the Indian apparel industry in such turbulent times of global uncertainty. Dr. A. Sakthivel, Chairman, Apparel Export Promotion Council (AEPC) conveyed his sincere appreciation to the Hon’ble Prime Minister of India for his visionary leadership and to the Hon’ble Union Minister of Commerce and Industry for his tireless efforts in bringing the negotiations to a successful conclusion.

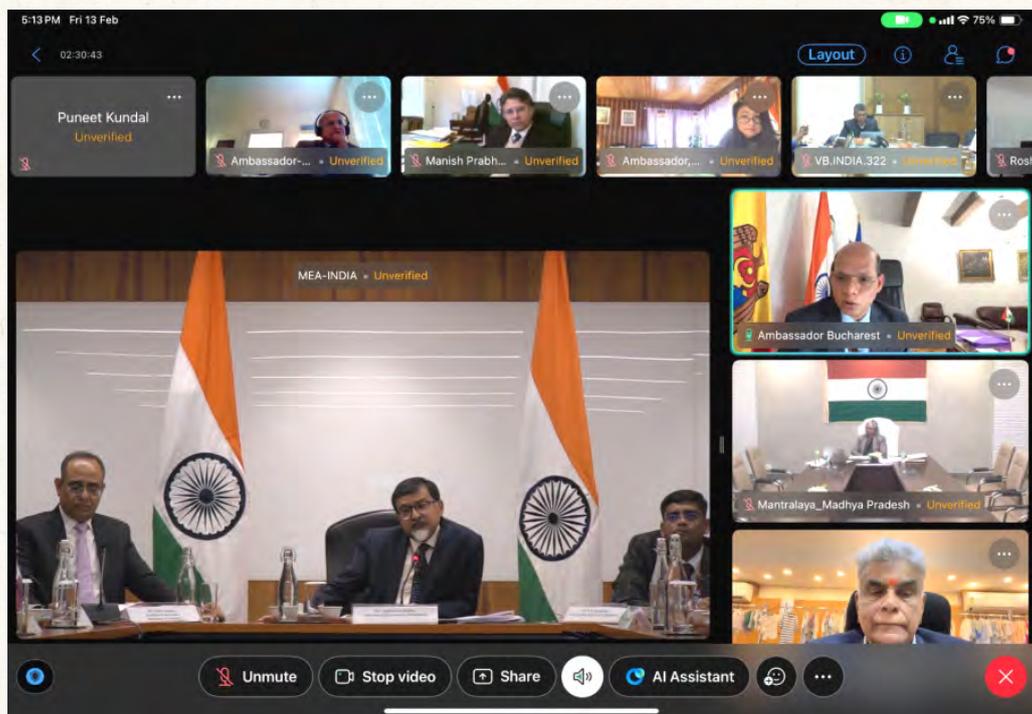
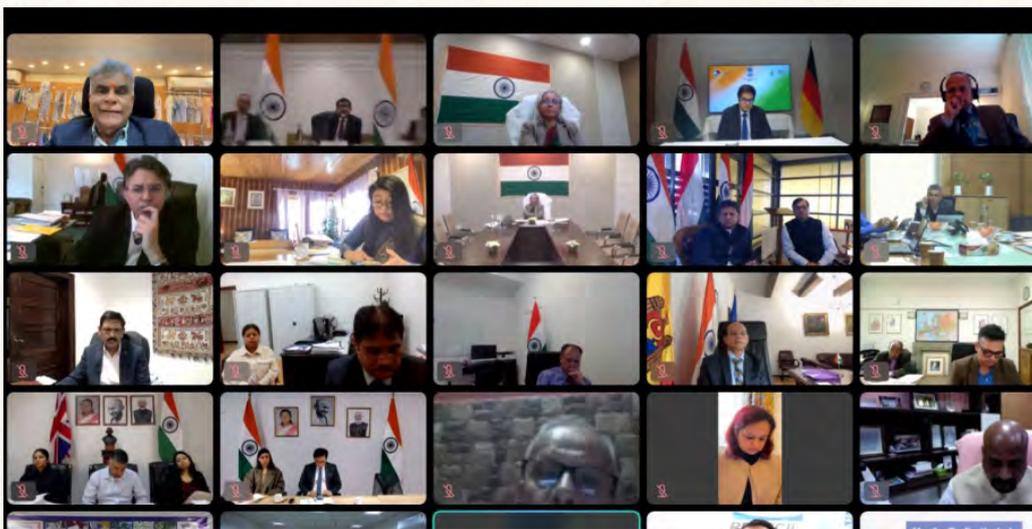


Meeting for market diversification in EU held

A meeting of Secretary (Textiles) and other officials of the Ministry of Textiles with Secretary (ER), Ministry of External Affairs (MEA) and Ambassadors of select 18 European nations was held on 13th February 2026. The Ministry of Textiles made a detailed presentation. Dr. A. Sakthivel, Chairman AEPC spoke on the market diversification plans for EU countries, including planned participation in exhibitions/fairs. Shri Mithileshwar Thalur, SG

AEPC was also present in the meeting.

The list of targeted countries for the MEA presentation included: Germany, France, Italy, Spain, Netherlands, Poland, Belgium, Austria, Czech Republic, Denmark, Sweden, Romania, Portugal, Ireland, Hungary, Greece, UK and Norway. AEPC assured all cooperation to leverage the opportunity.



India-US Trade Agreement, major boost for Textile Industry

The Ministry of Textiles welcomed the landmark agreement between India and the United States (US) as a major catalyst enhancing the textile trade relations between the nations. The textile industry expressed the hope that this is a major economic game changer for the sector.

For textiles exports, it opens up a \$118 billion US global imports market of textiles, apparels and made ups. With the US being India's largest export destination of around \$ 10.5 billion exports, comprising around 70% apparel and 15% made ups, this is a major opportunity. It is expected to play a pivotal role in India achieving its intended target of \$100 billion exports in 2030. The deal is expected to provide the requisite momentum, with US to contribute to more than 1/5th of this target.

The 18% reciprocal tariffs on all the textiles products including apparel and madeups will not only remove the disadvantage that Indian exporters had, but would place them in a better position than most competitors who have higher reciprocal tariffs. This would alter the market dynamics as large buyers would surely relook at their sourcing in the light of this agreement.

The agreement would also enable the industry to be cost competitive and diversify their risks by sourcing intermediates for the textiles sector from the US. This would facilitate manufacturing of value-added textiles in the country and diversify our production and exports. The deal would generate additional employment and encourage investments by US entities.

UNITED STATES-INDIA JOINT STATEMENT

The United States of America (United States) and India are pleased to announce that they have reached a framework for an Interim Agreement regarding reciprocal and mutually beneficial trade (Interim Agreement). Today's framework reaffirms the countries' commitment to the broader U.S.-India Bilateral Trade Agreement (BTA) negotiations, launched by President Donald J. Trump and Prime Minister Narendra Modi on February 13, 2025, which will include additional market access commitments

and support more resilient supply chains. The Interim Agreement between the United States and India will represent a historic milestone in our countries' partnership, demonstrating a common commitment to reciprocal and balanced trade based on mutual interests and concrete outcomes.



Key terms of the Interim Agreement between the United States and India will include:

- India will eliminate or reduce tariffs on all U.S. industrial goods and a wide range of U.S. food and agricultural products, including dried distillers' grains (DDGs), red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, and additional products.
- The United States will apply a reciprocal tariff rate of 18 percent under Executive Order 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits), as amended, on originating goods of India, including textile and apparel, leather and footwear, plastic and rubber, organic chemicals, home décor, artisanal products, and certain machinery, and, subject to the successful conclusion of the Interim Agreement, will remove the reciprocal tariff on a wide range of goods identified in the Potential Tariff Adjustments for Aligned Partners Annex to Executive Order 14346 of September 5, 2025 (Modifying the Scope of Reciprocal Tariffs and Establishing Procedures for Implementing

Trade and Security Agreements), as amended, including generic pharmaceuticals, gems and diamonds, and aircraft parts.

- The United States will also remove tariffs on certain aircraft and aircraft parts of India imposed to eliminate threats to national security found in Proclamation 9704 of March 8, 2018 (Adjusting Imports of Aluminum Into the United States), as amended; Proclamation 9705 of March 8, 2018 (Adjusting Imports of Steel Into the United States), as amended; and Proclamation 10962 of July 30, 2025 (Adjusting Imports of Copper Into the United States). Similarly, consistent with U.S. national security requirements, India will receive a preferential tariff rate quota for automotive parts subject to the tariff imposed to eliminate threats to national security found in Proclamation 9888 of May 17, 2019 (Adjusting Imports of Automobiles and Automobile Parts Into the United States), as amended. Contingent on the findings of the U.S. Section 232 investigation of pharmaceuticals and pharmaceutical ingredients, India will receive negotiated outcomes with respect to generic pharmaceuticals and ingredients.

- The United States and India commit to provide each other preferential market access in sectors of respective interest on a sustained basis.

- The United States and India will establish rules of origin that ensure that the benefits of the Agreement accrue predominately to the United States and India.

- The United States and India will address non-tariff barriers that affect bilateral trade. India agrees to address long-standing barriers to the trade in U.S. medical devices; eliminate restrictive import licensing procedures that delay market access for, or impose quantitative restrictions on, U.S. Information and Communication Technology (ICT) goods; and determine, with a view towards a positive outcome, within six months of entry into force of the Agreement whether U.S.-developed or international standards, including testing requirements, are acceptable for the purposes of U.S. exports entering the Indian market in identified sectors. Recognizing the importance of working together to resolve long-standing concerns, India also agrees to address long-standing non-tariff barriers to the trade in U.S. food and agricultural products.

- For the purposes of enhancing ease of compliance with applicable technical regulations, the United States and India intend to discuss their respective standards and conformity assessment procedures for mutually agreed sectors.

- In the event of any changes to the agreed upon tariffs of either country, the United States and India agree that the other country may modify its commitments.

- The United States and India will work towards further expanding market access opportunities through the negotiations of the BTA. The United States affirms that it intends to take into consideration, during the negotiations of the BTA, India's request that the United States continue to work to lower tariffs on Indian goods.

- The United States and India agree to strengthen economic

security alignment to enhance supply chain resilience and innovation through complementary actions to address non-market policies of third parties, as well as cooperation on inbound and outbound investment reviews and export controls.

- India intends to purchase \$500 billion of U.S. energy products, aircraft and aircraft parts, precious metals, technology products, and coking coal over the next 5 years. India and the United States will significantly increase trade in technology products, including Graphics Processing Units (GPUs) and other goods used in data centers, and expand joint technology cooperation.

- The United States and India commit to address discriminatory or burdensome practices and other barriers to digital trade and to set a clear pathway to achieve robust, ambitious, and mutually beneficial digital trade rules as part of the BTA.

The United States and India will promptly implement this framework and work towards finalizing the Interim Agreement with a view to concluding a mutually beneficial BTA consistent with the roadmap agreed in the Terms of Reference.

Reaction of Dr A Sakthivel, Chairman AEPC on India-US Joint Statement

On behalf of the entire textile and apparel industry, we welcome the India- US joint statement on the trade deal and the revocation of 25 % additional duty imposed earlier pursuant to the Executive Order 14239 with effect from 12:01 EST Feb 7, 2026.

We warmly extend our sincere gratitude and deep appreciation to the Hon'ble Prime Minister Shri Narendra Modi for his visionary leadership, and to the Hon'ble Minister of Commerce & Industry, Shri Piyush Goyal for his relentless efforts in successfully concluding the landmark trade agreement with the USA.

The coming decade is poised to be India's decade in textile trade, as the country emerges as one of the most preferred sourcing destinations for global buyers.

The India- USA trade agreement represents a historic milestone for India's textiles and apparel sector. It creates immense opportunities across the entire textiles value chain and is expected to generate substantial employment, particularly for the women and MSMEs. Farmers in rural India will also benefit significantly, reinforcing inclusive and sustainable growth.

The tariff eliminations and enhanced market access arising from this agreement will greatly strengthen the global competitiveness of the Indian textiles and apparel sector, firmly establishing India as the most reliable and trusted sourcing hub worldwide.

This will also address the issue of non-tariff barriers to trade and reduce the compliance burden and procedural delays leading to the faster movement of goods to the US market.

This decade will undoubtedly usher in a golden era for the Indian textile and apparel sector.



AEPC hosts industry consultation on India's apparel export road map for 2026- 27 at Jaipur



Apparel Export Promotion Council hosted an industry consultation meeting on the India's apparel exports road map for 2026- 27 at Jaipur on 6th February 2026, which was attended by the large number of exporters. Shri V Srinivas (IAS), Chief Secretary, Government of Rajasthan was the Chief guest on the occasion. The meeting was attended by Dr. A.

Sakthivel, Chairman AEPC, Shri K M Subramanian, Chairman Export Promotion, Shri Premal Udani, Advisor EP AEPC and Shri Mithileshwar Thakur SG AEPC.

Shri K M Subramanian, Chairman Export Promotion AEPC, gave the opening remark followed by Shri Premal Udani, Advisor EP AEPC Dr. A. Sakthivel, Chairman AEPC emphasized that a major part of India's apparel export base consists of Micro, Small & Medium Enterprises (MSMEs), which face high borrowing costs and credit accessibility challenges. In his remarks on industry performance, he pointed out that India's ready-made garment exports continue to show resilience despite global economic uncertainties. Dr. Sakthivel also underlined the importance of leveraging trade agreements (like India-EU, India-US deals) to enhance market access and benefit exporters — comments that are consistent with discussions held in wider industry meetings tied to promotional strategy.



Detail presentation was given by Shri Mithileshwar Thakur, SG AEPC during the meeting. The major highlights are as below;

Strategies

Capacity Augmentation through PLI Tweaks: PLI scheme was tweaked to bring down investment threshold and year-on-year growth requirement. Request to government to further reduce investment criteria in PLI scheme from Rs 50 Crores to Rs 25 Crores to enable micro and small units to participate in the PLI investment in MMF fabric and MMF garment manufacturing by MSMEs in the apparel sector. SG AEPC also underlined the need to expedite implementation of PM MITRA parks.

Need to improve MMF Ecosystem to align Indian export basket with global trend: High Level Delegation Visits for Focused investment collaboration with South Korea and Taiwan in areas like MMF fabric production and textile technology

High Level Policy Dialogue with mega MMF fibre and yarn manufacturers like Reliance & Grasim Industries to encourage downstream investment in MMF value chain.

Strategic intervention to strengthen ESG ecosystem:

Engagement with relevant sustainability organization such as IDH, Reverse Resources, Fashion for Good, CRB, Green Story etc. to sensitize members on CSRD, CSDDD, ESPR, DPP & other EU regulations mandating reduced carbon emission

Product Diversification Strategy: ATDC to launch product-specific skilling for outerwear (Pullover, Cardigan and Jerseys), bottoms/ lowers (trousers/pants), athleisure and lingerie.

Brand Promotion:

Indian prominent brands to need to go global and establish themselves as global brands. **Several Indian brands have the potential to go global with the right support and strategic incentives.**

Strategic collaborations between the Apparel Export Promotion Council (AEPC) and the India Brand Equity Foundation (IBEF) can play a key role in positioning Indian brands as competitive global players.

Joint Branding and Marketing Campaigns highlighting Indian craftsmanship and sustainable fashion. Focus on key international fashion hubs — New York, London, Dubai — through high-traffic ad placements and digital campaigns.

E-Commerce: Strengthening E-Commerce for export growth especially for the MSMEs sector.

Addressing labour shortage issues.

Leveraging Technology:



India's textile and apparel sector faces a persistent challenge due to the limited availability of advanced textile machinery domestically. SG AEPC requested to provide tax holiday for international companies setting up textile machinery manufacturing units in India.

In his keynote address Shri V Srinivas (IAS), Chief Secretary, Government of Rajasthan stated that, The Indian apparel industry stands at a decisive moment



where technology adoption and strong global branding will determine the next phase of export growth. To scale up apparel exports significantly, we must accelerate investments in advanced manufacturing technologies such as AI-driven design systems, digital product development, automation, smart factories, and supply chain traceability solutions. Technology not only enhances productivity and compliance but also improves speed-to-market — a critical factor in today's highly competitive global landscape.

