Apparel INDIA

YR 26 ISSUE 01

APPAREL EXPORT PROMOTION COUNCIL MAGAZINE | JANUARY 2026 | RNI NO. HARENG/2012/45083 ₹ 100

Apparel INDIA

INSPIRE
INFORM
CONNECT

YR 26 | ISSUE 01 | January, 2026 | PAGES 60

CHAIRMAN AEPC
Dr. A. Sakthivel

CHAIRMAN EP
Shri K.M Subramanian

SECRETARY GENERAL
Mr. Mithileshwar Thakur

EDITOR
Mr. Sameer Pushp
General Manager (M&C)

PUBLISHER
Apparel Export Promotion Council
Apparel House, Sector-44,
Institutional Area,
Gurugram,
HARYANA – 122003.
Phone: 0124-2708000
www.aepcindia.com

DESIGNING & LAYOUT
Mr. Rajiv Rai
Email: rajivraigzp@gmail.com

PRINTING PRESS
Asian paper products, New Delhi
Email: asianpaper88@gmail.com
Mobile: + 91 98717 34269

CHAIRMAN'S MESSAGE

My dear fellow exporters,

At the outset, I express my sincere gratitude to all my fellow exporters for reposing faith in me for the 5th time and making me Chairman again. I assure you all that I will stand up to your expectations and will work shoulder to shoulder with you all to promote apparel exports.

I wholeheartedly appreciate tenure of **Shri Sudhir Sekhri**, the outgoing chairman for the services rendered to the council.

We all are extremely happy on the conclusion of the historic Free Trade Agreements with the European Union, which was due since long. For me it was a dream come true. My efforts to push this deal started 18 years ago. I am delighted to share that I participated in the India- EU Business Forum meeting presided by the Hon'ble Prime Minister, Shri Narendra Modi.

This landmark India- EU FTA will significantly improve India's market access for MSMEs and address tariff disadvantages besides boosting investments and job opportunities.

I am deeply thankful to Shri Giriraj Singh, Hon'ble Union Minister for textiles for inaugurating the 74th Edition of India International Garment Fair (IIGF). The IIGF continues to serve as a vital link between Indian exporters and global markets.

Despite the challenging environment, India's apparel exports have demonstrated resilience. We have kept pace by logging cumulative RMG exports for the period April- December 2025-26 to the tune of USD 11584.3 million, showing a growth of 2.4% over April-December 2024-25.

The steep US tariff has caused serious disruption in our export sector. We have urged the government to introduce Focus Market Scheme (FMS) duty credit scrips equivalent to 20% of the FOB value of exports for apparel exports to the USA as a temporary relief measure.

In these turbulent times, the way forward for the industry lies in export market diversification, continuous innovation, and adoption of sustainable and responsible practices. In the ensuing Union Budget, the industry expects continued policy support through enhanced export competitiveness measures.

Despite headwinds India remains a trusted sourcing destination backed by a large manufacturing base, skilled workforce, raw material abundance and improved logistics and compliance standards. The industry's ability to adapt, recalibrate product offerings, and maintain buyer confidence has been commendable.

I had the occasion to meet Hon'ble Vice President Shri C P Radhakrishnan and discuss key challenges facing the apparel industry, including US tariff measures. We also discussed interest subvention support and the need for market diversification. The Hon'ble Vice President assured that the concerns raised would be referred to the relevant ministries for early consideration and appropriate action.

AEPC during the month organized webinars on the recent developments in Labour Codes and their practical implications and also on the possibilities of enhancing apparel exports to African countries. I am sure the industry must have benefited from it.

Next month AEPC will be participating in CPM (Collection Premiere Moscow) International Fashion Trade Show to be held from 17 – 20 February, 2026 and SOURCING AT MAGIC, Las Vegas, USA to be held from 17 – 19 February, 2026. I request member exporters to make best use of these platforms to boost trade.

The government has done a commendable job by signing series of FTAs, I urge the industry to increase capacity as demand will rise manifold. Also, investing in green sustainable technology will be needed to meet the global sourcing requirements.

Together, let us transform challenges into opportunities and continue our journey towards sustainable and inclusive export growth.

Warm regards,
Dr. A. Sakthivel

Government removes QCO on Textile Machinery Imports

The government has removed the quality control order on all machinery and the textile industry will be able to import quality machinery required

The Union Ministry of Heavy Industries has rescinded its order issued on August 24, 2024 relating to quality standards for machinery and electrical equipment safety. With this, there will be no quality control standards on imported textile machinery.

Weaving and processing machinery are imported by several textile units and the textile industry has been asking for withdrawal of the quality standards order on machinery. Though the order was introduced in 2024, the government had postponed implementing it.

Now the government has removed the quality control order on all machinery and the textile industry will be able to import quality machinery required, said sources in the textile sector.

PLI Scheme for Textiles: Government extends the last date for submitting new applications up to 31st March 2026

The Government of India has decided to extend the deadline for submission of fresh applications under the Production Linked Incentive (PLI) Scheme for Textiles up to 31st March 2026.

The extension follows the significant response received since the application portal has been re-opened in August 2025, with proposals being submitted by textile companies across priority areas including Man-Made Fibre (MMF) Apparel, MMF Fabrics, and Technical Textiles.

The decision underscores the growing investor confidence in India's textile sector and aims to facilitate wider participation by offering additional time to eligible applicants. The application portal https://pli.texmin.gov.in/ will remain open till 31.03.2026.

DGFT Seeks Industry Feedback on Export-Related Non-Tariff Measures, Testing & Certification

The nationwide data collection exercise by DGFT aims to map global export testing, inspection and certification barriers.

The Directorate General of Foreign Trade (DGFT) has issued a trade notice, calling upon exporters, Export Promotion Councils, Commodity Boards and industry associations to share inputs on export-related Non-Tariff Measures (NTMs), testing and certification requirements applicable to Indian exports across global markets.

India's Index of Industrial Production (IIP)

Textiles & Wearing Apparel update for India's Index of Industrial Production (IIP) for the month of November 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	108.4	-2.4	104.0	97.7	-6.1
November	106.2	109.6	3.2	110.3	94.4	-14.4
December	113.9			119.1		
January	113.7			120.2		
February	106.6			120.1		
March	112.1			144.8		
Cumulative Index (April-November)	**108.2**	**107.4**	**-0.6**	**111.7**	**109.1**	**-2.3**

Source: CSO,2026
***Figures for Nov 2025 are Quick Estimates. (Base: 2011-12=100)**

➢ ***Manufacturing of Textiles Index*** *for the month of November, 2025 is 109.6, which has increased by 3.2% as compared to November, 2024.*

➢ *Manufacturing of Textiles Index for the financial year 2025-26 (April-November) is 107.4, which has shown a decline of 0.6% to as compared to the year 2024-25 (April- November).*

➢ ***Manufacturing of Wearing Apparel Index*** *for the month of November, 2025 is 94.4, which has declined by 14.4% as compared to November, 2024.*

➢ *Manufacturing of Wearing Apparel Index for the financial year 2025-26 (April-November) is 109.1, which has declined by 2.3% as compared to the financial year 2024-25 (April- November).*

Dr. A. Sakthivel Takes Charge as Chairman of AEPC for a Historic Fifth Term

Padmashri Dr. A. Sakthivel, one of India's most respected industry leaders and a pioneer of the apparel export movement, has assumed charge as the Chairman of the Apparel Export Promotion Council (AEPC) for the fifth term in January 2026, marking a historic moment in his journey. He has been a board member of AEPC for the last 43 years. Through hard work, dedication and innovative trade practices he has sown the seed and nurtured Poppys Knitwear Pvt Ltd. to be one of the leading knitwear exporters of India.

Shri Rohit Kansal, Additional Secretary, Ministry of Textiles, wished the incoming Chairman Dr. A. Sakthivel and said Dr. Sakthivel brings a lot of joy to every exporter through his warmth and affection. Speaking on the occasion of Dr. Sakthivel taking over as Chairman AEPC, Shri Kansal said, "One world which defines the textiles industry is resilience. The government is cognizant of the difficulties of the industry and is ready to continue its support for boosting textiles exports." The past Chairman Shri Sudhir Sekhri and other prominent members of the industry, representatives of buying houses and other dignitaries were also present on the occasion.

Dr. Sakthivel's leadership has left an indelible mark on India's apparel export ecosystem. His vision and relentless efforts have been instrumental in transforming Tiruppur into a global knitwear hub, with exports from the region growing from a modest ₹15 crore in 1984 to an extraordinary ₹45,000 crore in 2024–25. During his previous tenure he emphasized the production of Man-Made Fibre (MMF) garment and medical textiles which led to the introduction of MMF in the PLI Scheme.

In 2009, the Government of India honored him with 'Padma Shri' for his exceptional service in the export sector. Dr. Sakthivel has also received an honorary Doctor of Literature degree from the Bharathiar University in 2011.

Well recognized for his consensus-building approach, Dr. Sakthivel has consistently championed the causes of competitiveness, employment generation, MSME empowerment, and sustainable growth. His leadership has been pivotal in aligning the industry with global best practices while ensuring that Indian exporters remain resilient and future-ready.

On taking charge for his fifth term, Dr. Sakthivel reiterated his commitment to working closely with the Government of India, state governments, and industry stakeholders to expand market access, leverage India's growing network of FTAs, address emerging challenges such as sustainability compliance, and enhance India's share in global apparel trade.

Dr. Sakthivel's journey stands as a testament to his visionary leadership, collective effort, and the power of entrepreneurship in shaping India's export success story—truly leaving an indelible mark on history.

Highlighting the immediate priority Dr. Sakthivel said, "It is to mitigate the adverse impact of the recent US tariff measures on Indian apparel exporters and the millions of workers dependent on the sector." He thanked the government for recent support measures to the export sector in general and labor-intensive sectors like apparel in particular." He reiterated that AEPC will continue to focus on export growth, market diversification and addressing emerging global trade challenges.

Under the leadership of Dr. Sakthivel, the AEPC team will aggressively promote the manufacturing of MMF garments for exports, while strengthening sustainability and ESG-focused capacity-building initiatives across the industry.

He has been on the board of NIFT, ECGC, UCO Bank, IDBI, etc. and has been an active member of various State Committees. Dr. Sakthivel has also held the prestigious position of President FIEO the India Chamber of Commerce besides and TEA and continues to be the Chairman of the Apparel, Made-Ups & Home Furnishing Sector Skill Council (AMHSSC).

Dr A Sakthivel, Chairman AEPC, meets Hon'ble Vice President of India – raises industry challenges

- US Tariff Disrupt Apparel Exports, AEPC Raises Alarm

Apparel Export Promotion Council (AEPC) Chairman Dr. A. Sakthivel met Vice President C P Radhakrishnan and held detailed discussions on key challenges facing the apparel export sector, including the impact of recent US tariff actions, the need for interest subvention support, and constraints related to market diversification.

The Hon'ble Vice President assured the AEPC Chairman that the issues raised would be referred to the concerned ministries for early redressal and appropriate action.

US Tariff Action Poses Immediate Risk

Following the meeting, Chairman AEPC, in a letter to the Hon'ble Vice President, highlighted the urgent need for an India–US tariff resolution to protect India's apparel and textile exports.

He said recent US measures, including a 25 per cent tariff and an additional 25 per cent oil-related penalty, have severely disrupted exports to the US, India's largest single market for textile exports.

The letter warned that without timely intervention, the sector faces order cancellations, job losses, and a permanent erosion of market share.

High Exposure and Limited Shock Absorption

According to AEPC, the US market accounts for nearly 70 per cent of exports for several large Indian textile exporters. The industry operates under structural constraints, including long product development cycles, extended work-in-progress periods, and high fixed wage costs, leaving little room to absorb prolonged tariff shocks.

The council noted that textile exports typically operate on thin margins, making sustained tariff absorption financially unviable.

Short-Term Measures Already Exhausted

To retain US buyers and maintain production continuity, exporters have already absorbed price reductions equivalent to the oil-related penalty, anticipating an early resolution of tariff issues. However, AEPC said this has wiped out profits and depleted reserves, making the strategy unsustainable beyond the short term.

With uncertainty over additional or prolonged tariffs, US buyers are reportedly delaying or cancelling new orders, while exporters are unable to absorb further costs or pass them on to buyers.

Market Diversification Not an Immediate Solution

The letter also cautioned against viewing market diversification as a short-term remedy. Textile sourcing, it said, is embedded in long-term buyer supply chains, and developing alternative markets typically takes two to three years due to compliance, audits and scaling requirements.

A sudden loss of the US market could lead to permanent displacement of Indian suppliers by competitor countries with preferential access.

Potential Economic and Employment Impact

AEPC warned that inaction could result in immediate production cuts, factory shutdowns and large-scale job losses. Over the medium term, this could reduce export earnings and tax revenues, while in the long run it may structurally weaken the textile value chain and lead to irreversible loss of US market share.

Call for Urgent Government Action

The council requested the government to fast-track India–US tariff negotiations or introduce interim tariff relief or suspension mechanisms until a treaty is concluded. It said even temporary relief would help restore buyer confidence, protect ongoing export commitments, and prevent long-term damage to the sector.

Emphasizing that the industry has already absorbed significant losses in the national interest, AEPC cautioned that it has no further capacity to withstand shocks and that delays of even three to six months could cause lasting harm to a strategic export sector.

AEPC organizes a webinar on recent developments in Labour Codes and their practical implications

The Apparel Export Promotion Council (AEPC) organised a timely webinar on "Recent Developments in Labour Codes and their Practical Implications" in collaboration with Lakshmikumaran & Sridharan (LKS).

The session aimed to provide clarity to apparel exporters regarding the recent notification of major provisions under the Labour Codes by the Ministry of Labour and Employment on 21 November 2025. These notifications relate to the Code on Wages, the Code on Social Security, and the Occupational Safety, Health and Working Conditions (OSHW) Code, Industrial Relations Code which together subsume several existing labour laws and introduce unified definitions, simplified registrations, broader coverage, and revised compliance obligations.

The purpose of the programme was to inform participants about the regulatory changes, transition requirements, and the practical implications that exporters must consider in terms of wage structures, social security contributions, contract labour deployment, and factory-level operations.

With participation from around 150 exporters, the webinar generated keen interest, particularly on wage definitions, social security coverage, working hour norms, fixed-term employment, contract labour restrictions in core activities, and the changes introduced in standing orders and dispute resolution under the Industrial Relations Code. The session reinforced AEPC's commitment to ensuring that exporters stay informed about regulatory changes that directly affect their workforce management and cost structures.

Speakers for the webinar

Shri Mithileshwar Thakur, Secretary General, AEPC, delivered the opening remarks, highlighting the importance of labour compliance in maintaining India's credibility as a responsible sourcing destination for global brands. He noted that the apparel sector, being labour-intensive, must fully understand the revised definitions, timelines, registration requirements, and employer obligations introduced under the new codes.

The technical presentation was conducted by experts from Lakshmikumaran & Sridharan, who explained each Code in detail, including definitions, applicability thresholds, transition provisions, and practical compliance steps that establishments will have to adopt as the new provisions come into force

About the Labour Codes Framework

The presenters explained that India's Labour Codes aim to consolidate 29 existing laws into four broader codes, namely the Code on Wages, the Code on Social Security, the Occupational Safety, Health and Working Conditions Code, and the Industrial Relations Code. These Codes provide uniformity and are designed to simplify compliance, enable digital governance, expand social security coverage, and introduce clearer responsibilities for employers. The recent notification of several key provisions marks a significant step towards full implementation. While the Codes simplify various processes, they also introduce new obligations such as unified wage definitions, wider applicability of PF and ESIC, updated working hour requirements, and expanded duties relating to safety and welfare. Apparel exporters must therefore update their internal systems, HR policies, contractual arrangements, and documentation practices to comply with the forthcoming regime.

Practical Relevance for Apparel Exporters

Throughout the session, the presenters emphasised the practical implications of the Codes for apparel exporters. One of the major considerations is the alignment of wage structures with the revised definition of wages, which may affect PF, ESI, gratuity, and overtime calculations. Exporters may need to reassess the deployment of contract labour in core production activities and review contracts to ensure compliance with bonus, welfare, and social security obligations. The new working hour norms, leave provisions, and mandatory welfare facilities such as canteens and crèches may require operational adjustments. HRMS systems, payroll software, appointment letter formats, and registers will need to be updated. The universal application of EPF and expanded ESIC coverage may increase social security outflows, while digitised inspection systems and compounding mechanisms will require establishments to maintain accurate digital records.

The webinar concluded by reiterating that the Labour Codes represent a substantial transformation in India's labour regulatory landscape. By establishing unified definitions, expanding social security, simplifying compliance, and enhancing workplace welfare, the Codes seek to improve both ease of doing business and worker protection. For the apparel export industry, these changes offer an opportunity to strengthen compliance frameworks and adopt modern HR practices, which are critical in a globally competitive environment. AEPC remains committed to supporting its members through these regulatory transitions and ensuring that exporters are well-equipped to implement the new provisions smoothly and effectively.