Equally important is the need to build powerful global brands that reflect India's strengths in sustainability, craftsmanship, and value-added manufacturing. While India has long been recognized as a reliable sourcing destination, the time has come to position the country as a preferred partner for high-quality, design-led, and sustainable apparel. Strategic branding, storytelling around our heritage textiles, and stronger participation in international fashion ecosystems will help command better value realization in global markets.

In this context, Rajasthan holds tremendous potential to contribute meaningfully to the growth of apparel exports. The state's rich textile heritage — from hand block printing and natural dyeing to embroidery and artisanal crafts — offers immense opportunities for value addition and niche branding. With focused investments in modern apparel parks, skill development, digital integration, and export-oriented infrastructure, Rajasthan can emerge as a major hub for both traditional and contemporary apparel manufacturing.

By combining Rajasthan's craftsmanship legacy with cutting-edge technology and global branding strategies, India can significantly expand its export footprint, enhance competitiveness, and generate large-scale employment, especially for women and MSMEs.

A meeting of Export Promotion Sub Committee was also held in Jaipur. The EP Sub-Committee Core Group discussion highlighted the apparel sector's strategic position as India's second largest employer and highest revenue-per-rupee generator, yet it continues to face systemic perception challenges, policy volatility, and competitive disadvantages in MMF fabric access and modernization. Key opportunities include leveraging new FTAs, targeted PLI/ATUFS redesign for MSMEs, reverse buyer-seller meets (RBSMs), and high-level diplomatic engagement.

The next day the team led by Dr. A. Sakthivel visited Kasar to see the proposed textiles park at Kota. Chairman AEPC, along with SG, AEPC, ROOCO Officials, District Administration officials and the GEAR Members visited the site and explored the possibility to setting up the textiles park on 7th February 2026.



Meeting with Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry, Government of India, under the Chairmanship of Dr. A. Sakthivel



A delegation led by Dr. A. Sakthivel, Chairman, Apparel Export Promotion Council (AEPC), along with key representatives of the Garment Exporters and Manufacturers Association, New Delhi, Delhi Exporters Association, Tirupur Exporters Association, South India Hosiery Manufacturers Association, Southern India Mills Association, Tiruppur and Association of garment exporters of Sitapura, Jaipur, met Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry, Government of India, and Shri Jitin Prasada, Hon'ble Union Minister of State for Commerce & Industry, on 11th February, 2026.



The delegation included representatives from ten textile associations, comprising around 45 members in total.

During the interaction, Shri Piyush Goyal highlighted that India has signed Free Trade Agreements (FTAs) with nearly 38 countries, including a major interim trade agreement with the United States. He further informed that India is expected to sign the agreement with the USA shortly and confirmed that benefits similar to one extended to the textile Industry of Bangladesh would most likely be extended to India as well.

Shri Piyush Goyal urged all stakeholders in the textile and apparel sector to effectively leverage the opportunities arising from these FTAs and ensure that their benefits reach across the country and every individual associated with the industry.

The association office bearers and industry representatives assured the Hon'ble Minister of their commitment to fully utilize the opportunities created by these trade agreements. They also congratulated him for his visionary leadership and his continued efforts in strengthening India's global trade position.

Dr. A. Sakthivel, Chairman, AEPC, expressed his sincere gratitude to Shri Piyush Goyal for his proactive efforts in advancing India's trade agenda, including the successful conclusion of the India-EU FTA, described as the "mother of all deals," and the Interim Trade Deal with the United States, both of which are expected to significantly boost India's textile and apparel exports. India now has free trade agreements with economies accounting for 70% of global GDP. These agreements will help boost exports from the Indian apparel industry exponentially and generate huge opportunities of employment, Chairman AEPC Dr. Sakthivel said while terming trade agreements with USA as "father of all deals."

The Hon'ble Minister encouraged the Tiruppur cluster to create five lakh additional jobs and double its export performance over the next three years, assuring that the Government of India will extend full support to exporters. He also shared that the Ministry is planning to establish a dedicated control room mechanism to enable exporters to submit their issues and grievances online for prompt resolution.



Chairman AEPC meets RBI Governor, pitches for a separate MSMEs export sector policy



Dr. A. Sakthivel, Chairman, Apparel Export Promotion Council (AEPC), met Shri Sanjay Malhotra, Governor of the Reserve Bank of India, along with senior RBI officials in Mumbai on 16 February 2026 to discuss key issues concerning apparel exporters, particularly MSMEs. During the meeting, he advocated for a dedicated export policy tailored specifically for the MSME sector and proposed the introduction of a Special Interest Package Scheme to support their growth and competitiveness.

Highlighting the significance of the engagement, Dr. Sakthivel noted that India has signed FTAs with 37 countries, creating unprecedented opportunities for the textile and apparel sector. He emphasised that the coming decade presents a strategic window to leverage India's inherent strengths and accelerate export growth.

In his representation, he pointed out that a large number of apparel exporters — predominantly MSMEs — continue to face operational and regulatory challenges, especially in their interactions with banks, export finance systems, and compliance frameworks. To address export finance constraints, the AEPC Chairman requested an increase in the Interest Equalisation Scheme from the existing 2.75% to 5% for manufacturing exporters. He also urged the RBI to consider removing the current cap of ₹50 lakh and to enhance eligibility limits under the scheme in a graded manner based on turnover and export performance.

Currently, banks determine lending rates based on their internal policies and balance sheet considerations, leading to inconsistencies and higher borrowing costs. A large number of apparel exporters across India — predominantly MSMEs — face several operational and regulatory difficulties, particularly in their interactions with Authorised Dealer (AD) Banks, export finance systems, and compliance frameworks. MSMEs sector face challenges like high interest rates on MSME loans, increasing the cost of borrowing and affecting competitiveness; lending rates closely linked to CIBIL scores, which places small enterprises and first-time exporters at a disadvantage; high Turnaround Time (TAT) for processing and sanctioning MSME loans, impacting working capital cycles, limited digitalization of MSME lending processes, resulting in procedural delays and lack of transparency, etc. he added.



As a suggestion, Dr Sakthivel proposed, a dedicated Special Interest Package Scheme be introduced for MSMEs. Currently, banks determine lending rates based on their internal policies and balance sheet considerations, leading to inconsistencies and higher borrowing costs. In this regard, the RBI may kindly consider issuing appropriate regulatory guidelines to ensure fair, transparent, and uniform lending practices for MSMEs, thereby improving credit accessibility and supporting sustainable sectoral growth with end-to-end digital loan processing and real-time tracking.

Further Chairman AEPC requested to solve the export finance constraints, the Interest Equalisation Scheme may be increased from existing 2.75% to 5% for manufacturing exporters and the Reserve Bank of India may consider removing the cap of Rs.50 Lakhs and enhancing the eligible limit for Interest Equalisation Scheme in a graded manner based on turnover/export performance.

Chairman AEPC in his representation also requested for hosts of other measures to strengthen the MSMEs sector.

The few other suggestions are as below:

- External credit ratings may be made mandatory only for MSME units with total banking exposure above ₹100 crores.
- Credit Information Reports (CIRs) may be replaced with CRILC (Central Repository of Information on Large Credits) reports for regulatory and monitoring purposes, wherever applicable.
- Processing charges on renewal of existing bank limits (where there is no enhancement or restructuring) may be waived or significantly reduced only to the enhanced amount of bank limits.
- A standardised structure should be implemented across all banks, and the Reserve Bank of India may kindly regulate both forex conversion and general bank service charges to ensure transparency and uniformity.

- Exporters obtain post-shipment risk coverage through active buyer policies from the Export Credit Guarantee Corporation of India. However, for pre-shipment packing credit facilities, lender banks secure separate coverage, and the premium cost is passed on to exporters. This results in increased financing costs and additional compliance burden, despite exporters already maintaining adequate risk protection.

- Integration and seamless transmission of foreign bank charges data from the RBI-EDPMS system to the Customs ICEGATE system will help eliminate unnecessary short realisation notices from Customs.

Chairman AEPC stated that, MSME exporters play a vital role in India's export growth and employment generation. However, procedural delays, banking constraints, and regulatory complexities are affecting their operational efficiency and competitiveness." MSMEs form the backbone of India's economy, contributing nearly 30% to GDP, 45% to exports, and providing employment to over 11 Crore people. However, persistent structural, financial, and procedural challenges are impacting their competitiveness and export performance, he added.

Dr. Sakthivel submitted a detailed representation outlining these recommendations and other policy suggestions for the RBI's considerations.



Exports Meet held at Mumbai

The Exporters' Meet-cum-Chairman's Facilitation organized by AEPC was held in Mumbai on 16 February 2026. Dr. A. Sakthivel, Chairman of AEPC, addressed the gathering and encouraged the younger generation to set an ambitious goal of scaling India's apparel exports to USD 40 billion by 2030. He emphasized that with

Free Trade Agreements (FTAs) in place with 38 countries and supportive government policies, this target is achievable if pursued with focused efforts. The participating members appreciated Dr. Sakthivel's initiatives to strengthen the industry and pledged their full support.



AEPC organised seminar on Grow Export in 2026 in Ludhiana

AEPC in collaboration with Alibaba.com organised a specialized seminar for exporters in Ludhiana, Punjab on 16th January, 2026 at Park Plaza, Gurdev Nagar, Ludhiana.

Mr. Binamra Dash, Marketing Head, Alibaba.com India and Mr. Albert Zhu, Channel Business Lead, Alibaba.com India gave the insights. The session focused on helping apparel exporters in Punjab to understand the latest e-commerce trends, utilize AI in B2B trade, and access global buyers through Alibaba.com. It featured hands-on support for the platform, real-life success stories from local sellers, and insights on export-import strategies. More than 100 exporters attended the seminar.



AEPC organised a webinar on RBI's Trade Relief Measures, Interest Subvention Scheme, CGSE, Collateral Support and Other Financial Measures

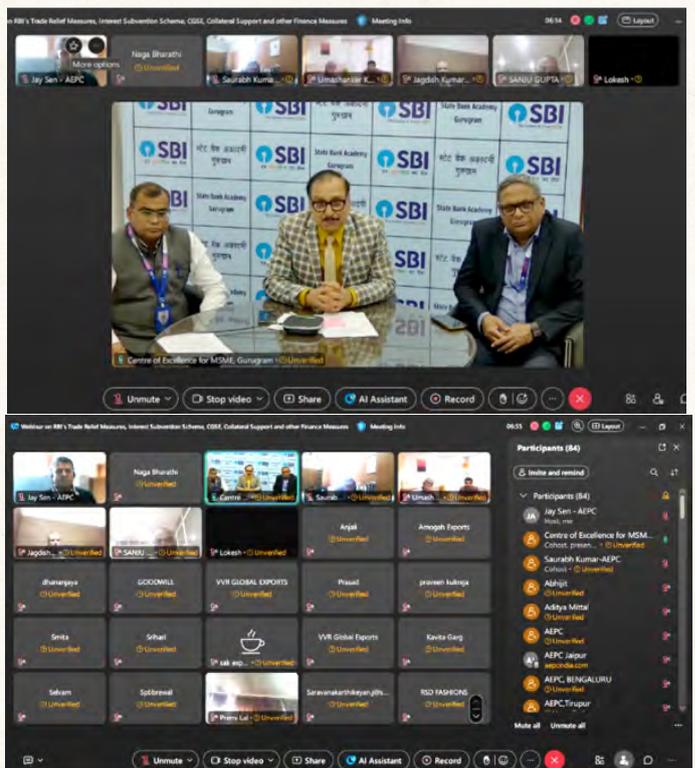
AEPC, in collaboration with the Centre of Excellence, State Bank of India (SBI), organised a webinar on 12 February 2026 focusing on RBI's Trade Relief Measures, Interest Subvention Scheme, Credit Guarantee Scheme for Exporters (CGSE), collateral support and other key financial support mechanisms for exporters. The session provided detailed insights into the latest regulatory frameworks and banking facilities available to strengthen export financing and risk management.

The session was moderated by Dr. Saurabh Kumar, GM – Research & Policy Advocacy, AEPC. The keynote address was delivered by Mr. Chandra Bhushan Kumar Singh, Director & General Manager, State Bank Academy, SBI, who highlighted the evolving financial landscape and the critical role of banking support in strengthening India's export ecosystem.

Detailed presentations were made by Mr. Ravikant, AGM-SBI, Mr. Rakesh Ranjan, AGM-SBI, Mr. Sanjay Kumar Sinha, DGM and Mr. Santosh Thakur, CM-SBI, covering various RBI-led financial relief measures, export credit mechanisms and risk mitigation tools for exporters.

The webinar witnessed strong participation, with over 195 participants from across the country, reflecting the high

relevance and interest of exporters in understanding current financial support frameworks and policy measures.



AEPC Honoured for Contribution to the “Thunaivan” Online Service Platform for Apparel Exporters on the Occasion of International Customs Day



On the occasion of International Customs Day, celebrated on 15th February 2026 in Tiruchirappalli, the Office of the Customs (Preventive) Commissionerate, Trichy, honoured the Apparel Export Promotion Council (AEPC) with a Certificate of Appreciation. The recognition was conferred in appreciation of AEPC’s support and contribution to the development and implementation of the “Thunaivan” online service/grievances platform, created to facilitate the speedy resolution of customs-related procedural issues faced by apparel exporters.

The “Thunaivan” portal has been developed to simplify customs procedures for exporters and enhance transparency and efficiency in trade operations. The Customs Department acknowledged AEPC’s valuable cooperation in this initiative and presented the award in recognition of its contribution.

The event was graced by Shri. Alex Paul Menon, IAS Development Commissioner, MEPZ Special Economic Zone, Chennai, who attended as Chief Guest. In the presence of S.K. Vimalanathan, IRS, Chief Commissioner of Customs (Preventive), Tiruchirappalli, the Certificate of Appreciation was presented to AEPC. The award was received on behalf of the Council by C. Eswarasundar, Regional Director, Tiruppur.

During the function, awards were also presented to companies and personnel who had demonstrated excellence in export-import operations.

Addressing the gathering, Chief Commissioner Mr. S.K. Vimalanathan highlighted the historical significance of customs in India, referring to the maritime and trade achievements of Emperor Rajendra Chola and the prominence of Kulothunga Chola, known for his association with customs reforms. He emphasised that customs administration is deeply intertwined with public life. While delays in customs clearance may inconvenience people, expediting processes should not be viewed

with suspicion. He underscored the vital role of customs in national economic growth, security, and industrial development, and noted that the introduction of the Thunaivan portal has helped reduce procedural challenges. He further stressed that enforcement of laws must be consistent and balanced—ensuring that wrongdoing is penalised while facilitating industrial growth.

Chief Guest Alex Paul Menon observed that removing an entire law because of minor issues is comparable to removing a kidney for a small problem. He remarked that while enforcement measures may target the small percentage who violate rules, they may sometimes cause inconvenience to the majority who comply. Therefore, administrative actions should both penalise violations and support the growth of honest businesses.

In his message marking International Customs Day 2026, Dr. A. Sakthivel, Chairman of AEPC, conveyed his heartfelt congratulations to the Customs (Preventive) Zone, Tiruchirappalli, and its entire team for their efficient, transparent, and vigilant services to exporters. He noted that such forward-looking and balanced governance significantly contributes to India’s export growth and strengthens the confidence of the global trading community. He extended his best wishes for the continued success of their mission to safeguard the export community and promote secure, seamless trade, and expressed hope for continued cooperation in strengthening India’s export competitiveness globally.

Speaking on the occasion, C. Eswarasundar, AEPC Regional Director, reaffirmed AEPC’s commitment to working closely with the Customs Department to further simplify export procedures and enhance the global growth of India’s apparel exports.