New Year 2026 Celebration in all the offices of the Council

A New Year get-together in the august presence of Dr. A. Sakthivel, Chairman AEPC on 07.01.2026 was organized for AEPC Officials at Apparel House, Gurgaon. Similar celebration were also organized in all the ROs on the same day. On the occasion, the Chairman AEPC conveyed his warm wishes to the employees and a cake cutting ceremony was hosted on the day which was followed by the lunch.

Lunch hosted by the then Chairman, AEPC on 30.12.2025 at Apparel House, Gurgaon

Mr. Sudhir Sekhri the then Chairman, hosted a lunch on 30.12.2025 at Apparel House, Gurgaon which was attended by the Delhi-NCR based EC members and the officials of AEPC, ATDC and IGFA.

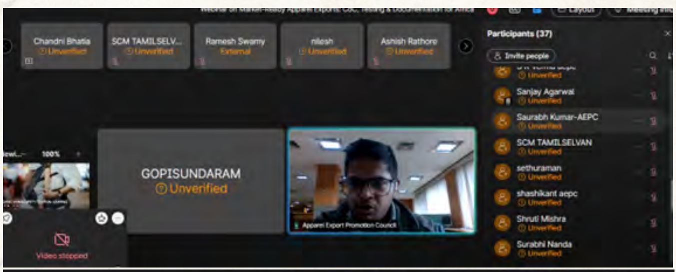
AEPC Organizes a webinar on navigating apparel exports to African countries

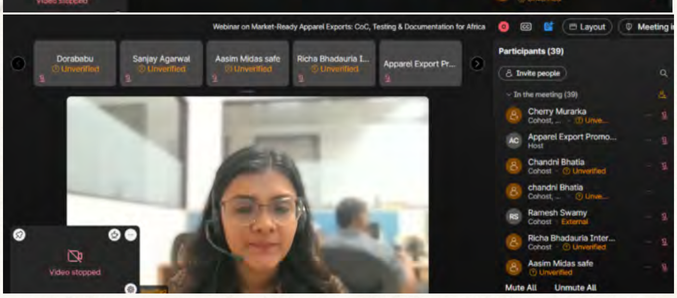
The Apparel Export Promotion Council (AEPC) organised a webinar on "Navigating Apparel Exports to African Countries", in collaboration with Intertek Government and Trade Services (GTS).

The session aimed to build awareness among apparel exporters regarding regulatory, testing, inspection, and conformity assessment requirements applicable to exports of textile and apparel products to key African markets. With African countries emerging as important destinations for India's apparel exports, the programme sought to provide exporters with a clear understanding of country-specific compliance frameworks, documentation procedures, testing standards, marking requirements, and certification timelines.

The webinar was designed to help exporters mitigate shipment delays, avoid non-compliance risks, and ensure smoother customs clearance by familiarizing them with Pre-Export Verification of Conformity (PVoC), Verification of Conformity (VoC), and Conformity Assessment Programme (CAPs) implemented across various African countries.

The session witnessed active participation from exporters, reflecting strong interest in Uganda, Tanzania, Mozambique, Zimbabwe, Cameroon, and Ivory Coast, particularly on regulated textile products, inspection processes, testing parameters, and labelling requirements. The programme reinforced AEPC's commitment to supporting exporters in accessing new and emerging markets through enhanced regulatory preparedness.





Speakers for the webinar

The technical session was conducted by experts from Intertek Government and Trade Services, including:

- Mr. Ramesh Swamy, Regional Sales Manager
- Ms. Richa Bhaduria, Regional Sales Manager
- Ms. Chandni Bhatia, Marketing & Sales Executive
- Mr. Pradeep Somaiya, Regional Head – Sales and Innovation, South Asia

The speakers brought extensive experience in government-mandated conformity assessment programmes, trade facilitation, and market access services, providing exporters with practical insights into compliance requirements for African markets.

Overview of African Conformity Assessment Programmes

The speakers explained that several African countries have introduced mandatory pre-shipment conformity assessment programmes to:

- Ensure quality and safety of imported goods
- Prevent dumping of substandard products
- Reduce counterfeit imports
- Promote fair competition
- Protect consumers and national standards

Countries covered during the session included Cameroon, Zimbabwe, Ivory Coast, Mozambique, Tanzania, and Uganda, each of which mandates certification prior to shipment for regulated textile and apparel products.

Country-Specific Regulatory Frameworks

Cameroon: Intertek is appointed by Agence des Normes et de la Qualité (ANOR) to operate the PECAE programme. Exporters are required to obtain an Attestation of Conformity (AoC) for regulated products, supported by testing from ISO/IEC 17025 accredited laboratories.

Zimbabwe: Under the Consignment-Based Conformity Assessment (CBCA) programme, regulated consignments must comply with applicable Zimbabwean or approved international standards prior to export.

Ivory Coast: The Verification of Conformity (VoC) programme mandates compliance with national and international standards.

An FDI (Fiche de Déclaration à l'Importation) issued to the importer is mandatory for certificate issuance.

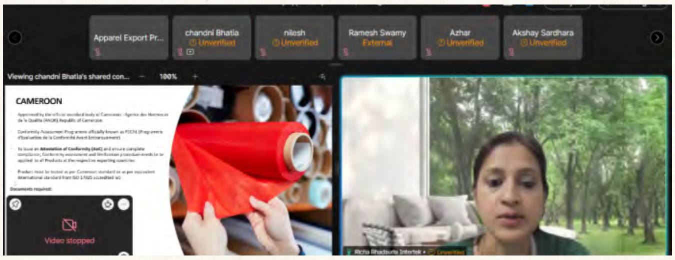
Mozambique: Intertek operates the PVoC programme on behalf of INNOQ, IP. Each consignment of regulated products must be tested and inspected prior to shipment, with mandatory container sealing for full-container loads and Portuguese-language labelling requirements.

Tanzania: Under the Tanzania Bureau of Standards (TBS) PVoC programme, pre-shipment inspection, testing, and certification are mandatory for regulated products.

Uganda: Appointed by the Uganda Bureau of Standards (UNBS), Intertek operates the PVoC programme, which includes mandatory witness loading and container sealing for regulated textile consignments.

The webinar concluded with the observation that Africa represents a promising but compliance-driven export destination for India's apparel sector. Understanding country-specific regulatory frameworks, testing standards, and certification processes is essential for successful market entry and expansion.

AEPC reaffirmed its commitment to assisting exporters by facilitating knowledge-sharing initiatives and collaborations with technical experts, enabling members to navigate new markets efficiently and compliantly.



AEPC Chairman Calls on Union Ministers

After assuming charge as Chairman of the Apparel Export Promotion Council (AEPC), Dr. A. Sakthivel paid his first respectful visit to the Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman, at her office in New Delhi.

Dr. Sakthivel expressed his sincere gratitude to the Hon'ble Finance Minister for the Government's continued support to exporters, particularly for the announcement of the Interest Subvention Scheme, Credit Guarantee support for export-linked working capital loans to MSMEs under CGTMSE, and the extension of trade finance support to exports of selected products.

During the meeting, the Chairman also requested the Hon'ble Finance Minister to consider enhancing the higher cap limit under the Interest Subvention Scheme, in order to further strengthen the competitiveness and liquidity position of MSME exporters.

The meeting reaffirmed the Government's commitment to supporting the export sector and boosting India's apparel exports.

Dr. A. Sakthivel met Shri Piyush Goyal, Hon'ble Union Commerce Minister, to congratulate him on the active and successful finalization of various FTAs, and for his efforts in further negotiations to conclude ongoing FTA talks with the EU and other countries. He also requested that the trade talks with US counterparts be expedited and completed, so that the apparel exporting community can find some relief from the current challenges.

Dr. A. Sakthivel met Hon'ble Union Textiles Minister, Shri Giriraj Singh, seeking his blessings after assuming charge of Chairman AEPC. Dr. Sakthivel requested Hon'ble Minister to consider Focus Market Scheme for the RMG sector to ease out US tariff pressure.

Dr. A Sakthivel met Shri Pabitra Margherita, Hon'ble Textile Minister of State for his best wishes on my Chairmanship and discussed various issues related to our sector, particularly the US Tariff issues and requested him to kindly take up the 20% Market Focus Scheme for US exports in the form of Scrip.

Focus Market Scheme (FMS) and increase in the interest subvention rate tops the list of Apparel Sector Union Budget Wishlist

- Chairman AEPC Dr. A. Sakthivel thanks government for consistent and proactive support to the RMG industry

Speaking on the wishlist of the garment industry, before the Union Budget, Dr. A. Sakthivel, Chairman, AEPC, said, "The Indian apparel sector is currently facing an exceptionally challenging environment, with sharp tariff shocks in key markets such as the United States, coupled with prolonged geopolitical uncertainties that continue to disrupt global trade flows, logistics and demand sentiment. At this critical juncture, the industry looks to the Union Budget for targeted, time-bound interventions that can enhance competitiveness, safeguard employment, and sustain export growth."

Further Dr. Sakthivel said, "The apparel sector is not seeking blanket support, but rather temporary, and growth-oriented interventions to address extraordinary external shocks and strengthen India's position as a reliable global sourcing hub." We sincerely thank the Government for its consistent and proactive support to the RMG industry, which has been instrumental in building resilience and competitiveness. The upcoming Budget presents an opportunity to further reinforce exports as a key engine of growth, while enabling the industry to transition toward greater scale, advanced technology and sustainability," he added.

Few of the important demands made by AEPC to the government are as follows:

Introduction of a Focus Market Scheme (FMS) for Apparel Exports to the USA

The sudden imposition of an additional 50% tariff on textile and apparel exports to the U.S. has severely impacted the cost competitiveness of Indian exporters in one of our largest markets. In this context, AEPC strongly recommends the introduction of a Focus Market Scheme specifically for apparel exports to the U.S.

Under the proposed scheme, exporters should be provided freely transferable incentive scrips equivalent to 20% of the FOB value of exports, aligned with the period for which the additional U.S. tariff remains in force. This would directly offset the tariff burden, ease liquidity pressures, and help Indian exporters retain market share.

Strengthening Interest Subvention under Export Promotion Mission

The current interest subvention of 2.75% with a cap of ₹50 lakh per year is inadequate given rising borrowing costs.

We request an increase in the interest subvention rate to 5%, along with relaxation of the ₹50 lakh annual cap, to meaningfully support MSME exporters.

Additionally, loan moratoriums falling due between 1st September and 31st December 2025 should be extended, offering much-needed breathing space during this period of global uncertainty.

Accelerated Depreciation for Technology and Capacity Upgradation

To facilitate rapid modernization and improve liquidity, AEPC proposes 100% accelerated depreciation over two years for export-oriented units on eligible capital assets. This measure does not result in long-term revenue loss for the exchequer, but provides immediate cash-flow support, enabling investments in advanced machinery, energy efficiency, and productivity enhancement—critical for competing in global markets.

Extension of the 15% Concessional Tax Rate under Section 115BAB

The expiry of the 15% concessional corporate tax rate for new manufacturing companies under Section 115BAB on 31 March 2024 has reduced India's attractiveness for fresh investments in apparel manufacturing. Reintroducing this provision would encourage new capacity creation, job generation and scale-based efficiencies, while reinforcing India's long-term export competitiveness vis-à-vis competing sourcing destinations.

New Technology Upgradation Scheme for Micro Units

With ATUFS having expired on 31st March 2022 and no replacement have been announced; there is a pressing need for a new scheme focused on technology upgradation for micro units in the MSME segment. Since the PLI scheme does not cover Micro industries within its ambit, introducing such a scheme is crucial to drive investment, employment, and increase India's competitiveness.

Affordable Sustainability Financing through a Green Transformation Fund

Global buyers, particularly in the EU and other developed markets, are increasingly mandating ESG and sustainability compliance. To enable Indian apparel manufacturers—especially MSMEs—to meet these requirements, we propose the creation of a dedicated Green Transformation Fund.

This fund should provide long-term soft loans at a maximum interest rate of 5%. It will support garment factories in the domestic procurement or import of sustainability- and green manufacturing-related capital infrastructure (machineries and equipments), enabling the industry to adopt eco-friendly practices and meet global sustainability standards.

Reduction of GST on Textile Machinery

To ease the capital investment burden and encourage modernization, AEPC requests a reduction in GST on textile and apparel machinery from 18% to 5%. Lower GST will improve cash flows, accelerate technology adoption, and support productivity enhancement, especially for MSMEs.

India–EU Free Trade Agreement: A Landmark Trade Deal for India's Textile & Apparel Sector

- Zero-Duty Access to a USD 263.5 Billion Textile & Apparel Import Market

India and the European Union (EU) announced the conclusion of negotiations for a Free Trade Agreement (FTA), an important milestone in one of India's most strategic economic partnerships. Designed as modern, rules-based trade partnership, the FTA responds to contemporary global challenges while enabling deeper market integration between the world's 4th and 2nd largest economies.

The European Union is India's second-largest export destination for textiles and apparel, after the USA. The EU's total global imports of textiles and apparel stood at USD 263.5 billion in 2024, highlighting the scale and long-term potential of the EU market for Indian textile exporters. India's textile exports to the EU have also shown growth in last 5 years.

India's textile exports to the EU are diversified across multiple value-added and labour-intensive segments. Ready-Made Garments (RMG) form the largest component, (~ 60%) of exports followed by Cotton textiles (17%), Man-made fibre and MMF textiles (12%).

Gaining zero duty access in textiles and clothing, covering all tariff lines and reducing tariffs by up to 12%, would open up the EU's INR 22.9 Lakh Crore (USD 263.5 billion) import market. Building on India's current INR 3.19 Lakh Crore (USD 36.7 billion) in global textile and apparel exports, including INR 62.7 thousand crore (USD 7.2 billion) to the EU, such access would significantly expand opportunities, particularly in yarn, cotton yarn, cotton yarn, man-made fibre apparel, Ready-Made Garments, men's and women's clothing and home textiles.

The FTA corrects a long-standing tariff disadvantage vis-à-vis competitors such as Bangladesh, Pakistan and Turkey. The Agreement gives a decisive boost to labour-intensive, etc. enhancing price competitiveness and expanding market access in one of the world's most sophisticated consumer markets.

The FTA will also encourage investment, technology transfer, and sustainability-linked up-gradation and green manufacturing aligned with EU standards, facilitating deeper integration into global value chains.

The apparel exports industry hailed the India- EU FTA. Speaking on this historic deal Chairman AEPC, Dr. A. Sakthivel said, "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."

For Dr. Sakthivel "it was the like dream come true, my efforts for pushing for this deal started 18 years ago." He was also invited for India- EU Business Forum meeting where 136 CEO's participated.

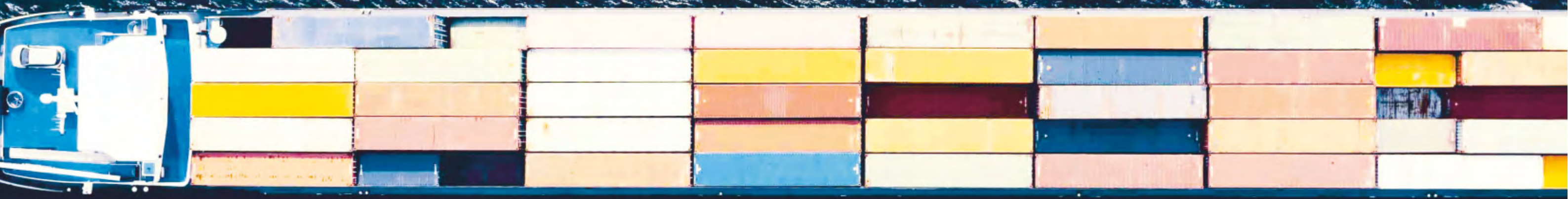
Industry projections estimate that Indian apparel exports could grow by 20–25% year on year after operationalization of the FTA as against the current growth rate of 3.01% in the EU market.

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 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.

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.



INDIA'S READY-MADE GARMENT (RMG)

India's RMG Export to World

	(In US$ Mn.)			YoY Growth (%)	
Month	2023-24	2024-25	2025-26	2024-25 Over 2023-24	2025-26 Over 2024-25
April	1210.9	1198.4	1371.3	-1.0	14.4
May	1235.8	1357.4	1511.5	9.8	11.4
June	1248.0	1293.9	1309.8	3.7	1.2
July	1142.0	1278.0	1338.7	11.9	4.7
August	1133.5	1268.2	1234.6	11.9	-2.6
September	946.3	1110.1	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**

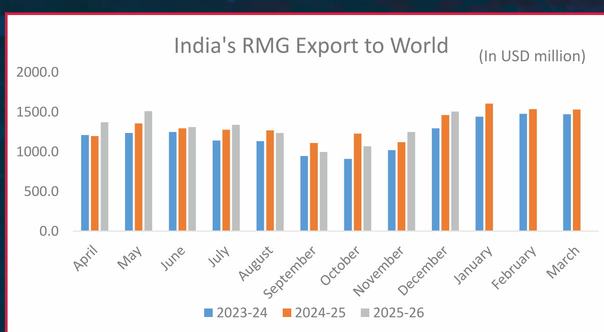
Note- 1) Data for the month of December 2025 is provisional data released on PIB by Ministry of Commerce on 15.01.2026

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.



CHAIRMAN'S GALLERY

Dr. A. Sakthivel, Chairman AEPC met Shri Shaktikanta Das, Principal Secretary to Prime Minister.