Earlier, in his welcome address, Mr. Vikash Nair, Commissioner of Customs, Thoothukudi, stated that 491 cases had been registered through the Thunaivan portal so far, of which 425 cases had been successfully resolved. Customs officials also urged exporters to make greater use of the portal, noting that doing so would ensure proper documentation and tracking of their requests.

The event was attended by Bharatprakash, Commissioner of Customs, Trichy Region; Vijayakrishna Velan, Additional Commissioner; Vikash Nair, Commissioner of Customs, Thoothukudi; officials from the Customs offices of Trichy and Thoothukudi; and various trade stakeholders.

The programme concluded with a vote of thanks delivered by Bharatprakash, Commissioner of Customs, Trichy Region.



AEPC participates in the Collection Premiere Moscow (CPM)-17-20 February 2026 | Moscow, Russia



Participating exporters expressed satisfaction with the strong buyer footfall on the first day of the exhibition. Informative seminars were also conducted, adding significant value for participants and visitors alike.

The first day of the fair concluded successfully, marked by meaningful business interactions and positive industry engagement.

The Collection Premiere Moscow (CPM) was inaugurated on 17 February 2026 in the presence of exporters, designers, industry stakeholders, and distinguished dignitaries. Mr. Mithileshwar Thakur, Secretary General, Apparel Export Promotion Council (AEPC), addressed the gathering and participated in the official inauguration ceremony of the fair.

The India Pavilion at CPM Moscow was inaugurated at the Crocus Expo Centre, Moscow, by Shri Nikhilesh Giri, Deputy Chief of Mission, Embassy of India in Moscow, in the presence of Mr. Shivaraj Managiri, Second Secretary, Embassy of India. On this occasion, Shri Mithileshwar Thakur felicitated Shri Nikhilesh Giri and Mr. Shivaraj Managiri. The inauguration was attended by dignitaries and representatives from leading apparel brands, retail chains, exhibitors, and industry stakeholders.

Following the inauguration, Shri Nikhilesh Giri, along with Mr. Mithileshwar Thakur, visited the India Pavilion and interacted with participating exhibitors, discussing the growing competitiveness and opportunities for Indian apparel in the Russian market.



INITIATIVES TO SUPPORT THE SPINNING MILLS



The key initiatives taken by the Government to support spinning mills in the country includes following:

1. Technology Up-gradation and Modernization:

i. Amended Technology Upgradation Fund Scheme (ATUFS) to provide credit-linked Capital Investment Subsidies (CIS) to textile units for purchasing benchmarked machinery, helping mills modernize and reduce their environmental footprint.

ii. Spinning Mill Modernization Schemes: State-specific initiatives, such as those in Tamil Nadu, offer interest subsidies for replacing machinery older than five years.

iii. Mini Textile Park Schemes: Subsidies for developing infrastructure, buildings, and machinery for smaller units.

2. Raw Material Supply and Price Stabilization:

i. Cotton Corporation of India (CCI) Support: The government directs CCI to sell cotton stocks purchased under the Minimum Support Price (MSP) directly to MSME-category spinning mills to ensure availability.

ii. Special Sales/Discounts: CCI offers discounts (e.g., Rs. 300/- per candy) to MSME mills, cooperative sector mills, and Khadi industries to boost competitiveness.

iii. Yarn Supply Scheme (YSS): Ensures availability of raw materials at "mill gate prices" to handloom weavers, indirectly supporting steady demand for yarn.

iv. Kasturi Cotton Initiative: Focuses on branding, traceability, and certification to promote Indian cotton quality, benefiting the entire supply chain from farm to mill.

3. Financial Assistance and Incentives:

i. Production Linked Incentive (PLI) Scheme: Encourages production of high-value Man-Made Fiber (MMF) fabrics and technical textiles, attracting investment and promoting eco-friendly manufacturing.

ii. Rebate of State and Central Taxes and Levies (RoSCTL): Provides tax rebates on exported garments and made-ups, boosting downstream demand for yarn.

iii. Interest Equalization Schemes: Increased rates for pre- and post-shipment credit to support MSME exporters.

iv. Special Package for Textiles (2016): Included measures like additional production subsidies under ATUFS, EPF contribution support, and tax concessions.

4. Infrastructure Development:

i. PM-MITRA Parks: Establishment of 7 Mega Integrated Textile Region and Apparel Parks with world-class, plug-and-play facilities to reduce logistics costs and improve efficiency.

ii. Integrated Processing Development Scheme (IPDS): Supports new and upgraded Common Effluent Treatment Plants (CETPs) to help mills meet environmental standards.

5. SAMARTH Scheme (Scheme for Capacity Building in Textile Sector): Aims to provide demand-driven, placement-oriented training to create a skilled workforce for the sector.

These initiatives collectively address the need for upgraded technology, skilled manpower, rising raw material costs, and un-integrated supply chains.



EXTENSION OF REGISTRATION FOR PLI SCHEME



The Government of India is implementing the Production Linked Incentive (PLI) Scheme for Textiles to promote investment and scale in manufacturing of Man-Made Fibre (MMF) Apparel, MMF Fabrics, and Technical Textiles in India. With a view to ensure wider participation under the Scheme, especially by the MSMEs, the Scheme has been made more attractive through amendment Notification dated 9th October 2025, details of which are as under:

- i.)** Reduction in minimum investment limit by 50%,
- ii)** Lowering of incremental turnover criteria from 25% to 10%,
- iii)** Expansion of notified product basket by inclusion of 17 new products of MMF apparel, & fabrics
- iv)** Relaxation of the condition of setting up a new company for availing the benefit of the Scheme.

The Government has reopened the application portal from 01.08.2025 for acceptance of new applications and the deadline for the same has been extended till 31.03.2026 in view of the significant response received from industry as well as to facilitate wider participation of mid-size companies by offering additional time to eligible applicants to avail benefit of recent amendments.

The amendments made in the Scheme are designed to stimulate investments across the entire MMF value chain and enhance production of MMF Apparels, Fabrics and Technical Textile products. Following these revisions, 84 new proposals have been received on the portal as on date, envisaging investments of Rs.10,789 crore, turnover of Rs. 44,081 crore, and creation of approximately 86,740 new jobs.

Regular monitoring and review of implementation of PLI Scheme is done at the level of Ministry, DPIIT, the nodal Department for all PLI Schemes, and Empowered Group of Secretaries (EGoS). Besides, a Project Management Agency (PMA) has been engaged for rigorous ground-level verification. A dedicated PLI portal has been created to serve as a centralized repository for scheme-related data and performance metrics. In addition, the scheme is integrated with the Output-Outcome Monitoring Framework of the NITI Aayog for assessing the progress of the scheme on a regular basis.

With a view to drive balanced regional development and inclusive growth, a total of 113 manufacturing units are being set up by 91 companies selected under the PLI scheme for Textiles, in 17 States and 1 U.T. to promote production of MMF Apparel & Fabrics and, Technical Textiles products in the country. In addition, Government is implementing several schemes relating to infrastructure development, market development, export promotion and skill development on Pan-India basis for holistic development of textile sector in the country.

AVAILABILITY OF COTTON FOR TEXTILE SECTOR



The Government facilitates availability of cotton to domestic textile and spinning industries through the release of stocks procured by the Cotton Corporation of India (CCI) under Minimum Support Price (MSP) operations, which are sold through a transparent online e-auction system enabling competitive price discovery. MSP for cotton is declared annually to safeguard farmers' interests when market prices fall below MSP and to sustain cotton production. To enhance cotton productivity, quality and farmer incomes, the Government has undertaken multiple policy and programmatic interventions viz:

A five-year Mission for Cotton Productivity has been announced in the Union Budget 2025-26, with the Department of Agricultural Research & Education as the nodal department and the Ministry of Textiles as a partner. The Mission focuses on strengthening cotton production through research and extension, including development of climate-resilient, pest-resistant and high-yielding varieties, including ELS cotton, using advanced breeding and biotechnology tools.

The Ministry of Agriculture & Farmers' Welfare, in

convergence with the Ministry of Textiles, has been implementing a Special Project on Cotton under National Food Security Mission (NFSM) since 2023-24 through ICAR-CICR, Nagpur, to enhance cotton productivity and quality. An outlay of ₹41.87 crore in 2023-24 covered 9,175 ha in 8 States, and ₹5,097.88 lakh in 2024-25 covered about 14,740 ha, achieving yield gains of 40% under HDPS and over 32% under closer spacing. Based on encouraging outcomes, the project has been extended to 2025-26 with an outlay of ₹6,032.35 lakh (including committed liabilities).



To ensure effective MSP operations, the Cotton Corporation of India (CCI), as the central nodal agency for cotton procurement, has expanded its network from 508 centres in 2024-25 to 571 centres in 2025-26, covering 150 districts across 11 cotton-growing States. During the 2024-25 cotton season, CCI procured 100.16 lakh bales of cotton valued at Rs. 37,437 crore, while during 2025-26 (as on 05.02.2026), 90.97 lakh bales valued at Rs. 36,355 crore have been procured.



RECENT INITIATIVES TO BOOST THE TEXTILES AND APPAREL MANUFACTURING

The textile industry is one of the largest sources of employment generation in the country, estimated to be directly employing more than 45 million people. As per unit level dataset of Periodic Labour Force Survey, M/o Statistics & Programme Implementation, more than 50% estimated women are in the textile and apparel sector.

The Government continuously engages with stakeholders to identify and resolve key trade barriers affecting Indian exports and to support MSMEs. In this context, the Government has taken several steps including following to address key barriers for global competitiveness.

i. The Government of India prioritises trade negotiations with several countries to get market access and tariff advantages for improving India's global competitiveness through improved access to international markets under mutually beneficial trade agreements for India's textiles exports including textiles.

ii. To provide access in the different country India has signed 16 FTAs including India-UK, India-Oman CEPA which was signed on December 2025 and India has recently concluded FTA with New Zealand EU and the USA.

iii. The Interest Subvention for Pre- and Post-Shipment Export Credit intervention has been launched under the Export Promotion Mission – NiryatProtsahan to facilitate improved access to pre- and post-shipment rupee export credit for MSME exporters by reducing the cost of such credit and providing a rules-based and transparent interest-relief mechanism, with the objective of enhancing liquidity for MSME exporters and enabling them to meet working-capital requirements efficiently.

iv. Government is also implementing Rebate of State and Central Taxes and Levies (RoSCTL) scheme for Apparel/Garments and Made-ups in order to enhance competitiveness by adopting principle of zero-rated exports. Further, textiles products not covered under the RoSCTL scheme are covered under Remissions of Duties and Taxes on Exported Products (RoDTEP) along with other products.

v. The Government of India implements various schemes/initiatives to encourage and promote the textile sector including support to MSME. The major schemes/initiatives include PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks Scheme; Production Linked Incentive (PLI) Scheme focusing on MMF Fabric, MMF Apparel and Technical; National Technical Textiles Mission (NTTM) focusing on Research Innovation & Development, Promotion and Market Development; SAMARTH-Scheme for Capacity Building in Textile Sector with the objective providing demand driven, placement oriented, skilling program; Silk Samagra-2 for comprehensive development of sericulture value chain; National Handloom Development Programme and Raw Material Supply Scheme to promote handloom sector and welfare of handloom weavers across the country; National Handicraft Development Program, etc.

vi. Ministry of Micro, Small and Medium Enterprises (MSME) also implements various schemes and programmes aimed at promotion and development of MSME Sector, including Textiles sector. These schemes/ programmes include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE), PM Vishwakarma etc.

PM MITRA PARKS



The Government has finalized setting up of PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks at 7 sites viz. Tamil Nadu (Virudhnagar), Telangana (Warangal), Gujarat (Navasari), Karnataka (Kalaburagi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow) and Maharashtra (Amravati) with an outlay of Rs. 4,445 cr for a period of seven years upto 2027-28. The PM MITRA scheme is expected to generate employment of 3lakhs (1 lakh direct and 2 lakh in-direct employment) with an estimated investment of Rs 10,000/-cr per park. To attract investment and effective implementation of the Parks, over 200 consultations with various stakeholders including States, investors and potential park developers at international, national and local levels have been conducted.

Infrastructure works worth Rs 2,160.17 cr for providing external infrastructure till these parks gate have been started by the state governments and an expenditure of Rs. 564.72 cr has been incurred so far. DPR proposals worth Rs. 7,145 cr of

Madhya Pradesh, Tamil Nadu, Maharashtra and Telangana PM MITRA Parks have been approved. In Madhya Pradesh, 1150 acres of land has been allotted with a proposed investment of Rs 24,175 cr. In Tamil Nadu, applications for 201 acres of land with proposed investment of Rs 2,076 cr have been received so far. In Maharashtra, applications have been invited for land allotment while in Telangana, Investment of Rs 3,862 cr has been grounded so far with 540 acres land already allotted. As a part of Development Capital Support of PM MITRA Scheme, 1st instalment of Rs 50 cr has been sanctioned to Madhya Pradesh and Tamil Nadu each and Rs 30 cr has been sanctioned to Maharashtra and Telangana each.

100% land has been acquired and necessary approvals including environment clearance have been obtained in the case of PM MITRA Park, Virudhunagar, Tamil Nadu. A Detailed Project Report (DPR) worth Rs 1,894 Cr has been approved and infrastructure works worth Rs. 364 cr. allotted. Post approval of Land Allotment policy, applications for 201 acres of land with proposed investment worth Rs 2,076 cr have been received so far.



PROMOTION OF JUTE LIFESTYLE PRODUCTS

The Government under the National Jute Development Program (NJDP) has been implementing the Market Development & Promotion Scheme and the Jute Diversification Scheme for the promotion of jute diversified products. During the last five years, an amount of Rs. 124.45 crore has been earmarked for the implementation of these schemes. Under NJDP schemes, Capital Subsidy for Acquisition of Plant & Machinery Scheme, Jute Resource cum Production Centre, Jute Raw Material Bank & Production Linked Incentive schemes, the Government supports jute artisans, manufacturers, and exporters to enhance production and competitiveness.

The key challenges faced by the jute industry are obsolete machinery and technology, competition with synthetic fibres, average quality & fluctuation in price of raw jute. To address the challenges, the Government has been implementing the NJDP to promote the overall development of the jute sector. Under the provisions of the Jute Packaging Materials (Compulsory Use in Packaging Commodities) Act, 1987, the Government ensures a minimum percentage of food grains and sugar is packaged in jute material to support the jute industry and farmers. Further, the Government incentivize jute farmers by the Minimum Support Price (MSP) for jute.

Jute is a biodegradable and sustainable product. The Government has been implementing NJDP with the aim of exploring the potential of jute use in both textile and non-textile applications, with value addition. Additionally, the Government has taken steps to boost the appeal of jute products among consumers through mass awareness campaigns, the display and promotion of diversified jute products through participation in jute fairs & exhibitions, and the facilitation of jute exporters' participation in international trade fairs/exhibitions, and the intensification of their sales.

This information was provided by The Minister of State for Textiles Shri Pabitra Margherita in a written reply to a question in Lok Sabha.

Ministry of Textiles Holds First Post-Budget National Industry Consultation

- Industry Endorses Textile-Focused Budget, assures increased investment

The Ministry of Textiles convened the first post-budget National Industry Consultation at Vanijya Bhawan, New Delhi, on 19th February, 2026, Thursday, bringing together senior government officials, industry leaders, financial institutions, development partners and representatives from across the textile value chain to deliberate on implementation priorities following the Union Budget 2026 announcements.

The consultation focused on operationalising two key initiatives announced in the Budget - the Textile Expansion and Employment (TEEM) Scheme and the Tex Eco Initiative - aimed at strengthening competitiveness, modernisation, sustainability and employment generation across the textile and apparel sector.



Shri. Rohit Kansal, Additional Secretary (Textiles), delivered the welcome and context-setting address, emphasising that the Union Budget has been distinctly textile-centric, with a strong focus on employment generation and manufacturing growth. He noted that the announcement of an integrated programme for the textile sector provides a comprehensive framework to align investments, policy support and institutional efforts across the value chain. He further underlined that the Budget signals a clear intent to scale manufacturing, strengthen domestic capabilities and position textiles as a key driver of inclusive growth and job creation.