Dr. A. Sakthivel, Chairman AEPC met Shri B.V.R. Subrahmanyam, Chief Executive Officer of NITI Aayog.

Dr. A. Sakthivel, on taking over the Chairmanship, met Shri Rajesh Agarwal, IAS, Secretary Commerce and apprised him about the crisis because of US Trade Tariff. He expressed his positiveness and assured to extend all possible help.

Dr. A. Sakthivel, met Smt. Neelam Shami Rao, Secretary Textiles on taking over the Chairmanship and discussed various issues related to our Apparel Exports - Tariff Issues, FTAs with various Countries, Market Diversifications, Skilling etc.

Dr. A Sakthivel met Shri Lav Agarwal, Additional Secretary & DGFT.

Dr. A. Sakthivel met Mr. Rohit Kansal, Additional Secretary, Textiles, and discussed the 3rd edition of BharatTex, scheduled for July 2026, along with other issues related to PM MITRA Parks, MMF garment production, and exports.

Dr. A. Sakthivel met Shri Bipin Menon, Trade Advisor to get his best wishes and discussed various issues including US Tariff and requested him to kindly take up the immediate relief like Market Focus Scheme in the form of Scrip.

Dr. A. Sakthivel met Ms. Renu Lata, Economic Advisor, Ministry of Commerce & Industry, Government of India.

74th Edition of India International Garment Fair (IIGF) inaugurated by Union Textiles Minister Shri Giriraj Singh

- Industry confident of achieving the ambitious target of USD 40 billion in apparel exports by 2030: Chairman AEPC

Shri Giriraj Singh, Hon'ble Union Minister for Textiles, inaugurated the 74th Edition of India International Garment Fair (IIGF), at Yashobhoomi, Dwarka, New Delhi on 23rd January 2026, in presence of exhibitors and international buyers. The inauguration was followed by the lamp lighting, unveiling of fair guide and Minister's address. IIGF is one of Asia's largest garment fairs bringing MSMEs and buyers together. The Minister also took rounds of stalls after the inauguration. Shri Giriraj Singh was the Chief Guest of the event.

Speaking at the event Shri Singh said, "I am fortunate that I got the opportunity to visit last year when I became a minister, and that was my first such occasion. I thank everyone for this. I am very happy that IIGF has invited me again. This is a trusted platform, and I can say that the India International Garment Fair has now become a major global platform for international garment buyers."

He further said the Shri Narendra Modi government has removed all barriers in textiles, be it QCO, increasing RoDTEP, RoSCTL, reduced import duty by 6 months, rectified the inverted duty structure, etc. We have supported the industry through Rs 50,000 crore via RoDTEP, RoSCTL schemes."

Textiles Minister in his address highlighted that, the Textiles sector has seen tremendous growth in the last decade, from market size of 8.4 lakh crore rupees in 2013-14 to around 16 lakh crore rupees. Shri Singh said that the domestic market has also increased from 6 lakh crore to 13 lakh crore rupees in 2025, while the country's exports have also witnessed over 25% rise post-pandemic. Minister said that the sector has become one of the biggest platforms for generating employment.

The Minister said that the challenges have allowed us to remain resilient and stable despite headwinds. Our export diversification drive to 40 new countries is showing positive results. Minister further informed that in Argentina we grew by 77%, Egypt- 30%, Poland and Japan by 20%, Sweden and France by 10% which is a very encouraging sign. The positive news is India- EU agreement will be signed in the next few days.

We have a young workforce, raw material and foreign exchange surplus therefore we must see that we achieve all targets, the Minister noted.

In his address, the Union Textiles Minister noted that, India is moving away from reliance on foreign benchmarks and is developing its own standards through indigenous initiatives such as VisionNxt and IndiaSize, in line with the vision of Aatmanirbhar Bharat by strengthening India-specific design forecasting and identity. He appealed to the industry to use Indian standards.

Speaking at the inaugural function, Dr. A. Sakthivel, Chairman AEPC said, "The 74th edition of IIGF, with 233 exhibitors spread across 5,073 square metres and over 1,120 registered buyers, once again reflects the strong and sustained global interest in India.

The presence of exhibitors from all parts of the country highlights the depth and breadth of our manufacturing ecosystem, while the enthusiastic participation of international buyers reaffirms confidence in Indian capabilities."

Despite challenging global conditions and ongoing geopolitical and economic uncertainties, the Indian apparel industry has demonstrated remarkable resilience. I am happy to share that cumulative RMG exports during April–December 2025–26 stood at USD 11,584.3 million, registering a growth of 2.4% over the corresponding period of the previous year. This performance underscores the industry's ability to adapt, innovate, and move forward even in turbulent times, Chairman AEPC added.

Further Chairman AEPC remarked, "At the same time, the industry has placed certain important requests before the Government to sustain and strengthen our export competitiveness. These include the introduction of a Focus Market Scheme for apparel exports to the USA, with freely transferable duty credit scrips equivalent to 20% of the FOB value, removal of the annual value cap of ₹50 lakhs per exporter under the interest equalization scheme under the Export Promotion Mission, enhancement of interest subvention rate to 5% etc. We are confident that such supportive measures will provide a much-needed boost to exporters, especially MSMEs, in these difficult times."

I am particularly delighted to note the strong participation of international buyers from major global brands and retail chains at this edition of IIGF. Buyers from Lulu Group – Reo Brand (UAE), Al Fan Emirates (UAE), CNLFNC Co. Ltd (South Korea), Queenspark (South Africa), Imtiaz Al Arabia (Saudi Arabia), Melon Fashion Group (Russia), Teijin Frontier, Koizumi, Gloria, and Takahashi Companies from Japan, Alex Group (Italy), Crazy Line (Israel), Santex International (Hong Kong), Groupe Eram (France), Jetha Tulsidas & Sons (Mauritius), Coosy (Spain) and many others are here to explore sourcing opportunities from India. Their presence clearly reflects the growing global trust in India's design, quality, compliance, and delivery capabilities, Dr Sakthivel informed.

Chairman AEPC underlined, "Looking ahead, we are optimistic about the future. With the India–EU Free Trade Agreement expected to be concluded soon, and competing countries gradually losing preferential market access such as GSP benefits, the tables are likely to turn decisively in India's favour. These developments will open new avenues for growth and enhance India's competitiveness in key global markets. We remain confident that with the collective efforts of industry and government, India will achieve the ambitious target of USD 40 billion in apparel exports by 2030."

Commenting on the 74th Edition of IIGF Dr A Sakthivel, Chairman AEPC and IGFA said, "The 74th IIGF represents a powerful milestone for India's garment sector. This is a gateway to accelerating exports at a time when the industry is navigating global headwinds. With Indian garment exports striving to regain strong momentum, this fair will play a strategic role in promoting market diversification, inspiring innovation in design, amplifying the global appeal of 'Made in India' and offering MSMEs an invaluable platform to build brands and connect with international buyers."

"By fostering deeper engagement across diverse geographies, showcasing unique design capabilities, and empowering local manufacturers to scale, this edition of IIGF," Chairman AEPC added.

India's RMG exports in FY 2025-26 was around 16 billion USD with Indian apparel products exported to around 186 countries. Our objective is to quickly integrate with the global value chain and produce more and more value-added products. India is making significant strides in enhancing sustainable manufacturing and global brands are ready to increase their sourcing from India, Chairman AEPC remarked.

Shri Rakesh Vaid, Vice Chairman IGFA a delivered a vote of thanks and praised everyone for this effort.

The best display award was conferred by Shri HKL Magu, Chairman F&B Committee, in presence of Shri Anil Verma EC member, Shri Lalit Thukral EC member AEPC and Shri Mithileshwar Thakur SG AEPC. Under the small size category the gold was awarded to Basant India Inc- Uttar Pradesh, in the medium stall size category the gold award went to Shiv Shakti Texofin- Rajasthan and for the large stall size category went to Manglam Arts - Rajasthan.

India International Garment Fair (IIGF) was launched in 1988. It is a bi-annual exhibition held twice a year: January/February for Autumn/Winter collections and June/July for Spring/Summer collections.

The Fair is jointly organized by: Apparel Export Promotion Council (AEPC) and International Garment Fair Association (IGFA) and is supported by: Garment Exporters & Manufacturers Association (GEMA), Clothing Manufacturers Association of India (CMAI) and Garment Exporters Association of Rajasthan (GEAR Rajasthan).

Union Minister of Commerce and Industry Shri Piyush Goyal visits Liechtenstein, reviews India–EFTA TEPA implementation and pitches for investments

Union Minister of Commerce and Industry Shri Piyush Goyal undertook al visit to Liechtenstein on 7 January 2026. During the visit, the Minister paid a courtesy call on H.S.H. Hereditary Prince Alois von und zu Liechtenstein at Vaduz Castle, called on H.E. Ms. Brigitte Haas, Prime Minister, held a meeting with H.E. Ms. Sabine Monauni, Deputy Prime Minister and Minister of Foreign Affairs, Environment and Culture, participated in an interview with ORF, attended a luncheon hosted by the Deputy Prime Minister; visited Hilti AG for an interaction with its leadership.

The first ministerial visit of 2026 reflects India's commitment to accelerate the implementation of the India–EFTA Trade and Economic Partnership Agreement (TEPA) and translate it into sustained trade, investment, and manufacturing partnerships. The Minister also recalled the Prime Minister Shri Narendra Modi's emphasis on India's constructive role and optimism in the global economy. Prime Minister Modi has said: "The world is seeing India with a ray of hope amidst uncertainty" The Minister noted that this sentiment resonates with India's approach to partnerships that create real outcomes for businesses, MSMEs, farmers, fishermen and communities.

TEPA is India's first free trade agreement with a developed group of EFTA countries (Iceland, Liechtenstein, Norway, and Switzerland). It signals the improving quality of Indian products, the expanding and diversified range of Indian exports, and a steady strengthening of India's manufacturing capabilities that support "Make in India" and "Make for the World".

The Minister underlined that TEPA represents a shift to a higher-quality economic relationship. India's manufacturing ecosystem is increasingly combining scale, competitiveness, and reliability for global markets.

In meetings with the Liechtenstein leadership and business community, the Minister set out India's growth story as a stable and scalable base for long-term partnership. India is today the fourth largest economy, with an estimated GDP of USD 4.13 trillion in 2025. India offers both scale and reform momentum, a large and expanding consumer market, a deepening industrial base, and a sustained focus on ease of doing business, digitisation, and infrastructure-led competitiveness.

Both sides also exchanged views on the global business environment. With supply chains facing disruptions, uncertainties, and sharper volatility, India and Liechtenstein can combine strengths to offer stability and predictability to investors and enterprises. India's scale, talent, and manufacturing depth can complement Liechtenstein's specialised industrial capabilities, high-value innovation, and financial expertise. Together, these can create resilient value chains and a reliable investment bridge, sending a signal of confidence and hope in an increasingly unsettled world.

At Hilti AG, the Minister encouraged stronger industry-to-industry partnerships, higher value addition, supplier linkages including MSMEs, and an expanded role for India-based production in global operations. He invited Liechtenstein companies to use TEPA as a platform to grow their India presence, build manufacturing and innovation partnerships, and participate in India's expanding opportunities across sectors.

The visit concluded with a call to intensify India–Liechtenstein and wider India–EFTA engagement in the months ahead. The Minister encouraged greater participation of EFTA companies in key trade and investment events in India and invited closer collaboration through business dialogues and delegations. TEPA carries an agreed ambition to facilitate USD 100 billion in investments into India and support the creation of one million direct jobs. The EFTA's market access offer under TEPA covers 100% of non-agri products and tariff concession on Processed Agricultural Products (PAP). Sensitivity related to PLI in sectors such as pharma, medical devices & processed food etc. have been taken while extending offers. India's offer to EFTA covers 82.7% of tariff lines, accounting for 95.3% of EFTA exports. Over 80% of these imports are Gold, with no change in effective duty on Gold. Sensitive sectors protected, including pharma, medical devices, processed food, dairy, soya, coal, and sensitive agricultural products. India looks forward to welcoming more Liechtenstein and EFTA enterprises to India, translating TEPA into stronger investments, deeper technology partnerships, and a larger Indian footprint in global trade and investment flows.

Union Minister of Commerce and Industry Shri Piyush Goyal visits Brussels for high-level dialogue with European Union's Commissioner for Trade and Economic Security

Union Minister of Commerce and Industry, Shri Piyush Goyal, concluded a significant two-day visit to Brussels (8-9 January 2026), marking a decisive step forward in the India-EU Free Trade Agreement (FTA) negotiations. In a series of high-level dialogues with Commissioner for Trade and Economic Security, Mr. Maroš Šefčovič, both leaders provided guidance to negotiating teams to resolve pending issues and expedite the agreement.

The visit capped a week of intensive diplomatic and technical engagements in Brussels, underscoring the political resolve of both sides to deliver a comprehensive deal. The Ministerial engagement was preceded by high-level discussions between Commerce Secretary Shri Rajesh Agrawal and the Director-General for Trade, European Commission, Ms. Sabine Weyand, on 6-7 January 2026. The meetings focused on stocktaking the progress achieved across various negotiating tracks. The officials worked to "narrow divergences" and ensure clarity on outstanding issues, clearing the path for the Ministerial dialogue.

During their engagement, Union Minister Shri Piyush Goyal and Commissioner Mr. Šefčovič carried out detailed deliberations across key areas of the proposed agreement. Both sides took note of the steady progress achieved across various negotiating tracks including Market Access for Goods, Rules of Origin, Services etc. The Ministerial-level discussions reaffirmed the strong political resolve on either side to address pending issues through constructive engagement. Both sides emphasized the strategic importance of concluding a fair, balanced, and ambitious agreement that aligns with their shared values, economic priorities, and commitment to a rules-based trading framework.

The visit concluded with both parties expressing confidence and a renewed determination to towards the early conclusion of a modern, comprehensive, and mutually beneficial agreement.

Bangladesh, US Explore Trade Framework to Boost Textile and Apparel Exports

Bangladesh has made a significant advance in its trade engagement with the United States, opening up new possibilities for improved market access and enhanced support for its key textile and apparel sector.

National Security Adviser Dr. Khalilur Rahman met US Trade Representative Ambassador Mr. Jamieson Greer in Washington, where the two sides discussed measures to deepen bilateral trade cooperation, according to an official statement from the Chief Adviser's Press Wing.

During the meeting, Dr. Rahman requested that the United States consider reducing Bangladesh's existing 20% reciprocal tariff rate to bring it closer to the levels applied to regional competitors. Ambassador Mr. Greer agreed to raise the issue with US President Mr. Donald Trump, signalling openness to reviewing Bangladesh's tariff treatment.

More significantly, the discussions explored a proposed preferential trade mechanism aimed at supporting Bangladesh's export priorities. Under the proposed arrangement, Bangladesh would receive tariff-free access to the US market for textile and apparel exports equivalent to the value of its imports of US-produced cotton and man-made fibre textile inputs. The calculation would be based on a square-metre measurement system.

Officials said the framework was designed as a mutually beneficial approach that would strengthen bilateral trade ties, support Bangladeshi manufacturers and workers, and reinforce supply-chain linkages with US producers of raw materials.

The development reflects growing momentum and goodwill in US-Bangladesh economic relations and is being seen as a positive step towards expanding Bangladesh's access to the US market while deepening strategic trade cooperation between the two countries.

SUSTINABILITY CORNER

EU legislation for more sustainability in fashion

As part of the circular economy action plan, the European Commission presented in March 2022 a new strategy to make textiles more durable, repairable, reusable and recyclable, tackle fast fashion and stimulate innovation within the sector.

Building on this European strategy, several new legislative acts have been adopted.

EU solutions to tackle textile waste

In September 2025, the European Parliament approved new rules under which EU countries should set up schemes that would make sure producers of clothing, accessories, hats, footwear, blankets, linens, curtains, and optionally mattresses, cover the costs for collecting, sorting, and recycling their products.

These extended producer responsibility schemes should also cover products sold online or by producers registered outside the EU. Micro-enterprises get an extra year to comply with the requirements.

These rules amend the existing Waste Framework Directive. Under this text, EU countries are required since January 2025 to collect textiles separately for re-use and recycling.

Eco-design regulation

In 2024, Parliament approved a new ecodesign regulation. Ecodesign is the integration of environmental considerations into product development, aiming to create goods with the lowest possible environmental impact throughout their life cycle.

The new law applies to different industries, including the fashion industry. It introduces requirements and minimum standards for durability, reparability, energy efficiency as well as recycling of products.

Ban on destroying unsold clothing

The new ecodesign regulation also obliges large companies to report the number of unsold items discarded per year and the reasons why that was necessary. As from 2026, the destruction of unsold clothes, shoes and accessories will be banned in the EU.

Ban on greenwashing

Greenwashing is the marketing practice of giving a false impression of the environmental impact or benefits of a product. In 2024, MEPs adopted a law forbidding generic environmental claims on products without proof.

The EU Ecolabel, an ecological certification

The EU Ecolabel is a certification that producers can apply to their products if they meet strict ecological criteria. This gives more visibility to products that include fewer harmful substances and cause less water and air pollution.