Delivering the special address, Smt. Neelam Shami Rao, Secretary (Textiles), highlighted that after a year marked by resilience amid global headwinds, the outlook for the Indian textile industry is increasingly favourable. She noted that key

Free Trade Agreements (FTAs) now in place are opening significant new market opportunities for Indian exporters, enhancing tariff competitiveness and strengthening India's position in global value chains. She emphasised that the convergence of these trade agreements with a distinctly textile-centric Union Budget creates a timely and strategic advantage for the sector. With expanded market access, policy clarity and focused government support, she stated that the industry is well-positioned to scale up production, attract investments and deepen its footprint in global markets.

A detailed presentation on the Textile Expansion and Employment Mission outlined a roadmap for modernising weaving, processing and garmenting segments, mobilising investments, strengthening MSME participation and generating large-scale employment. This was followed by a brief on the Tex Eco Initiative, which aims to mainstream sustainability, circularity, resource efficiency and green manufacturing practices across the textile value chain.

The interactive session saw proactive and constructive engagement from stakeholders, who appreciated the forward-looking design of TEEM and Tex Eco and endorsed the integrated framework for addressing structural gaps and leveraging global opportunities. Industry offered practical recommendations, including time-bound approvals, improved MSME financing, cluster infrastructure, targeted skilling, digital monitoring, and sustainability-linked incentives, while urging convergence with state policies and export measures. Several participants appreciated the efforts of the government in rolling out a comprehensive and integrated textiles package.

In his summing-up remarks, Shri. Rohit Kansal reaffirmed the Ministry's commitment to a collaborative approach to translate policy intent into tangible, measurable results on the ground. He appreciated the industry for its proactive participation and candid feedback, stating that such structured consultations would continue to shape effective and responsive policymaking. He further urged industry stakeholders to share detailed written inputs and specific suggestions with the Ministry's team to facilitate timely finalisation and ensure effective implementation.

The session concluded with a vote of thanks by Smt. Vrunda Manohar Desai, Textile Commissioner who acknowledged the valuable contributions of stakeholders and reaffirmed the Ministry's commitment to time-bound and outcome-oriented implementation.

The post-budget National Industry Consultation marks an

important step in strengthening structured government, industry dialogue and advancing a coordinated roadmap to enhance India's position as a credible, competitive and sustainable global textile hub. The discussions reflected a shared resolve between Government and industry to position India as a credible and trusted global textiles partner anchored in scale, sustainability and reliability.

Support measures for the textiles industry

Due to several reforms undertaken to enhance the competitiveness of the domestic textile and apparel industry, India's import dependency in the Textile and Apparel sector, including Ready-Made Garments, has reduced by 13.9% during April–December 2025 as compared to the corresponding period of the previous year. During the said period, India's imports of textiles and apparel, including Ready-Made Garments, from Bangladesh stood at USD 705.4 million.

India is the world's sixth-largest exporter of textiles and apparel in 2024 and it has recorded exports of USD 27312.7 million during April–December 2025. Indian textile and apparel exports have recorded growth in more than 100 export destinations during the said period, reflecting enhanced market penetration and export diversification. The Government of India has undertaken several key policy and programmatic initiatives to boost textile and apparel exports and enhance the global competitiveness of the sector.

Further, India has signed 16 Free Trade Agreements (FTAs), including the recently signed India–Oman FTA, and has concluded FTA negotiations with New Zealand and the European Union. These FTAs aim to reduce tariff and non-tariff barriers, simplify trade procedures, and address structural constraints, thereby improving market access and making Indian exports more competitive in partner markets.

The major schemes/initiatives include PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks Scheme to create a modern, integrated, world class textile infrastructure; Production Linked Incentive (PLI) Scheme focusing on MMF Fabric, MMF Apparel and Technical Textiles to boost large scale manufacturing and enhancing competitiveness; National Technical Textiles Mission focusing on Research Innovation & Development, Promotion and Market Development; SAMARTH – Scheme for Capacity Building in Textile Sector with the objective providing demand driven, placement oriented, skilling program; Silk Samagra-2 for comprehensive

development of sericulture value chain; National Handloom Development Program for end to end support for handloom sector. Ministry of Textiles is also implementing National Handicrafts Development Programme and Comprehensive Handicrafts Cluster Development Scheme for promotion of handicrafts. The Government has approved Credit Guarantee Scheme for Exporters (CGSE) for providing 100% credit guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for extending additional credit facilities to eligible exporters, including MSMEs.

This information was provided by The Minister of State for textiles Shri Pabitra Margherita in a written reply to a question in Lok Sabha.





Cabinet approves Startup India Fund of Funds 2.0 to Mobilize Venture Capital for India's Startup Ecosystem

- Rs. 10,000 crore corpus to support deep tech, tech-driven innovative manufacturing startups, and early-growth stage startups

In a major boost to India's growing startup ecosystem, the Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, has approved the establishment of the Startup India Fund of Funds 2.0 (Startup India FoF 2.0) with a total corpus of Rs. 10,000 crore for the purpose of mobilizing venture capital for the startup ecosystem of the country.

The Scheme is designed to accelerate the next phase of India's startup journey by mobilising long-term domestic capital, strengthening the venture capital ecosystem, and supporting innovation-led entrepreneurship across the country.

Launched under the Startup India initiative, Startup India FoF 2.0 builds on nearly a decade of sustained efforts to make India one of the world's leading startup nations. Since the launch of Startup India in 2016, India's startup ecosystem has witnessed an extraordinary transformation growing from fewer than 500 startups to over 2 lakh Department for Promotion of Industry and Internal Trade (DPIIT)-recognised startups today, with 2025 marking the highest ever annual startup registrations.

Building on Fund of Funds for Startups 1.0

The Startup India FoF 2.0 follows the strong performance of the Fund of Funds for Startups (FFS 1.0), which was launched in 2016 to address funding gaps and catalyse the domestic venture capital market for startups.

Under FFS 1.0, the entire corpus of Rs. 10,000 crore has been committed to 145 Alternative Investment Funds (AIFs). Such supported AIFs have invested over Rs. 25,500 crore in more than 1,370 startups across the country in sectors such as agriculture, artificial intelligence, robotics, automotive, clean tech, consumer goods & services, e-commerce, education, fintech, food & beverages, healthcare, manufacturing, space tech, and biotechnology amongst others.

FFS 1.0 played a pivotal role in nurturing first-time founders, crowding in private capital, and helping build a strong foundation for India's venture capital ecosystem.

Key Features of the Scheme: While the first phase built the ecosystem, Startup India FoF 2.0 is designed to take Indian innovation to the next level. The new fund will have a targeted, segmented funding approach to support:

1. Deep tech and tech-driven innovative manufacturing: Prioritizing breakthroughs in high-tech areas that require patient, long-term capital.
2. Empowering early-growth stage founders: Providing a safety net for new and innovative ideas, reducing early-stage failures caused by lack of funding.
3. National reach: Encouraging investment beyond major metros so that, the innovation thrives in every corner of the country.
4. Designed to address high risk capital gaps: Directing greater capital to priority areas which are important for self-reliance and boosting economic growth.
5. Strengthen India's domestic venture capital base, particularly smaller funds to further boost the domestic investment landscape.

Startup India FoF 2.0 is expected to play a pivotal role in shaping India's economic trajectory, leading to transformational impact.

Startup India Fund of Funds 2.0 is expected to play a critical role in advancing India's innovation-led growth agenda. By supporting startups that build globally competitive technologies, products, and solutions, the Fund will contribute to strengthening India's economic resilience, boosting manufacturing capabilities, generating high-quality jobs, and positioning India as a global innovation hub.

Aligned with the national vision of Viksit Bharat @ 2047, the Fund represents the Government's continued commitment to empowering entrepreneurs, fostering innovation, and unlocking the full potential of India's startup ecosystem.



Startup India Recognises 2.07 Lakh Ventures, Creates 21.9 Lakh Jobs; Govt Expands Funding Push Through Flagship Schemes

- Govt Eases Compliance, Expands Tax Relief for Startups Through BRAP, Jan Vishwas, 80-IAC Benefits and ESOP TDS Relief

Startup India is an initiative by the Government of India. As on 31st December 2025, a total of 2,07,135 entities have been recognised as startups by the Department for Promotion of Industry and Internal Trade (DPIIT) across all States/Union Territories (UTs), and such startups have generated over 21.9 lakh direct jobs.

Under the Startup India initiative, the Government is implementing three flagship Schemes, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS), and Credit Guarantee Scheme for Startups (CGSS) to provide funding opportunities for startups across sectors at various stages of their business cycle.

FFS has been established to catalyze venture capital investments and is operationalized by Small Industries Development Bank of India (SIDBI), which provides capital to Securities and Exchange Board of India (SEBI)-registered Alternative Investment Funds (AIFs), which in turn invest in startups through equity and equity-linked instruments. As on 31st December 2025, supported AIFs under the Scheme have invested Rs. 25,547.98 crore in 1,371 selected startups across 29 States/UTs. The year-wise details of the amount invested in startups by AIFs supported under the FFS are placed as Annexure-II. Such supported startups have generated over 2 lakh jobs.

SISFS provides financial assistance to seed stage startups through incubators in the form of grants, convertible debentures or debt or debt-linked instruments. SISFS is implemented from 1st April 2021. As on 31st December 2025, selected incubators under the Scheme have approved funding of Rs. 590.93 crore to 3,271 startups across 32 States/UTs. Such supported startups have generated over 22,600 jobs.

CGSS is implemented for enabling debt funding to startups through eligible financial institutions by guaranteeing up to a specified limit against credit instruments. CGSS is operationalized by the National Credit Guarantee Trustee Company (NCGTC) Limited and has been operationalized from 1st April 2023. As on 31st December 2025, 334 loans amounting to around Rs 808.18 crore have been guaranteed to startup borrowers under CGSS across 20 States/UTs. Such supported startups have generated over 23,700 jobs.

Impact assessment studies have been undertaken for FFS and SISFS schemes. As per impact assessments of Schemes, supported startups have reported improvement in economic areas such as revenue and employment generation. Further, capacity building of investors has been enabled, and startups from a wide variety of sectors have been supported.

Steps taken by the Government to ease regulatory compliance and provide tax benefits to startups:

For easing regulatory compliance across the country, Central Government has taken several initiatives under the flagship programme of Ease of Doing Business which includes Business Reform Action Plan (BRAP), the Business-Ready assessment, Jan Vishwas and Reducing Compliance Burden on Businesses and Citizens, and Cost of Regulation (CoR) exercise to identify and reform the areas of pain-points in terms of administrative costs for the services. Central Ministries/Departments, and States/UTs are actively engaged in self-identification exercises, successfully reducing various compliances.

Further, the Government has undertaken several initiatives, policy measures, and reforms for startups and small businesses to avail various tax related benefits. These include profit linked deductions under Section 80-IAC of the Income Tax Act 1961, deferring Tax Deducted at Source (TDS) in respect of income pertaining to Employee Stock Option Plan (ESOP), relaxation for carry forward and set-off of loss, and relaxations on Goods and Services Tax (GST) for entrepreneurs located within eligible incubators, amongst others.

As per the Central Board of Indirect Taxes and Customs, general policy measures have been undertaken by the Government under GST. The details are placed as Annexure-III.

Additionally, as per the Ministry of Corporate Affairs, startups are provided with certain compliance relaxations/exemptions under the Companies Act 2013. The details are placed as Annexure-IV.

This information was given by the Minister of State for Ministry of Commerce & Industry, Shri Jitin Prasada, in a written reply in the Rajya Sabha.

Indian textile sector backs Budget's focus on capacity, sustainability



India's textile and apparel industry bodies have largely welcomed the Union Budget 2026–27, calling it constructive, forward-looking and aligned with global competitiveness, sustainability and export growth, while noting some unresolved concerns around raw material duties.

The Apparel Export Promotion Council (AEPC) described the Budget as balanced and growth-oriented, with a strong emphasis on MSMEs. AEPC Chairman Dr. A. Sakthivel said it reflects the government's commitment to building a resilient and globally integrated textile and apparel sector. He highlighted improved liquidity measures—such as strengthening the Trade Receivables Discounting System (TReDS), mandatory onboarding of Central Public Sector Enterprises (CPSEs), enhanced CGTMSE support, and asset-backed receivables—as key enablers for exporters. AEPC also welcomed the challenge-mode development of mega textile parks, the Textile Expansion and Employment Scheme aimed at cluster modernization, and Samarth 2.0 for skilling. Highlighting the government's sustainability push, Dr. A. Sakthivel said the Tex-Eco Initiative was a timely intervention to promote globally competitive and sustainable textiles and apparel, reinforcing India's image as a trusted supplier of environmentally responsible fashion.

India's textile industry bodies have welcomed the Union Budget as a results-driven effort to modernize and globalize the sector. The Tiruppur Exporters' Association said measures such as stronger MSME credit access, Export Promotion, Bharat TradeNet and the National Manufacturing Mission will boost competitiveness while supporting sustainability and skills. It highlighted initiatives including the National Fibre Mission, Mission for Cotton Productivity, Samarth 2.0, the Textile Eco Initiative and mega textile parks as end-to-end interventions to improve compliance, traceability and exports, while stressing the importance of swift implementation.

The Southern India Mills' Association (SIMA) welcomed the Budget's support for growing India's textile industry to \$350 billion with 20 million jobs, highlighting initiatives like the National Fibre Scheme, ₹5,900 crore for cotton productivity, and the Capital Support Scheme, while expressing concern that the 11% cotton import duty could hurt export competitiveness; overall, the Budget's focus on sustainability, MSME liquidity, skilling, and trade facilitation aligns the sector with global standards and export-led growth.



Australia's UNSW research finds new purification use for textile waste

Researchers at the University of New South Wales' SMaRT Centre have demonstrated that waste textiles can be upcycled into high-performance activated carbon for purification and filtration applications. Published by Elsevier, the study presents a scalable micro recycling process that converts end-of-life textiles into activated carbon with tunable porosity between 500 and 2,300 m² per gram, while significantly reducing the need for intensive material sorting. Of 14 textile types tested—including cotton, polyester, jute, wool, viscose, nylon and blends—11 were found suitable for activated carbon production, highlighting strong potential for circular textile waste management.

Developed under SMaRT's ARC Micro recycling Research Hub, the process involves phosphoric acid (H₃PO₄)

impregnation followed by thermal transformation, activation, water scrubbing and drying. By optimizing these parameters, researchers were able to tailor pore structure and surface area, enabling applications in water and air purification. According to SMaRT Centre Director Professor Ms Veena Sahajwalla, the research demonstrates the potential to divert problematic textile waste streams from landfill and convert them into high-value materials used across water, air, gas, and food and beverage purification systems, UNSW said in a release.

The research demonstrated a 36% reduction in embodied carbon and over 99% reduction in embodied energy demand compared with conventional coal-derived activated carbon, a material widely used worldwide in critical purification systems.



India Brings Textile Sector Under Carbon Market Compliance



India has brought the textile sector under the Indian Carbon Market for the first time by notifying greenhouse gas emission intensity targets. Announced on January 13, 2026, the move expands the Carbon Credit Trading Scheme to include textiles along with petroleum refineries, petrochemicals and secondary aluminium, raising the total number of obligated entities to 490 from 282. India's Carbon Credit Trading Scheme (CCTS) will require textile units to meet emission-intensity reduction targets. Companies that exceed their targets can earn and trade carbon credits with non-compliant entities, creating a market incentive to cut emissions. Extending the scheme to textiles, following industry consultations, is expected to drive energy efficiency, cleaner fuels and process improvements across the sector.

EU Finalises Investment Facilitation Deal with Ecuador



The European Commission has finalized a Sustainable Investment Facilitation Agreement (SIFA) with Ecuador—the EU’s first such pact with a Latin American country. The deal is designed to encourage sustainable EU investment by improving transparency, regulatory predictability, and administrative efficiency in Ecuador’s business environment. By tackling issues like regulatory uncertainty and bureaucratic delays, the agreement aims to create a more investor-friendly climate for both European and local firms. The Commission said the SIFA underscores the role of international cooperation and a rules-based order in

strengthening stability amid global geopolitical uncertainty.

The EU and Ecuador have concluded negotiations on a Sustainable Investment Facilitation Agreement (SIFA) that prioritizes sustainability, aligning investment with climate action, labour rights and the UN Sustainable Development Goals. A key feature is a first-of-its-kind annex on sustainable energy and raw materials, recognizing their strategic importance and untapped potential for both partners. To support implementation, the EU will provide €8 million to improve Ecuador’s investment climate, remove regulatory bottlenecks and accelerate the country’s energy transition. The agreement aims to streamline investment through greater transparency, simplified authorization procedures, structured investor–government dialogue and targeted support for SMEs. It also reinforces commitments to environmental and labour standards, responsible business conduct, climate cooperation and gender equality.

Following the political conclusion of talks, the agreement will move to formal signature and ratification. SIFA builds on the existing EU–Ecuador trade agreement (in force since 2017) and aligns with the EU’s Global Gateway strategy, with the goal of boosting investor confidence and unlocking sustainable investment opportunities, including in critical raw materials.

Textile-apparel Decarbonisation Progress Off-track: Cascale Report

Global efforts to decarbonize energy use in the apparel, footwear and textiles industry are progressing too slowly to align with the Paris Agreement, according to new analysis from the San Francisco-based Sustainable Apparel Coalition, Cascale. Its Effective Energy Carbon Intensity (EECI) data shows only marginal improvement over time. While some companies and regions are making progress, industry-wide action remains insufficient and poorly scaled. Although recent data suggests a modest shift toward lower-carbon performance categories, the pace of change falls well short of what is needed to meet climate targets.

Energy-related emissions continue to be driven primarily by large facilities and thermal energy use—particularly in tier-II facilities, where heat-intensive processes dominate—according to the State of the Industry Report 2026: Decarburization Progress in the Apparel, Footwear & Textiles Industry.

Coal continues to be a major obstacle to decarburization, making up 31% of total energy use with no year-on-year decline.

While overall trends are stagnant, emissions are heavily concentrated in a small number of large, thermal-energy-dependent facilities, suggesting targeted action could deliver faster gains. Tier 1 facilities show higher levels of electrification, though progress varies widely by country. Despite increased reporting of renewable energy use, renewables still represent just 2% of total industry energy consumption, unchanged from 2023 to 2024. The report concludes that meaningful emissions reductions will require a rapid shift away from coal, expanded electrification in energy-intensive facilities, and a much faster scale-up of renewable energy.





India tightens waste rules to boost sustainable sourcing credibility

India has taken a decisive step to bolster its sustainability credentials with the introduction of stricter solid waste management norms, reinforcing its position as a cleaner and more responsible supplier in global textile and apparel markets. Although the move may lead to some short-term operational disruption, it comes at a pivotal moment when sustainability considerations are increasingly central to trade negotiations and sourcing decisions—particularly in the European Union amid recent and ongoing free trade agreements. Under the notification issued on January 27, 2026, India's new Solid Waste Management Rules will take effect from April 1, 2026. The revised framework shifts waste management from being treated as an “end-of-pipe” municipal responsibility to a shared compliance obligation for bulk waste generators and industrial units. This transition establishes clearer audit trails for waste segregation, processing, and landfill diversion—standards that overseas brands and regulators are progressively demanding from supplier countries.

Under the notified rules, garment factories, textile parks and large campuses are required to implement stricter source segregation by dividing waste into four streams—wet, dry, sanitary and special care waste. They must also hand over segregated waste to authorized collectors and comply with directions issued by local authorities. The notification classifies ‘bulk waste generators’ based on defined thresholds, including entities with a built-up area of 20,000 square metres or more, or those generating at least 100 kg of solid waste per day. These criteria can bring industrial units and industrial areas within its ambit. For larger garment units—particularly those operating canteens, hostels and employing a high workforce—the sanitary waste provisions are especially relevant. Used sanitary items must be securely wrapped, including in pouches supplied by manufacturers or brand owners, and disposed of in designated sanitary waste bins. This provision creates a direct compliance link between factory-level waste management practices and brand or product stewardship responsibilities.



Sri Lanka clears Renewable Energy Resources Development Plan 2025-2030

Sri Lanka's cabinet has approved a Renewable Energy Resources Development Plan for 2025–2030, prepared by the Sri Lanka Sustainable Energy Authority, Minister of Health and Mass Media Dr. Nalinda Jayatissa announced. The plan targets meeting 70 per cent of the country's national electricity demand from renewable energy sources by 2030, while also setting a longer-term goal of achieving carbon neutrality by 2050.

This report provides the prioritization of large-scale renewable energy development projects, and the planned projects for the upcoming periods, based on resource maps of the particular energy sources. Potential sites of different types of renewable energy resources have been identified, and taken for prioritization for future development based on resource potential, land use, distance to roads, slope, distance to grid substations (GSS), urban centres and exclusionary conservation areas. Resource potential was rated as the most important criterion. Access to GSS was not considered as a criterion for wind and solar plants above 100 MW.



EU adopts new provisions under ESPR to ban destruction of unsold stock



The European Commission has adopted new measures under the Ecodesign for Sustainable Products Regulation (ESPR) to prevent the destruction of unsold apparel, clothing, accessories and footwear. An estimated 4–9 per cent of unsold textiles in Europe are destroyed each year before ever being worn. This practice generates around 5.6 million tonnes of CO₂ emissions—almost equivalent to Sweden’s total net emissions in 2021. To curb this waste, the Ecodesign for Sustainable Products Regulation (ESPR) requires companies to disclose information on unsold consumer products that they discard as waste. It also introduces a ban on the destruction of unsold apparel, clothing accessories and footwear. The European Commission has adopted new Delegated and Implementing Acts to help businesses comply with rules aimed at reducing the destruction of unsold consumer goods, clarifying exemptions and streamlining disclosure requirements. Under the Delegated Act, destruction of unsold goods will only be permitted in clearly defined and justified circumstances, such as where products pose safety risks or are damaged. National authorities will be responsible for overseeing and enforcing compliance with these conditions.

The Implementing Act establishes a standardized format for companies to report the volumes of unsold consumer goods they discard, improving transparency and comparability across the EU. These disclosure obligations will take effect from February 1, 2027, providing businesses with a transition period to prepare. The Commission is encouraging companies to strengthen stock management practices, enhance returns processing, and prioritise alternatives to disposal — including resale,

remanufacturing, donation, or reuse — to minimize waste and support circular economy objectives.

The ban on the destruction of unsold apparel, clothing accessories and footwear, including applicable derogations, will take effect for large companies on July 19, 2026. Medium-sized companies will be subject to the same rules from 2030. While disclosure requirements already apply to large companies, these obligations will also extend to medium-sized firms starting in 2030. “The textile sector is leading the way in the transition to sustainability, but significant challenges remain. Waste figures clearly demonstrate the urgency for action. With these new measures, the textile industry will be better equipped to adopt sustainable and circular practices, strengthening competitiveness and reducing dependencies,” said Jessika Roswall, Commissioner for

Environment, Water Resilience and a Competitive Circular Economy.

The destruction of unsold goods continues to be a wasteful practice. In France alone, an estimated €630 million worth of unsold products are destroyed annually. Meanwhile, the growth of online shopping has exacerbated the problem, with nearly 20 million returned items discarded each year in Germany. The Ecodesign for Sustainable Products Regulation (ESPR) is central to addressing this issue, aiming to ensure that products placed on the EU market are more durable, reusable and recyclable, while enhancing resource efficiency and circularity.





Vietnam Textile-Garment Sector Targets \$50 bn in Exports in 2026

Vietnam targets nearly \$38 billion in additional exports in 2026 after achieving a record \$475 billion in 2025, up 17% YoY. However, the goal faces strong headwinds from stricter technical standards, reciprocal US tariffs, and the EU's Carbon Border Adjustment Mechanism (CBAM). In response, key export industries are restructuring and adjusting strategies early to adapt to these external pressures and capture new market opportunities.

Vietnam's textile and apparel sector is prioritizing stronger domestic supply chains, higher localization, and better utilization of free trade agreements, according to VITAS Chairman Mr. Vu Duc Giang. Supported by market expansion and a shift toward higher-value products, exports are projected to grow by 15–16 per cent this year, as per MB Securities' Vietnam Outlook 2026 report.

Chattogram Port ops in Bangladesh Stop as Strike Continues for 3rd day

Operations at Bangladesh's Chattogram Port were disrupted again as workers and employees observed an eight-hour work abstention for the third consecutive day. The strike began at 8 am and was organized by the Chattogram Bandar Rokkha Sangram Parishad along with the local unit of the Jatiyatabadi Sramik Dal.

The protesters are opposing the government's decision to lease the New Mooring Container Terminal (NCT) to UAE-based global port operator DP World, demanding that the move be cancelled. The continued work stoppage has brought port activities to a near standstill, raising concerns over cargo backlogs and supply chain disruptions. Loading and unloading of containers and cargo from vessels at several jetties almost completely stopped from around 8 am, according to domestic media reports.

Cargo delivery from port yards also remained suspended, while container transport between Chattogram port and 19 privately-owned

inland container depots stopped due to the strike. Terming the strike 'unjustified', the Chattogram Port Authority said no agreement has yet been signed regarding the lease of NCT.



Bangladesh Chief Adviser calls for early FTA talks with EU



Bangladesh Chief Adviser Mr. Muhammad Yunus has urged an early launch of free trade agreement (FTA) negotiations with the European Union, underscoring the need to protect Bangladesh's trade preferences in its largest export destination once the current duty-free access period ends. He made the remarks during a courtesy meeting with Ms. Nuria Lopez, chairperson of the European Chamber of Commerce in Bangladesh (Euro Cham). Mr. Michael Miller, the EU ambassador to Bangladesh, was also present at the

meeting. Mr. Yunus and Ms. Lopez discussed the need to accelerate European investment in Bangladesh, ensure smooth bilateral trade ties with EU and carry out further reforms to improve the country's business climate.

Ms. Lopez said a free trade agreement (FTA) would help attract greater European investment to Bangladesh, create jobs and boost exports to advanced Western markets. Mr. Miller noted that the European Union's commercial relationship with Bangladesh is expected to evolve following the country's graduation from least developed country (LDC) status, though not before 2029.

Chief Adviser Mr. Muhammad Yunus also highlighted opportunities for the relocation of factories to Bangladesh, saying European companies could benefit from the country's large pool of skilled labour at competitive costs, according to a statement from his office. "We are building a free trade zone. Our aim is to turn Bangladesh into a manufacturing hub for global businesses. We want more European investment in Bangladesh," Mr. Yunus said.

Global inflation to fall to 3.8% in 2026, 3.4% in 2027: IMF Chief



Global inflation is expected to ease to 3.8% in 2026 and 3.4% in 2027, driven by weaker demand and lower energy prices, according to IMF Managing Director Ms. Kristalina Georgieva. Speaking at the Annual Arab Fiscal Forum in Dubai, she said the global economy is projected to grow by 3.3% in 2026 and 3.2% in 2027 supported by resilient private-sector activity, accommodative financial conditions, and ongoing reforms—particularly in emerging markets. Despite major shifts in geopolitics, trade policy, technology, and demographics, global growth has held up "remarkably well," she noted. Ms. Georgieva called for more trade integration as unilateral trade agreements are on the rise and global

resilience will continue to be tested in the months and years to come.

Global growth prospects are being weighed down by rising geopolitical tensions, trade protectionism, and uncertainty, while expectations around AI-led productivity gains may be overstated. At the same time, mounting public debt—especially in advanced economies—is set to reach record levels, straining fiscal space and potentially pushing up global borrowing costs. For the Middle East, oil price volatility remains a major risk. Prices could weaken if global demand slows due to trade tensions and geo-economic fragmentation. Oil-exporting countries must balance managing price swings with accelerating economic diversification, while oil importers face heightened debt vulnerabilities and sensitivity to global financing conditions, underscoring the need for fiscal buffers and credible medium-term fiscal frameworks.

Low-income and fragile economies continue to struggle with conflict, displacement, and food insecurity. Their immediate priority is restoring macroeconomic stability and securing external financing, including international assistance and debt relief. Across the Arab region, strengthening fiscal credibility and rebuilding fiscal buffers are seen as critical reform priorities.



ICE Cotton Slides As Strong Dollar, Metal Sell-off Hit Prices



ICE cotton futures slid sharply, pressured by a stronger US dollar and a broad sell-off across commodity markets. With no supportive domestic fundamentals, cotton tracked losses in precious metals, while falling crude oil prices added further downside as cheaper polyester weakens cotton's relative competitiveness. The March, 2026 contract, the most actively traded, fell 0.50 cent to 62.67 cents per pound, posting a fresh low close. The May 2026 contract settled 0.53 cent lower at 64.40 cents per pound. Other contracts declined 17–52 points, underscoring broad-based weakness across the curve.

The US dollar strengthened against all major currencies, reducing the competitiveness of US cotton in overseas markets. Dollar gains followed a sharp sell-off in gold and silver, which triggered risk aversion across global financial markets. Crude oil prices dropped by more than \$3 after President Mr. Donald Trump said Iran was in “serious talks” with Washington, easing geopolitical concerns. The broader macro shift weighed on commodities, with CBOT soybean, wheat and corn futures also declining, even as US equities climbed toward record highs.

ICE cotton futures fell amid heavy trading volume of 94,564 contracts, reflecting strong participation during the decline. Open interest increased by 3,471 contracts to a record 372,796 — the 14th consecutive all-time high — indicating fresh short positions entering the market. Analysts said expectations of tighter US monetary policy intensified after Mr. Kevin Warsh's nomination as the next Federal Reserve chairman, further supporting the dollar. Gold and silver remained under pressure, with selling accelerated by the CME's decision to raise margin requirements. Market participants noted that cotton is being dragged lower by weakness in metals, as it currently lacks strong fundamental support of its own. While tariffs have pushed up raw material costs, US manufacturing returned to growth in January, reinforcing the bullish sentiment around the dollar.





Vietnam factory output expands as PMI holds above 50 in Jan

Vietnam's manufacturing sector remained in solid expansion mode in January 2026, with the S&P Global PMI easing slightly to 52.5 from December's 53.0 but staying comfortably above the 50 mark. This marked the seventh consecutive month of improving business conditions. Output rose sharply, supported by stronger new orders and a modest revival in export demand, particularly from Asian markets such as India. Firms responded by continuing to expand their workforce and increasing purchasing activity to support higher production levels. Vietnam's manufacturing sector started 2026 on a strong note, building on late-2025 momentum as higher new orders drove increased output. Business confidence improved, with 55% of firms expecting production to rise over the next year, suggesting solid underlying demand. However, inflation remains a key risk. Input costs surged due to strong demand and material shortages, pushing selling prices up at the fastest pace since April 2022. While demand has so far held up despite these price pressures, S&P Global cautions that any future softening in new orders will need close monitoring.

Bangladesh's BGMEA seeks urgent banking support for RMG units

Bangladesh's readymade garment (RMG) sector is facing growing instability, with the BGMEA warning that many factories could shut down without timely banking support. Around 400 RMG factories have already closed in the past year, driven by higher production costs, lower garment prices and declining orders. The trade body said many more factories remain vulnerable as export performance continues to weaken.

Small and medium garment factories are under intense financial strain, raising concerns they may be unable to pay wages and festival allowances on time—risking labour unrest. Garment exports fell 2.43% year-on-year in the first seven months of the fiscal year and dropped more sharply (9.43% YoY) in the October–December quarter. The pressure is expected to worsen in February and March as factory working days shrink due to national elections, public holidays and Eid-ul-Fitr. Despite operating only about 35 days out of 60, factories must pay nearly double wages in March, covering regular salaries, bonuses and advance payments.

To ease the crisis, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged faster disbursement of pending government cash support through banks and called for soft loans equivalent to six months' wages to help factories meet payroll and allowance obligations.