Gujarat's Textile Industry emerges as key driver of development through Innovative Employment and Sustainable Growth

The textile industry took Centre stage on the second day of the Vibrant Gujarat Regional Conference (VGRC) held in Rajkot recently, with experts underlining the sector's role as a key driver of economic growth, employment generation and sustainable development in the State. According to a press release from the Chief Minister's Office, an in-depth seminar was organized during the conference where industry leaders, researchers and policymakers discussed emerging trends, technological innovation and strategies to boost textile exports globally.

Speakers emphasized that the textile industry is not merely a manufacturing sector but a cornerstone of Gujarat's economic transformation. Through innovation, skill development and eco-friendly practices, the industry continues to make a significant contribution to the State's GDP and export performance. Experts present at the seminar included Welspun Group Resident Director Mr. Updeep Singh, Wazir Group Joint Managing Director Mr. Prashant Agrawal, Mr. DS Patel, Scientist at the Cotton Research Centre of Navsari Agricultural University, Chairman of the Confederation of Indian Textile Industry (CITI) Mr. Ashwinchandra, and Cotton Association of India President Mr. Vinay Kotak.

The speakers noted that Gujarat's textile sector has established a strong global identity and stressed the need for continuous adoption of innovative technologies and new designs to remain competitive. While fashion plays an increasingly important role, keeping pace with rapidly changing trends requires investment in advanced technology, design capabilities and quality enhancement. Globally, the textile industry is estimated to be worth around USD 900 billion. To meet growing demand, experts said the industry must prioritize innovation, design excellence and quality. India produces cotton in 11 States, with Gujarat, Maharashtra, Rajasthan, Punjab and Haryana leading production. Gujarat, in particular, has achieved strong cotton output.

The release highlighted that the adoption of BT cotton has significantly increased productivity among Gujarat's farmers, enabling them to secure better prices. Speakers stressed that the development of the textile sector requires close collaboration between farmers, industry and government, which is essential for increasing cotton production and achieving the goal of doubling farmers' incomes. The seminar also underlined the sector's progress in adopting sustainable manufacturing practices, including recycling, water conservation and energy efficiency. The textile industry has strengthened employment across both handicrafts and machinery segments, while training and skill development programmes for workers and artisans have further supported job creation.

While challenges remain, including global competition, raw material price volatility and changing market demand, experts said that innovation-driven production, digitalization and new marketing strategies would further strengthen the industry. The seminar was attended by several invited dignitaries, including Rwanda's High Commissioner and partner country representative Ms. Jacqueline Mukangira.

Lenzing AG earns CDP Triple "A" Sustainability Rating Again

Lenzing AG has once again secured a place on CDP's prestigious "Corporate A List," earning top "A" ratings across climate change, forests, and water security for 2025. The recognition places Lenzing among just 23 companies worldwide—out of more than 22,000 reporting organizations—to achieve a Triple-A score in all three environmental categories. This marks the fourth time the fiber producer has attained the distinction, underscoring its consistent performance in transparent environmental reporting and measurable sustainability progress. According to Managing Board member Mr. Georg. Kasperkovitz, continued improvements in water and forest management, alongside stable climate performance, reflect the effectiveness of Lenzing's sustainability strategy and its commitment to driving industry-wide transformation.

CDP operates the world's largest environmental database, aligns with globally recognized disclosure frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), and is widely regarded as the gold standard in environmental reporting. Its ratings are an important decision-making tool for investors and business partners and reaffirm Lenzing's leading role in corporate sustainability.

Lenzing pursues ambitious sustainability targets anchored in its strategic pillars and core focus areas, including decarbonization, sustainable raw material sourcing, and responsible water management. The company ensures that wood and pulp are sourced exclusively from sustainable origins, optimizes the use of raw materials, continuously enhances energy efficiency, and invests in renewable energy solutions.

Mussel Shells Are Suitable And Sustainable For sandblasting Jeans

Researchers from the Materials and Technologies (GMT) group at the University of the Basque Country (EHU) have developed a new sustainable material for sandblasting denim, using grit produced from ground mussel shells. The innovation repurposes a waste product into a high-performance raw material, offering a more environmentally friendly alternative to conventional abrasives used in the textile industry. The research was conducted in collaboration with the Massachusetts Institute of Technology (MIT), following a request from a major multinational textile manufacturer seeking sustainable denim-finishing techniques. According to researchers Ms. Cristina Peña and Mr. Juan Luis Osa, tests showed that mussel-shell grit delivers superior abrasive qualities compared to commonly used materials, while significantly reducing environmental and toxic impacts.

The discovery could enable the textile industry to replace more harmful denim abrasion processes, supporting cleaner production methods and advancing circular economy practices in fashion manufacturing. Traditionally, denim was abraded by blasting the fabric with silica sand at high pressure. However, workers involved in this process developed silicosis due to inadequate safety measures and protective equipment. Because silicosis is a disease with a high mortality rate, sandblasting quickly fell into disrepute and was eventually abandoned by the textile industry. As a result, alternative techniques were introduced, including oxidizing chemical treatments and thermal laser processes. Nevertheless, these methods were found to be potentially more toxic and failed to achieve abrasion effects comparable to those of sandblasting.

Researchers exploring more sustainable alternatives to traditional denim sandblasting have found that discarded mussel shells from the food industry can outperform conventional abrasives such as garnet, without posing additional risks to workers when proper protective measures are in place. According to researcher Ms. Peña, the clothing brand that commissioned the work wanted to revisit sandblasting—long criticized for health and environmental concerns—but using a more sustainable abrasive material. Initial experiments using garment buttons destined for landfill proved unviable, prompting the search for a renewable alternative. At the suggestion of the textile company, the researchers began testing mussel shells discarded by the food industry.

Living near a mussel bar in Donostia, the team sourced waste shells locally. The shells were washed, thermally sterilized, ground, sifted and then projected onto denim under pressure using a compressed air gun. The results exceeded expectations: the mussel shell grit wore down denim more effectively than the garnet typically used in sandblasting. The researchers found that mussel shell grit is less brittle than silicate minerals, meaning it breaks down more slowly during use. Because sandblasting grit is collected and reused multiple times, durability is a key advantage. Mussel shell grit lasted longer, required smaller quantities to achieve the same level of abrasion, and reduced the need for frequent replenishment.

In addition to efficiency gains, the finish achieved with mussel shell blasting met fashion industry standards. The process produced the faded colours popular with designers and consumers while leaving the fabric smooth to the touch—without relying on chemical treatments. The findings suggest that food-industry waste could offer a viable, circular alternative to conventional abrasives in denim finishing, combining performance benefits with reduced material consumption.

Researchers at the University of the Basque Country (EHU) have demonstrated that mussel shells can serve as a sustainable alternative to conventional abrasive materials, offering both environmental and industrial benefits. Unlike garnet and other chemical abrasives, which are non-renewable and require mineral extraction, mussel shells are a renewable by-product of food consumption. Globally, around 1.5 million tonnes of mussel shells are generated each year, most of which currently end up in landfills. The EHU team has been among the first to identify an effective industrial application for this waste material. Their research confirms that mussel shell grit can successfully abrade denim using standard sandblasting equipment, without the need for specialized machinery. Beyond textiles, the material shows promise for use in other sectors, including the cleaning of mechanical components and ships.

The researchers emphasize that the findings contribute to advancing the circular economy by turning waste into a valuable resource. Rather than focusing solely on making existing industrial processes more sustainable, the study highlights the importance of rethinking raw material choices altogether and exploring alternative uses for industrial and consumer waste.

Innovation is key to textiles' future

Innovation is proving to be the textile industry's most effective answer to economic uncertainty, geopolitical tensions and continued restraint in investment. This was underlined at a recent press conference for the leading international trade fairs Techtextil and Texprocess, where industry representatives discussed how innovation is accelerating transformation across the sector.

During a panel discussion, speakers explored developments ranging from artificial intelligence and digitalisation to sustainable materials and new production models. These advances are reflected in the Techtextil and Texprocess Innovation Awards, which highlight pioneering solutions that are actively shaping the future of the textile industry.

Mr. Olaf Schmidt, Vice President Textiles & Textile Technologies at Messe Frankfurt, emphasised the growing importance of innovation during challenging economic periods. He explained that Techtextil and Texprocess provide platforms where ideas are not only presented but developed into market-ready solutions. The Innovation Awards, he noted, give emerging technologies visibility and credibility, often providing the decisive push needed to translate research into industrial applications and partnerships.