Cambodia, Japan to transform Sihanoukville into regional logistics hub

Japan and Cambodia have held the first Joint Coordinating Committee (JCC) meeting to advance plans for transforming the Sihanoukville Autonomous Port (PAS) into a major regional gateway and logistics hub. The committee agreed on key operational pillars, including defining the framework for the port's "regional logistics hub" status, approving a 24-month action plan to implement the master plan, and setting up dedicated working groups to speed up project delivery. It also outlined plans for consultative workshops and technical training to support long-term, sustainable port management.

The initiative stems from a strategic proposal by former Prime Minister and current Senate President Mr. Hun Sen and Prime Minister Mr. Hun Manet, who sought Japanese expertise to elevate Sihanoukville's status. The project is part of the

government's strategy to enhance global competitiveness, reduce logistics costs and integrate the country deeper into regional and global supply chains, according to a domestic media outlet. Inter-ministerial stakeholders, representatives from the Japan International Cooperation Agency and senior port officials participated in the meeting.



ICE Cotton Remains Bearish on Stronger US Dollar, Weak Crude Oil



ICE cotton futures edged lower and as a stronger US dollar curbed demand from overseas buyers. Sentiment was further pressured by weakness in crude oil prices. Market participants remained cautious ahead of the US weekly cotton export, while harvesting of the 2025–26 US cotton crop is nearing completion.

The most actively traded March, 2026 contract slipped 0.07 cent to settle at 62.24 cents per pound. The May 2026 contract declined 0.12 cent to close at 63.99 cents per pound. Other contracts finished the session with mixed performance. The global cotton market is entering a phase of relative stability as the 2025-26 crop harvest nears completion. Early estimates for the 2026-27 season point to largely flat planted acreage, with only marginal regional shifts.

Greater clarity on planting intentions and grower sentiment

is expected from upcoming industry milestones. The National Cotton Council's annual meeting on February 12 will publish its grower survey, providing early signals on acreage expectations and cost pressures. This will be followed by the USDA's Prospective Plantings Report on March 31, a critical benchmark for global fibre markets. Broader commodity and macroeconomic indicators remain cautiously supportive. US equity markets recently closed at record highs, buoyed by stronger manufacturing data, optimism around corporate earnings, and improved sentiment linked to progress on the US–India trade deal.

In agricultural markets, soybean prices touched a two-month high after announcements of large-scale Chinese purchases. China is expected to buy around 20 million tonnes this season and 25 million tonnes next season, although traders remain watchful of global supply conditions, particularly the progress of Brazil's harvest. This morning (Indian Standard Time), ICE cotton for March 2026 was traded at 62.28 cents per pound (up 0.04 cent), cash cotton at 60.24 cents (up 0.18 cent), the May 2026 contract at 64.01 cents (up 0.02 cent), the July 2026 contract at 65.82 cents (up 0.10 cent), the October 2026 contract at 67.35 cents (down 0.14 cent) and the December 2026 at 68.30 cents (up 0.06 cent). A few contracts remained at their previous closing levels, with no trading recorded.

ICE cotton slips ahead of US export data, trades range-bound



ICE cotton futures extended losses as traders stayed cautious ahead of the US weekly cotton export report. A weaker US dollar and firmer crude oil prices, however, helped limit the downside. Market participants remain focused on the export data for clearer signals on the strength of global demand. The most actively traded March, 2026 cotton contract slipped 0.36 cent to settle at 62.31 cents per pound, marking a fresh low for the contract. The May 2026 contract declined 0.29 cent to end at 64.11 cents per pound. Other contracts finished mixed, ranging from 30 points lower to 20 points higher.

The dollar's pullback may have supported cotton, and prices are likely to fluctuate within a 62–64 cents per pound range in the near term. Trading volume remained heavy at 99,160 contracts, indicating strong market participation even as prices stayed range-bound. Cotton futures found intraday support as the US dollar retreated from earlier gains, improving export competitiveness by making dollar-denominated cotton

cheaper for overseas buyers. The dollar weakened against most major currencies, with the exception of the Japanese yen, as traders consolidated gains following upbeat US economic data and expectations of a less dovish Federal Reserve. However, sentiment was tempered by lingering concerns over a potential US government shutdown.

Market attention is centred on the USDA's weekly export sales report, covering the week ended January 29, 2026 as traders look for clearer demand signals. In the previous report for the week ended January 22, 2026 US cotton export sales totaled 203,700 bales for the current marketing year. Analysts said cotton prices are likely to remain range-bound in the near term amid bearish technical indicators. In related markets, international crude oil futures surged around 2 per cent after the US shot down an Iranian drone near one of its aircraft carriers and Iranian speedboats approached a US-flagged vessel in the Strait of Hormuz. The developments heightened geopolitical risk, following a sharp decline of more than 4 per cent in oil prices a day earlier. Meanwhile, ICE deliverable No. 2 cotton stocks edged up marginally to 34,268 bales as of February 2, 2026 compared with 34,266 bales the previous day.

ICE cotton for March 2026 was trading at 62.21 cents per pound (down 0.10 cent), cash cotton at 60.06 cents (down 0.36 cent), the May 2026 contract at 64.06 cents (down 0.05 cent), the July 2026 contract at 65.80 cents per pound (unchanged), the October 2026 contract at 67.49 cents (down 0.17 cent) and the December 2026 contract at 68.20 cents (down 0.08 cent). A few contracts remained at their previous closing levels, with no trading recorded so far.

China updates export tax rebate rules to simplify procedures

China has overhauled its export tax rebate framework by issuing updated administrative measures designed to simplify procedures and enhance efficiency for exporters, according to the State Taxation Administration (STA). The STA said the new rules consolidate multiple export tax rebate and exemption policies issued over the years into a single, standardized set of guidelines. The measures clearly define requirements for record filing, declarations, processing and service management, helping exporters better understand compliance obligations and reducing administrative complexity, Chinese media reported.

The revised framework also streamlines rebate and exemption procedures by leveraging big data and advanced

technologies to accelerate processing and enhance service efficiency. The STA said that most exporters are unlikely to experience significant changes to their existing declaration practices, ensuring a smooth transition for ongoing export tax rebate and exemption operations.





EU Parliament lawmakers to resume work on enacting trade deal with US



A majority of shadow rapporteurs in the European Parliament's International Trade Committee have decided to resume work on the two Turnberry legislative proposals, raising the possibility of a vote at the committee's next meeting on, 24 February, 2026. The decision was confirmed by Mr. Bernd Lange, a German Social Democratic Party lawmaker who chairs the committee and

serves as Parliament's standing rapporteur for the United States, in an official statement.

The agreement is also known as the "Turnberry deal", having been reached in July 2025 at the US president's Trump Turnberry golf course on Scotland's Ayrshire coast. "Shadow rapporteurs" refers to the representatives of political groups responsible for legislative work related to the implementation of the Turnberry deal. "Members of the Trade Committee remain committed to advancing work on the two legislative proposals as quickly as possible, provided the United States respects the territorial integrity and sovereignty of the Union and its member states, and honours the terms of the Turnberry deal," Mr. Lange said. "In this spirit, we have also agreed to include, among the grounds for suspending tariff preferences under both legislative proposals, threats to the essential security interests of the Union or its member states, including their territorial integrity," he added.



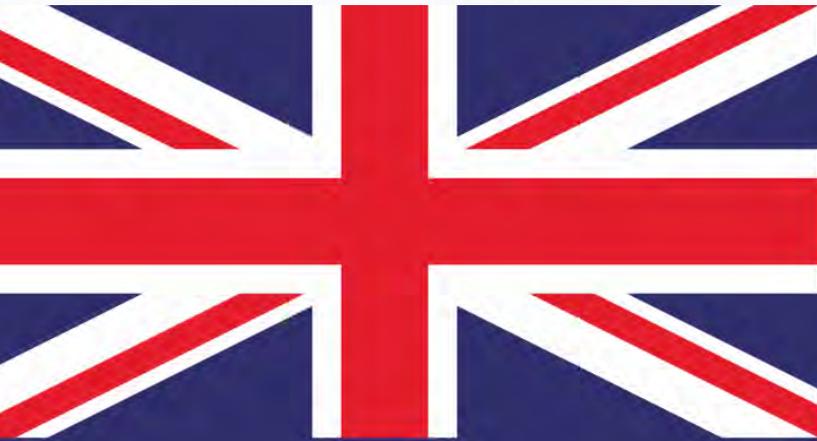
China-Africa Economic Partnership Agreement signed in Beijing

China and South Africa today signed the China-Africa Economic Partnership Agreement (CAEPA) in Beijing. The deal was signed by South Africa's Trade Minister Parks Tau, who is leading a South African delegation to the Joint Economic and Trade Commission meeting in Beijing, and Chinese Minister of Commerce Wang Wentao. The agreement is a step towards securing duty-free access to the Chinese market for South African exports, Tau's office said in a statement.

The framework agreement is expected to be followed by negotiations on an Early Harvest Agreement, which would unlock duty-free access for South African exports and further boost Chinese investment in South Africa, according to local media reports. The framework covers cooperation in trade, investment, new energy and multilateral engagement, and seeks to provide a stable and predictable environment for economic cooperation. It remains aligned with World Trade Organization principles and the development objectives of both countries, South Africa's Department of Trade, Industry and Competition said. Both sides have committed to

expanding bilateral trade, including promoting exports of South African agricultural products and high-value manufactured goods to China.





Australia's Net Zero Fund to be implemented by mid-2026: Govt



emissions technologies. The fund will be delivered by the NRF Corporation (NRFC), which will have the ability to invest through debt and equity instruments, as well as provide guarantees, according to a departmental release.

The Net Zero Fund will operate on a more concessional basis, with a target rate of return set at the five-year government bond rate minus 1 per cent. This compares with the NRFC's broader portfolio, which targets returns of the five-year government bond rate plus 2–3 per cent. The fund will support investments to scale up domestic manufacturing of renewable and low-emissions technologies, with eligibility extending to opportunities such as advanced manufacturing projects.

Australia's Net Zero Fund is essential to help deliver the government's Net Zero plans, including the Industry Sector Plan, and will be implemented by mid-2026, according to the Department of Industry, Science and Resources. The Net Zero Fund will deliver targeted investments to support the transition to less carbon-intensive manufacturing and production processes. It will focus on supporting large-scale industrial facilities to decarbonize, improve energy efficiency and transition to Net Zero.

As a sub-fund of the National Reconstruction Fund (NRF), the Net Zero Fund will draw from the NRF's existing \$15 billion allocation, replacing the earlier target of up to \$3 billion earmarked for investments in renewable energy and low-

It may also support businesses engaged in the manufacture of products used in, or connected to, renewable energy generation, transmission, distribution or storage; energy efficiency; recycling; and waste reduction. Eligible activities could include manufacturing components for wind turbines, batteries, solar panels and hydrogen electrolyzers. Eligibility for debt, equity and guarantee support includes proposals that are wholly or primarily Australia-based and aligned with a designated priority area. Feedback from an online consultation indicated strong support for initiatives targeting large-scale industrial decarbonization—particularly in hard-to-abate sectors—as well as advanced manufacturing projects.



Cotton made in Africa expands global traceability network

Traceability is a market access requirement. Cotton made in Africa (CmiA) is now positioning itself at the center of this transition. The Aid by Trade Foundation (AbTF) has announced a major expansion of its Cotton made in Africa initiative. The program now connects around 700 suppliers, textile manufacturers, and global brands across 25 countries. This is more than double the number recorded a year ago.

Global retailers, including Bestseller, Otto Group, OVS, Primark, and REWE Group, are already marketing products made with CmiA cotton. Their participation reflects rising regulatory and consumer pressure for transparent and responsible sourcing.

According to AbTF, about 33,000 tons of physically traceable CmiA cotton have been processed into nearly 190 million textile products. This signals growing confidence in verified fiber sourcing systems. Unlike conventional mass balance models, CmiA enables physical traceability. Cotton can be tracked from bale to yarn, fabric, and finished garment.

Regulatory frameworks in key markets are tightening due diligence rules. Brands are required to provide verifiable proof of origin and supply chain compliance.

AbTF has also introduced a new Transparency Standard. The standard will become mandatory for all traceable CmiA products starting in March 2026. It combines digital transaction monitoring with independent third-party auditing.

The objective is to strengthen accountability at each production stage and reduce the risk of mislabeling or data gaps.

The rapid growth of Cotton made in Africa reflects a structural shift in the textile sector. Sustainability claims must now be data-driven and verifiable. Traceability systems are increasingly linked to compliance readiness, investor confidence, and long-term sourcing security.

For textile manufacturers in Bangladesh and other sourcing hubs, this development has strategic implications. Buyers are prioritizing suppliers that can integrate traceability platforms and provide end-to-end documentation. Mills that invest early in fiber segregation, digital tracking, and audit preparedness may gain preferred supplier status.

At the farm level, the initiative continues to support African smallholder cotton producers through market-based development. By linking traceable cotton to international retail demand, CmiA strengthens income opportunities while meeting sustainability benchmarks required by global brands.

As regulatory enforcement intensifies and transparency expectations grow, scalable initiatives such as Cotton made in Africa are becoming commercially relevant. Traceability is moving from marketing differentiation to operational necessity. The expansion of CmiA demonstrates that verified African cotton is increasingly integrated into mainstream global supply chains.



India and Gulf Cooperation Council Sign Terms of Reference for India-GCC Free Trade Agreement



The Terms of Reference (ToR) for the India-GCC Free Trade Agreement (FTA) were signed between Shri Ajay Bhadoo, Additional Secretary and Chief Negotiator, Department of Commerce and Dr. Raja Al Marzouqi, Chief Negotiator, Secretariat General of the Gulf Cooperation Council, on 5 February 2026 at Vanija Bhawan, New Delhi. The signing took place in the presence of Union Minister of Commerce and Industry Shri Piyush Goyal, Union Minister of State for Commerce and Industry Shri Jitin Prasada, and Commerce Secretary Shri Rajesh Agrawal.

The ToRs will guide the negotiations for the GCC-India FTA by defining its scope and modalities.

During the signing ceremony, Shri Piyush Goyal emphasized that the FTA will be a force multiplier for the global good. He underlined that the FTA will bring predictability and stability, taking the relationship between the two sides to greater heights. He exuded confidence that FTA will enable seamless flow of goods, and services and attract investments while expanding job opportunities and fostering food and energy security for the

region, elevating our deep economic ties.

Chief Negotiator, Secretariat General of the Gulf Cooperation Council, Dr. Al Marzouqi, underscored that GCC and India have shared historic trade relations and that the signing of ToRs marks the commencement of negotiations towards a mutually beneficial FTA. He highlighted that the FTA will further reinforce relations between India and GCC, particularly in the context of prevailing global uncertainties.

During his visit, Dr. Raja Al Marzouqi met with Shri Rajesh Agrawal. The discussion focused on bolstering overall economic partnership between India and the GCC and advancing cooperation in the areas of mutual interest.

The India-GCC FTA holds significant potential to unlock and expand trade with an important region, with which India has longstanding historical ties in trade and commerce. India's trade with GCC stood at USD 178.56 billion (Exports: USD 56.87 billion; Imports: USD 121.68 billion) in FY 2024-25, accounting for 15.42% of India's global trade. In the last five years, India's trade with the GCC has expanded steadily, registering an annual average growth rate of 15.3 per cent.

Key exports from India to GCC include engineering goods, rice, textiles, machinery, gems and jewelry. Key sectors of imports from GCC primarily comprise crude oil, LNG, petrochemicals, and precious metals such as gold. Collectively, the GCC countries represent a market of 61.5 million people (2024) and US\$ 2.3 trillion in terms of GDP at current prices, ranking 9th globally in this category. The GCC region is also a significant source of FDI for India, with cumulative investments exceeding USD 31.14 billion as on September 2025.

The GCC is also home to nearly ten million members of the Indian community. These strong and enduring people-to-people ties are further reinforced by the substantial presence of Indian companies across the region.

GST

GST collection for December rises by 6.1% to ₹1.74 trillion

- CA BALKISHAN CHHABRA

Gross GST collections grew 6.1 per cent to over Rs 1.70 lakh crore in December on higher revenues from domestic transactions.

The Central GST collection stood at Rs 34,289 crore, State GST at Rs 41,368 crore and Integrated IGST at Rs 98,894 crore, according to government data released.

The total gross Goods and Services Tax (GST) revenue grew 6.1 per cent to over Rs 1.74 lakh crore in December as compared to Rs 1.64 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: Advisory on Filing Opt-In Declaration for Specified Premises, 2025, Advisory & FAQ on Electronic Credit Reversal and Re-claimed Statement & RCM Liability/ITC Statement,

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.

Advisory on Filing Opt-In Declaration for Specified Premises, 2025.

The Goods and Services Tax Network (GSTN) has released an advisory dated January 04, 2026, regarding Opt-In Declaration Filing for Specified Premises, 2025. The related declarations have been issued in reference to a Notification No. 05/2025 – Central

Tax (Rate), dated January 16, 2025. The same can be assessed online at the GST portal. Such declarations are chosen by individuals who want to supply their hotel accommodation services by categorising premises under “specified premises” and are applying for registration, or are already registered.

Kindly take note of the following key points:

1. Who may opt and file the declaration

- Regular taxpayers (active and suspended) supplying hotel accommodation service who want to declare their premises to be a “specified premises”
- Applicants for new GST registration who want to declare their premises to be a “Specified Premises”

The facility is not applicable to composition taxpayers, TDS/TCS taxpayers, SEZ units/developers, casual taxpayers, or cancelled registrations.

2. Types of Declarations

The following declarations are made available on the portal:

1. Annexure VII: Opt-In Declaration for Registered Person – For existing registered taxpayers opting to declare premises as specified premises for a succeeding financial year.

2. Annexure VIII: Opt-In Declaration for Person Applying for Registration – For persons applying for new registration, to declare premises as specified premises from the effective date of registration.

(Annexure IX – Opt-Out Declaration will be made available separately in due course of time.)

3. Timeline for Filing Declarations

(A) Existing Registered Taxpayers – Annexure VII

- Can be filed for the subsequent financial year during the specified window: 1st January to 31st March of the preceding financial year.

- For FY 2026-27, Annexure VII can be filed from 01.01.2026 to 31.03.2026.

(B) New Registration Applicants – Annexure VIII

- Can be filed within 15 days from the date of generation of ARN of the registration application.

- Filing is allowed irrespective of whether GSTIN has been allotted, provided the application is not rejected.

- After the lapse of 15 days, the opt-in declaration can be filed only when the window for Annexure VII is available, i.e., 1st January to 31st March.

- Taxpayers will not be able to file Annexure VIII if the registration application is rejected, irrespective of the fact that the 15 days have lapsed or not.

4. How to File the Declaration on GST Portal

1. Login to the GST Portal

2. Navigate to: Services -> Registration -> Declaration for Specified Premises

3. Select the appropriate option:

➤ Opt-In Declaration for Specified Premises, or

➤ Download Annexure Filed

4. Select eligible premises, fill in the declaration, and submit using EVC.

On successful submission, an ARN will be generated.

5. Important Points to Note

- A maximum of 10 premises can be selected in one declaration. Additional declarations may be filed for remaining premises, if any. However, separate PDFs with reference numbers will be generated for each premise.

- If any premises are left for opt-in, the taxpayer may again file Annexure VII for that premise for the same financial year during the eligible window period.

- Suspended taxpayers are allowed to file the declaration. However, cancelled taxpayers are barred from filing such declarations.

- The option exercised will continue for subsequent financial years unless an opt-out declaration (Annexure IX) is filed within the prescribed time.

6. Downloading of Filed Declarations

- Filed Annexures (VII / VIII) can be downloaded from: Services -> Registration -> Declaration for Specified Premises -> Download

- Separate reference numbers are generated for each declared premise.

Advisory & FAQ on Electronic Credit Reversal and Re-claimed Statement & RCM Liability/ITC Statement

To ensure correct and accurate reporting of reversed and reclaimed ITC and to avoid clerical mistakes, **Electronic Credit Reversal and Re-claimed Statement (Reclaim Ledger)** was introduced on the GST portal from August 2023 return period onwards for monthly taxpayers and from July-September 2023 quarter for quarterly taxpayers. This Reclaim Ledger captures the ITC temporarily reversed in Table 4(B)2 and its subsequent reclaim in Table 4(A)5 and 4(D)1.

As of now taxpayer get a **warning message** if a taxpayer attempts to re-claim excess ITC in table 4D(1) than the available ITC reversal balance but the taxpayer is allowed to file its Form GSTR-3B.

To the taxpayers multiple opportunities have been given to report their opening balance which was earlier reversed ITC but was not reclaimed till that time, for the newly introduced Reclaim Ledger.

This statement can be viewed by the taxpayer by navigating to the **Dashboard > Services > Ledger > Electronic Credit Reversal and Re-claimed**.

To assist taxpayers in correctly reporting Reverse Charge Mechanism (RCM) transactions, another statement called “**RCM Liability/ITC Statement**” (**RCM Ledger**) was introduced on the GST Portal from August 2024 onwards for monthly filers and from July-September-2024 period for quarterly filers. The ledger captures and track the RCM liability shown in Table 3.1(d) of GSTR-3B and its corresponding ITC claimed in Table 4A(2) and 4A(3) of GSTR-3B for each return period.

A **warning message** comes to the taxpayer in case the ITC claimed in Table 4(A)2 and 4(A)3 exceed the closing balance of RCM ledger plus the liabilities being reported in Table 3.1(d).

To the taxpayers’ multiple opportunities have been given to report the RCM ITC opening balance and amend the opening balance for both the said statements where any transaction related to excess ITC reversal or excess RCM liability/ITC prior to implementation of the said statements could be declared as opening balance to these statements.

This RCM Liability/ITC Statement can be accessed through: **Services >> Ledger >> RCM Liability/ITC Statement**.

Now, the taxpayers are hereby informed that, shortly, negative values or availment of excess ITC over and above available balance, shall not be allowed in both the ledgers. Both the statements shall have a below mentioned validation for regulation of ITC:

a) The reclaimed ITC in Table 4(D)(1) shall be lesser than or equal to the combined values of closing balance of **Electronic Credit Reversal and Re-claimed Statement** and ITC being reversed in Table 4(B)(2) of current period GSTR-3B. and,

b) The RCM ITC claimed in Table 4(A)2 & 4(A)3 shall be equal to or less than the combined values of RCM liabilities paid in Table 3.1(d) of the same GSTR-3B and closing balance of RCM Liability/ITC Statement.



In case the taxpayers are already having negative closing balance in Electronic Credit Reversal and Re-claimed Statement or RCM Liability/ITC Statement, the system will not allow such taxpayers to file their GSTR-3B until:

a) Mandatorily reversal of such excess claimed ITC (Negative closing balance) as per Electronic Credit Reversal and Re-claimed Statement is made in Table 4(B)(2) of current period GSTR-3B. In case there is no ITC available in current period, this reversal declared in table 4(B)2 will be added to the liability of the taxpayer in current period while filing GSTR-3B.

b) For negative balance in RCM Liability/ITC Statement, taxpayer need to either pay the additional RCM liability equivalent to negative closing balance in Table 3.1(d) or reduce the ITC claimed in Table 4A(2) or 4A(3) to the extent of closing balance in the current return period.

Case Laws

HC Quashes GST Order Passed Without Proper Service of Show Cause Notice



Facts of the Case

The petitioner, a sole proprietor carrying on retail business under the name N.S. Super Mart, challenged a GST show cause notice dated 15.12.2023 and the consequent order-in-original dated 03.04.2024, by which a tax demand of Rs. 10.91 lakh was raised. The demand was based on alleged excess availment of Input Tax Credit due to GSTR-2A/3B mismatch, non-reversal of ITC on exempt supplies, and ITC claimed from suppliers whose registrations were cancelled.

The petitioner said that the show cause notice and later reminders were never served in any meaningful manner and were merely uploaded on the GST portal under the “Additional Notices and Orders” tab, which remained unnoticed. Thus, no reply was filed, and the proceedings culminated in an ex parte order.

Main Issue: Whether GST adjudication proceedings are sustainable when the show cause notice is uploaded only under the “Additional Notices” tab on the GST portal, thereby denying the assessee an effective opportunity of hearing.

HC’s Judgment: The Hon’ble High Court held that the issue was squarely covered by its earlier judgment in Neelgiri Machinery, as followed in Etemad Cargo. The Court accepted the petitioner’s contention that uploading notices only under the “Additional Notices” tab does not constitute valid or effective service, particularly when it results in the assessee being unaware of the proceedings.

The Court found that the petitioner had been denied a reasonable opportunity to respond, and thereafter, the principles of natural justice were violated. The order-in-original was therefore quashed. The matter was remanded to the adjudicating authority with liberty to the petitioner to file a reply within four weeks. The authority was directed to grant a personal hearing and pass a

reasoned order in accordance with the law within three months.

Recent changes on Interest Collection and Related Enhancements in GSTR-3B from Jan’2026

Update in Interest Computation for GSTR-3B

From January-2026 tax period onwards, the interest calculation in table 5.1 of GSTR-3B on portal has been enhanced, providing the benefit of the minimum cash balance available in the Electronic Cash Ledger of the taxpayer from the due date of return filing until the date of tax payment (offset) in line with the proviso to Rule 88B(1) of the CGST Rules, 2017. The said change shall be applicable on the delayed returns filed for January 26’ tax period for which interest shall be auto-populated in February 26’ tax period’s GSTR-3B. The revised interest computation formula is mentioned below for better understanding of the taxpayers. Revised Interest Computation Formula Interest = (Net Tax Liability – Minimum Cash Balance in ECL from due date to date of debit) × (No. of days delayed / 365) × Applicable Interest Rate 1. System-Computed Interest in Table 5.1: The interest auto-populated on the basis of the revised computational formula mentioned above, in table 5.1 of GSTR-3B shall be non-editable and taxpayers would not be allowed to amend the auto-populated values downward. It may be noted that the interest auto populated in GSTR-3B is only the minimum interest that is required to be paid by the taxpayer. However, the taxpayers needed to self-assess their correct interest liability, and amend the auto populated values upward, if required.

Auto-Population of Tax Liability Breakup Table in GSTR-3B

The ‘tax liability breakup table’ in GSTR-3B capture the supplies of previous tax periods, reported in current period. The tax is being paid for such supplies in current tax period. Hence, for the filing of GSTR-3B from January-2026 tax period onwards, the GST Portal shall auto-populate the “Tax Liability Breakup Table” in GSTR-3B based on date of documents related to supplies reported in GSTR-1 / GSTR-1A / IFF pertaining to any previous tax period. Where the corresponding tax liability has been discharged in the current period’s GSTR-3B. GSTN Advisory on Interest Collection and Related Enhancements in GSTR-3B Page 2 of 2 This enhancement is intended to assist taxpayers in accurate reporting of tax liability and align the computation of interest as per proviso of Section 50 of CGST Act, 2017. **Key Features** • Auto-populated values are suggestive in nature. • Taxpayers may modify upwards these values based on their own records and computations, if required.

Update in Table 6.1 – Suggestive Cross-Utilization of ITC

From January-2026 period onwards, once the available IGST ITC has been fully exhausted, the GST Portal will allow to pay IGST liability in Table 6.1 of GSTR-3B using available CGST and SGST ITC in any sequence,

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ITALY

FOCUS COUNTRY

India and Italy are ancient civilizations with rich cultural heritage. Italian port cities were important trading posts on the ancient spice route. Diplomatic relations with Italy were established in 1947. In 2023, both countries celebrated the 75th anniversary of establishment of diplomatic relations. Italy is India's 4th largest trading partner in the EU. Bilateral trade in 2024-25 reached US\$ 13.76 billion with our exports at US\$ 7.73 billion.

➤ Economic Overview:

The Italian economy is the eighth largest in the world and third largest in the European Union, with a GDP of \$2.37 trillion in 2024. The economy grew slowly despite continued high energy prices, inflation and ongoing geopolitical/economic constraints such as the war on Ukraine. Economic growth in 2026 is expected to hover around 1%.

➤ Economic Indicators:

Indicators	Value (in USD)
GDP, 2024	2.38 trillion
GDP per capita, 2024	40,385.3
GDP growth (annual), 2024	0.7%
Inflation, consumer prices (annual), 2024	1.0%

Source: ITA, Worldbank

➤ Average Tariff for India:

9.6% (India has announced successful conclusion of FTA negotiations with European Union on 27-January, 2026)

➤ Exchange Rate :

Indicators	Value (in USD)
Indian Rupees (INR) per Euro (USD)	107.29
Euro (EUR) per US Dollar (USD)	0.85

Source: X-Rates (February 2026)

➤ Italy's RMG Trade:

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

	2022	2023	2024	% Change 2024 over 2023	2024 (Jan-Sep)	2025 (Jan-Sep)	% Change 2025 over 2024
Italy's RMG imports from World	19599.4	19680.3	19016.4	-3.4	14246.1	15292.9	7.3
Italy's RMG imports from India	411.5	344.5	339.2	-1.5	277.2	304.4	9.8
India's Share in Italy's total RMG imports from World, %	2.1	1.8	1.8		1.9	2.0	

Source: UN Comtrade 2026

The above table shows that Italy's RMG import from the World were to the tune of USD 19016.4 million in 2024 showing a decline of 3.4 % as compared to 2023. RMG import from India has also declined to USD 339.2 million, registering a decline of 1.5 % as compared to 2023. India's percentage share in Italy's RMG import from the World has remain same on 1.8 % in 2024.

Italy's RMG import from World between January-September 2025 were to the tune of USD 15292.9 million, showing a growth of 7.3 % as compared to January-September 2024 and import from India during the same period also showed growth of 9.8 % with the share of 2.0 % in 2025.

➤ Top RMG Supplier to Italy:

Top RMG Supplier to Italy and India's Position

Position	Countries	Imported value in 2024 (in USD mn)	% Share
		World	19016.4
1	China	2436.0	12.8
2	Spain	2287.5	12.0
3	France	1662.5	8.7
4	Bangladesh	1600.9	8.4
5	Netherlands	1436.3	7.6
6	Germany	1131.2	5.9
7	Belgium	807.7	4.2
8	Romania	793.6	4.2
9	Tunisia	592.4	3.1

Source: UN Comtrade 2026

➤ **Top RMG Supplier to Italy:**

The above table shows that China has remain the top supplier of RMG to Italy with 12.8 % share in 2024. India is the 13th largest supplier of RMG to Italy with 1.8 % share. Spain, France and Bangladesh has a share of 12.0 %, 8.7 % and 8.4% respectively.

Top RMG Supplier to Italy and India's Position			
Position	Countries	Imported value in 2024 (in USD mn)	% Share
10	Turkey	551.9	2.9
11	Sri Lanka	411.5	2.2
12	Albania	344.5	1.8
13	India	339.2	1.8
14	Croatia	338.9	1.8
15	Pakistan	294.8	1.6

Source: UN Comtrade 2026

➤ **Italy's top 10 RMG Products Import from World vs India's share:**

Top 10 RMG products imported by Italy 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		19016.4	339.2	1.8
		Sum of Top 10		8608.3	95.0	1.1
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	1652.9	41.0	2.5	
2	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	1283.5	17.0	1.3	
3	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	1035.4	14.7	1.4	
4	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	876.2	0.9	0.1	
5	620140	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	865.9	0.8	0.1	
6	620240	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	844.6	0.5	0.1	
7	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	753.5	5.8	0.8	
8	610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	477.9	1.3	0.3	
9	611011	Jerseys, pullovers, cardigans, waistcoats and similar articles, of wool, knitted or crocheted ...	433.0	0.5	0.1	
10	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	385.4	12.5	3.2	

Source: UN Comtrade 2026



The above table shows Italy'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 8608.3 million in 2024 and import from India of these top 10 products were to the tune of USD 95.0 million India has 1.1 % share in Italy's top 10 products import from the World.

The top products imported by Italy 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 cotton, knitted or crocheted; (iii) Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton.

➤ Italy's top 10 RMG products import from India:

Top 10 RMG Products India's Export to Italy (in USD mn)

S.No.	HS Code	Product label	Export from India, 2024	% Share in 2024
		Total RMG	339.2	100.0
		Sum of Top 10	193.1	56.9
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	41.0	12.1
2	610721	Men's or boys' nightshirts and pyjamas of cotton, knitted or crocheted (excl. vests and singlets)	30.1	8.9
3	610831	Women's or girls' nightdresses and pyjamas of cotton, knitted or crocheted (excl. T-shirts, ...)	26.1	7.7
4	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	17.0	5.0
5	611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	16.7	4.9
6	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...)	14.7	4.3
7	620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	14.3	4.2
8	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...)	12.5	3.7
9	620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excl. knitted or crocheted and ...)	11.5	3.4
10	611211	Track-suits of cotton, knitted or crocheted	9.2	2.7

Source: UN Comtrade 2026

The above table shows Italy's top 10 RMG products imported from India. Italy's top 10 products imported from India were to the tune of USD 193.1 million with 56.9 % share in Italy's total RMG import from India.

The top products imported by Italy from India includes (i) T-

shirts, singlets and other vests of cotton, knitted or crocheted (ii) Men's or boys' nightshirts and pyjamas of cotton, knitted or crocheted (iii) Women's or girls' nightdresses and pyjamas of cotton, knitted or crocheted.

Tamil Nadu Signs 55 MoUs Worth Nearly US \$ 100 million to Boost Textile Sector



In the presence of Deputy Chief Minister Shri Udhayanidhi Stalin and Minister for Handlooms and Textiles Shri R. Gandhi, the Tamil Nadu government oversaw the signing and exchange of 55 memoranda of understanding (MoUs) valued at Rs. 915 crore (US \$ 99.54 million), aimed at attracting investments into the State's textile sector.

The agreements span multiple segments of the industry, including spinning, weaving, processing, apparel and garments, and technical textiles, reinforcing Tamil Nadu's position as a

leading textile manufacturing hub in the country.

The Deputy Chief Minister also issued orders for a range of financial incentives to support industry modernisation and expansion. These included an interest subsidy of Rs. 11.7 lakh (US \$ 12,700) for the modernisation of old spinning machines, a subsidy of Rs. 67.49 lakh (US \$ 73,400) for the establishment of power looms, and a capital investment subsidy of Rs. 10.92 crore (US \$ 1.19 million) for the launch of a new textile processing unit. In addition, orders were handed over for a subsidy of Rs. 1.3 crore (US \$ 141,000), representing the State government's contribution towards the establishment of an integrated textile mill focused on technical textiles.

Addressing the gathering, Shri Stalin said that Tamil Nadu was widely regarded as the textile valley of India, with Coimbatore, Tiruppur and Karur emerging as major industry hubs. He stated that the Dravidian model government was implementing a range of schemes to strengthen the textile sector and expressed confidence that the industry would play a significant role in achieving the State's objective of becoming a trillion-dollar economy.

Virudhunagar PM MITRA Textile Park Expected to Draw US \$ 1.08 Billion Investment

A proposed textile park to be developed over 1,053 acres at Virudhunagar is expected to attract investments worth Rs. 10,000 crore (US \$ 1.08 billion), according to Shri R. Gandhi, Minister for Handlooms and Textiles, Tamil Nadu.

Addressing the inaugural session of the two-day International Textile Conference 360 in Coimbatore, the Minister said the Prime Minister Mega Integrated Textile Regions and Apparel (PM MITRA) Park at Virudhunagar would be supported by common infrastructure developed at a cost of Rs. 1,894 crore (US \$ 206 million). He noted that the project was expected to significantly strengthen the textile ecosystem and spur economic development in the southern districts of the State.

At a roadshow held on the sidelines of the conference, A. Catherine Saranya, Executive Director of the State Industries Promotion Corporation of Tamil Nadu (SIPCOT), outlined details of the first phase of development. She said common infrastructure, including roads, storm water drains, street lighting and a five-million-litres-per-day effluent treatment

plant, would be developed at an estimated cost of Rs. 364 crore (US \$ 39.60 million).

Saranya added that 600.83 acres would be made available for industrial development, with designated zones for spinning, garmenting, textile processing, knitting and technical textile units. The proposed facilities would also include a 20 MW solar power plant, a 10,000-bed dormitory, a Centre of Excellence, a product display area and a skill development centre. She stated that the objective was to create a comprehensive logistics ecosystem to support the industry.





Odisha CM unveils Rs 287 Cr projects in Keonjhar; Textile Park to create 1,200 jobs



Odisha Chief Minister Shri Mohan Charan Majhi laid the foundation stones for two major projects in Keonjhar district, a textile park with an investment of Rs 100 crore and a disaster recovery and data centre estimated at Rs 187 crore, aimed at accelerating industrial activity and strengthening the state's digital backbone.

The proposed textile park is expected to generate employment for nearly 1,200 people, with a significant share of the jobs likely to benefit women. Hindalco is set to establish a garment manufacturing unit within the park, which will be developed over seven acres.

Referring to the Odisha Textile Conclave (O-TEX) held in Bhubaneswar in July last year, Shri Majhi said that 33 investment agreements worth Rs 7,800 crore were signed during the event, with the potential to create around 53,000 jobs across the state.

CM Shri Mohan Majhi further said that the government is working on developing a network of textile and apparel parks in districts including Bhadrak, Keonjhar, Sambalpur, Bolangir, Ganjam, Cuttack and Jagatsinghpur to further strengthen Odisha's footprint in the textile sector.

Tamil Nadu Interim Budget Allocates US \$ 214 Million to Textiles and Handlooms

The Government of Tamil Nadu has earmarked Rs 1,943 crore (US \$ 214 million) for the handlooms and textiles sector in its Interim Budget presented on 17th February, signalling continued policy backing for one of the state's most significant industries.

Presenting the Budget, Finance Minister Shri Thangam Thennarasu also announced an equal allocation of Rs 1,943 crore (US \$ 214 million) for micro, small and medium enterprises (MSMEs), alongside Rs 4,282 crore (US \$ 472 million) for the industries sector. Industry representatives noted that these broader allocations are also expected to benefit the textile value chain.

Zero-tariff hopes rekindle Tiruppur's textile momentum

Tiruppur's textile industry is showing clear signs of revival, with exporters saying the recent India-US and India-EU trade deals could mark a turning point for the knitwear hub.

Just weeks after the agreements were signed, this textile cluster, about 460 km from Chennai, is witnessing renewed activity across warehouses and factory floors. After months of delayed orders and uncertainty, confidence appears to be returning.

Union Commerce and Industry Minister Shri Piyush Goyal recently indicated that India could receive textile trade benefits similar to those extended to Bangladesh under its US trade arrangement, reassuring exporters in Tiruppur.



Gujarat Raises Textile Outlay to US \$ 302 Million in FY '27 Budget



Gujarat has significantly increased financial allocation for the textile sector, raising the outlay under the Development of Textile Industry scheme to Rs. 2,755 crore (US \$ 302 million) in the State Budget for fiscal year 2026–27.

The enhanced allocation, announced by State Finance Minister Shri Kanubhai Desai while presenting the Budget in the Legislative Assembly, marks a notable rise from Rs. 2,000 crore (US \$ 219 million) in 2025–26 and Rs. 2,036.47 crore (US \$ 223 million) in 2024–25. The year-on-year increase underscores the State Government's continued focus on consolidating Gujarat's leadership in textile manufacturing and strengthening export competitiveness, particularly among micro, small and medium enterprises (MSMEs).

The Development of Textile Industry scheme is expected to support capacity expansion, technology upgradation and fresh investment across the textile value chain. The higher subsidy-driven outlay reflects an intensified push to enhance industrial infrastructure and scale within the sector.

Beyond large-scale industry, the Budget also sustains financial provisions for cottage industries, handloom and small-scale textile ecosystems. These measures include grants, subsidies and institutional assistance covering cooperative manufacturing models, skill development, research support and export facilitation for smaller producers.

Financial assistance to the Gujarat State Handicraft Development Corporation has been increased to Rs. 48.05 crore (US \$ 5.28 million) for 2026–27, up from Rs. 41.86 crore (US \$ 4.60 million) in the previous year. The allocation is aimed at improving market access and strengthening institutional support mechanisms. Additionally, Rs. 23 crore (US \$ 2.52 million) has been earmarked for design competitions, exhibitions and promotional initiatives to foster product innovation and enhance visibility within the handicrafts segment.

To further support export-oriented industries, including textiles and apparel, the Budget proposes the establishment of the Gujarat State Export Promotion Council with an allocation of Rs. 5.90 crore (US \$ 648,000). The council is intended to facilitate export development and broaden market access, particularly for MSME producers. Provisions enabling handloom and handicraft stakeholders to leverage e-commerce platforms signal an increasing emphasis on digital market integration and diversification.

Overall, the Budget outlines a dual strategy: scaling industrial textile investment through an expanded core allocation while reinforcing traditional and MSME segments via targeted support, export facilitation and digital initiatives.

Media Coverage

'Trade deal opens up U.S. textile market'

The Hindu Bureau
COIMBATORE

The Union Ministry of Textiles said on Saturday that the agreement between India and the U.S. opens up a \$118 billion U.S. global imports market of textiles, apparels, and made-ups.

With the U.S. being India's largest export destination of around \$10.5 billion, the deal is expected to play a pivotal role in India achieving its intended target of \$100 billion exports in 2030.



U.S. imports of textiles and apparel from India dropped 31.4% YOY in Nov. 2025, AFP

The 18% reciprocal tariffs on all the textile products, including apparel

and made-ups, will remove the disadvantage that Indian exporters had and allow place them in a better position than Bangladesh (20%), China (30%), Pakistan (19%) and Vietnam (20%), the Ministry said.

'Compete effectively' The Confederation of Indian Textile Industry chairman Ashwin Chandran said India's textile and apparel exports can once again compete effectively in the U.S. The U.S. imports of textiles and apparel

from India dropped 31.4% in November 2025 compared with November 2024. The industry is awaiting more clarity on cotton as India's exports of textiles and apparel are primarily driven by cotton.

A. Sakhivel, chairman of the AEPG, said the India-U.S. trade agreement will also address the issue of non-tariff barriers to trade and reduce the compliance burden and procedural delays leading to the faster movement of goods to the U.S. market.

Apparel industry hopes for revival in orders post tariff cut

M. Sankaridha Prabhakar
CHENNAI

The textile and apparel industry, which accounts for 20% of shipments to the U.S., hopes for revival of orders and investments following the reduction of tariffs to 18%.

Textile and garment exports dropped 30% and 31% in October and November 2025 respectively compared with the corresponding period in 2024 due to the tariff.



Chairman of the Apparel Exporters Association, A. Sakhivel, said the 18% tariff is expected to give a boost to apparel exports and attract fresh investments in the value chain.

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नाप बाजार, अब व्यापार समझौते से अमेरिका को भी बढ़ेगा भारतीय निर्यात

अमेरिकी शूल्क में राहत देवसटाइल उद्योग के लिए स्वर्णिम युग आने जैसा: शक्तिवेल

अपरेल एक्सपोर्ट प्रमोशन काउंसिल के चेयरमैन ए. शक्तिवेल कहते हैं कि अमेरिका के बाजार में शूल्क में इतनी बड़ी राहत मिलना पूरी देवसटाइल इंडस्ट्री के लिए स्वर्णिम युग आने जैसा है। निरिवत रूप से इससे अमेरिकी निर्यात को बड़ा फायदा मिलने वाला है। निर्यातकों ने बताया कि नए बाजार की तलाश के साथ अब अमेरिका के बाजार में भारतीय वस्तु वीन, वियतनाम, इंडोनेशिया, बांग्लादेश जैसे देशों के मुकाबले सरस हो जायेगी और फिर से अमेरिका को भारतीय निर्यात तेज गति से बढ़ेगा। ब्रिटेन, न्यूजीलैंड, ओमान व यूरोपीय यूनियन जैसे देशों के साथ बात ही में किए गए मुक्त व्यापार समझौते (एफटीए) पर इस साल या आने वाले साल तक अमल शुरू हो जाएगा। ऐसे में नए वित्त वर्ष 2026-27 में भारतीय निर्यात नई ऊंचाई छू सकता है।

Business

Indian exporters perturbed by U.S.-Bangladesh trade pact

Bangladesh must use US-sourced raw materials to avail zero tariff, but Indian sector stakeholders fret the fine tune taken to receive US cotton, its transport and storage, could reduce its cost advantage

The U.S. Bangladesh trade pact led to concerns among Indian textile and apparel exporters who were looking forward to a competitive advantage over Bangladesh with the 20% tariff on goods from that country, as Indian merchandise would be taxed a tad lower at 18%.

According to the U.S. Bangladesh Agreement, the U.S. will establish a mechanism that will allow for certain textile and apparel goods from Bangladesh to receive zero reciprocal tariffs on the rate of 20% cotton or MMA yarn.

India exported \$1.47 billion worth of goods to Bangladesh in 2024-2025, its largest destination for Indian goods, according to the U.S. Trade Representative's office.

The Confederation of Indian Textile Industry (CITI) has expressed its concern over the pact, stating that it will affect the competitiveness of Indian exporters.

"How will the U.S. determine the availability of the raw material? As Bangladesh is very keen to agree to the pact, we may stand to lose," said A. Sakhivel, chairman of the AEPG. "We will appeal to the Indian government to take a provision similar to the one given to Bangladesh for Indian apparel exporters," he said.

Tariff cut lifts textile, apparel exporters

HT Correspondents

NEW DELHI/CHENNAI: Indian textile and apparel exporters have cheered at the latest reduction of the India-US trade break-through, with a tariff reduction from 20% to 18% effective immediately under the trade pact.

The 18% reciprocal tariffs on all the textile products, including apparel and made-ups, will remove the disadvantage that Indian exporters had and allow place them in a better position than Bangladesh (20%), China (30%), Pakistan (19%) and Vietnam (20%), the Ministry said.

Textile and garment exports dropped 30% and 31% in October and November 2025 respectively compared with the corresponding period in 2024 due to the tariff.

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Budget to enhance the competitiveness of India's apparel industry: Chairman AEPG

Union Budget: FM pegs fiscal deficit lower at 4.3% of GDP for 2026-27

OPENING NEW DOORS

The Union Budget for 2026-27, presented by Finance Minister Nirmala Sitharaman, has been hailed as a landmark document for India's economic growth. The budget aims to reduce the fiscal deficit to 4.3% of GDP, a significant improvement from the current 6.5%.

The budget also includes several measures to support the textile and apparel industry, including a 10% increase in the export duty on certain textile products and a 5% increase in the export duty on certain apparel items.

The AEPG has welcomed the budget and expressed its confidence that the government's policies will continue to support the growth of the textile and apparel industry.

Indian textile exporters elated at being 'back on track'

1 Day Report

Indian textile exporters are elated at being 'back on track' after a period of uncertainty. The industry has seen a significant increase in orders from the U.S. market, which is a positive sign for the sector.

The industry has also seen a decline in the cost of raw materials, which is another positive factor for exporters. The combination of these factors has led to a significant increase in the competitiveness of Indian exporters in the U.S. market.

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India's textile exports to US faces stiff Dhaka competition

Union Budget: FM pegs fiscal deficit lower at 4.3% of GDP for 2026-27

India's textile exports to the U.S. are facing stiff competition from Bangladesh. The industry has seen a significant increase in orders from the U.S. market, which is a positive sign for the sector.

The industry has also seen a decline in the cost of raw materials, which is another positive factor for exporters. The combination of these factors has led to a significant increase in the competitiveness of Indian exporters in the U.S. market.

अमेरिका संग समझौते में देरी से भारत को दोहरा फायदा

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APPAREL EXPORT PROMOTION COUNCIL

(Sponsored by Ministry of Textiles, Government of India)

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