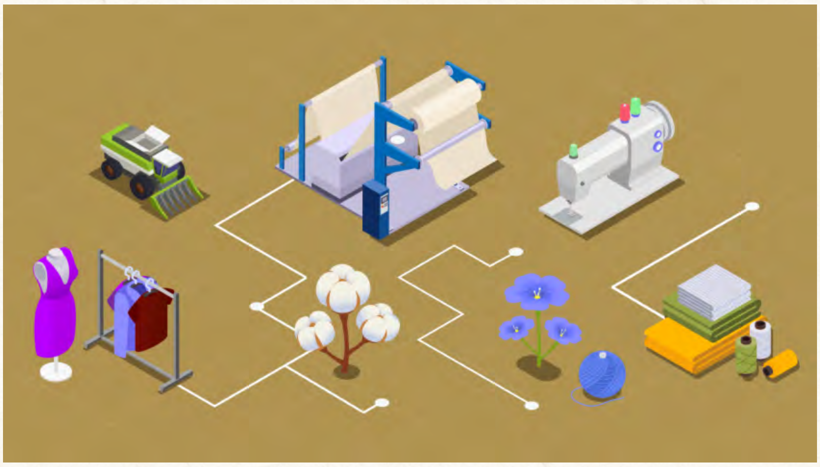
Competitiveness in the face of global challenges was another key theme. Mr. Elgar Straub, Managing Director of VDMA Textile Care, Fabric and Leather Technologies, described innovation as both an efficiency lever and a driver of growth. Digitalisation, automation and artificial intelligence, he said, allow companies to conserve resources, increase flexibility and strengthen their competitive positioning.

The impact of digital processes on development and production was highlighted by Mr. Walter Wählt, Chairman of the Texprocess Innovation Award and Senior Director Advanced Creation at adidas. He explained that 3D design, virtual prototyping and AI are significantly shortening development cycles and reducing material consumption. However, he stressed that human creativity, experience and judgement remain essential and cannot be automated.

Sustainability and advanced materials were addressed by Mr. António Braz Costa, Chairman of the Techtextil Innovation Award and General Manager at CITEVE. He pointed out that sustainability in high-performance materials becomes economically viable only through a close link between research and innovation. Recycling technologies, circular solutions and new materials, he said, must move beyond the laboratory and be implemented in real industrial processes, with trade fairs and innovation awards playing a crucial role in bridging research and the market.

Together, the Techtextil and Texprocess Innovation Awards present a clear vision of the industry's future, demonstrating how technical textiles, nonwovens and textile processing are evolving through artificial intelligence, advanced materials and sustainable production methods. The award-winning solutions underline why innovation is becoming a decisive competitive factor and reflect the ambition of the two trade fairs to turn ideas into practical answers to global challenges.

India's textiles sector attracts over ₹60,000 crore investment in 2025



Textiles sector has seen commitments and investments of over ₹60,000 crore in 2025, government officials said. Now they hope that the trend continues in the current year.

"2026 is likely to see a continued focus on investments through PM MITRA and PLI (Production Linked Incentives). In addition, a strong emphasis on sustainability and technology-led investments such as those in textile-to-textile recycling, biomass energy and decarbonisation New-Age Fibres and eco-friendly fibres will continue," an official said.

According to him, one of the key initiatives, PM MITRA Park projects alone, attracted committed investments of over ₹14,000 crore with a potential of generating 38,426 jobs, while investment interest for an additional ₹10,000 crore was received by the authorities. "These included investments by major players such as Vardhman, Trident, Best Corp and Bhilossa," he said.

PM MITRA

Announcing PM Mitra Park scheme in the FY21 Budget, Finance Minister Smt. Nirmala Sitharaman had said: "To enable the textile industry to become globally competitive, attract large investments and boost employment generation, a scheme of Mega Investment Textiles Parks (MITRA) will be launched in addition to the PLI scheme. This will create world class infrastructure with plug and play facilities to enable create global champions in exports."

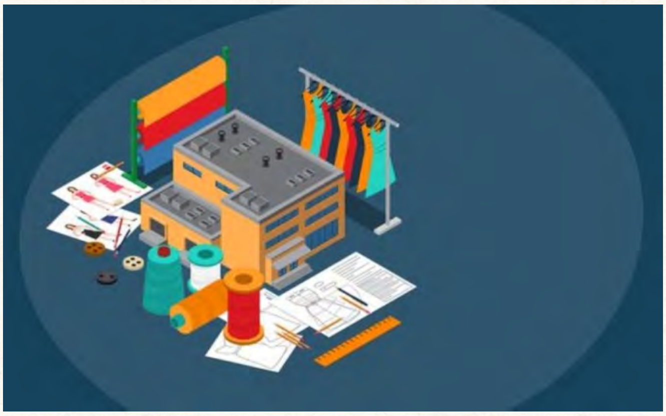
Foreign Investments

Talking about Production-Linked Incentive (PLI) scheme, the official said that 85 companies have applied under the revamped scheme, with potential investments of over ₹20,000 crore. On the FDI front there have been number of proposals. Finland-based Infinited Fiber Company signed an MoU with Andhra Pradesh for an investment of ₹4,000 crore. Singapore headquartered RGE (Royal Golden Eagle), a big player in manmade fibres announced a ₹4,953 crore investment for setting up its first project in India at Thoothukudi in Tamil Nadu. South Korean giant Hyosung is setting up $220 million (₹1,850 crore) Tire Cord facility in Maharashtra.

A joint venture (JV) project has been signed between Toray Industries (Japan) and MAS Holdings (Sri Lanka) in Odisha ($135 million or ₹1,215 crore) EPIC signed a ₹500 cr. JV with the Creative group to to scale up RMG manufacturing. Global Brands Inditex (Zara & Massimo Dutti) too increased stakes in their Indian JVs. At the same time, domestic leaders such as Reliance Industries, Grasim, Vardhman, Trident, Welspun, Ganga Acrowool and SRF continue their expansion and investments and announced major expansions in fibres, fabrics and technical textiles, another official said.

Recycling Technology

She also informed that global textile machinery leaders such as Yamato, Juki, Marzoli, Adler Dunkrop, ITEMA and Andritz continued to explore and evaluate India for manufacturing and JV opportunities. In terms of sustainability, manmade fibre player Filatex India announced ₹300 crore investment in a chemical recycling-based patented technology-led polyester recycling plant that is set to go on stream by 2026. "Touted as India's first chemical recycling initiative, the plant uses a patented technology to recycle textile waste into chips, which can then be spun into yarn," she said.



Reinventing the Synergies in the India-South Korea CEPA for the Textile and Apparel Sector

Ramaa Arun Kumar, ISID
Rupali Garg, AEPC

Introduction

The CEPA between India and South Korea was envisaged to benefit the Indian exporters in sectors like steel, textiles and apparel products and agricultural and fishery products. Contradictory to this expectation, the CEPA has favoured the Korean manufacturers than Indian exporters. While FDI-driven sectors like automobiles have seen gains, most other industries have struggled due to increased import penetration with limited offtake of Indian manufactured products.

India has a significant presence as well as comparative advantage in major markets such as US, EU for labour intensive sectors such as textiles, apparel, leather, gems and jewellery, food products, wood products etc. On the other hand, South Korea imports heavily in these sectors from the rest of the world, indicating that there is sufficient demand for the labour intensive products. While envisaging the trade agreements with Korea, it was expected that the underlying complementarities between India and Korea would be beneficial for both trading partners.

The trade agreements that offered preferential access to India in the technologically advanced countries and the access to Indian market and cheap labour for foreign investors in Korea resulted in a lop-sided impact favouring Korea more than India. For example, despite a 14 year long India-Korea CEPA, India's trade deficit with South Korea increased at a much higher rate compared to its trade deficit with the world. India being a labour abundant country has a comparative advantage, however, the free trade partners have found markets other than India to source even the low end products from countries like China and ASEAN.

Trends in India-Korea CEPA

The bilateral economic cooperation between India and Korea was placed on a strong footing with the CEPA coming into force in 2010. This agreement resulted in tariff reduction and the elimination of a large number of products by both countries. India committed 85.3% of its tariff lines and Korea 93.2% tariff lines to tariff reduction and elimination (Sahoo et al 2023).

Though India's global exports has increased from $ 178 billion in 2009-10 to $437 billion in 2024-25, Korea's share in India's exports declined and continues to remain lower than the pre-CEPA period. Korea's export to India, as a share of its global exports, although declined in the initial few years of the CEPA, has been increasing since 2014. As a result, the trade deficit facing India in merchandise trade has increased from $6 billion in 2010-11 to $15 billion in 2024-25, the post CEPA period.

On the investment side also there has been a mild response in the post-CEPA period. The share of South Korea in India's total FDI has remained very low and fluctuating, hovering around 0.8-2.4 per cent over the last 15 years since the signing of CEPA. A fluctuating trend in FDI indicates that the economic engagement in terms of investment led trade has not worked for India and Korea. Thus, there remains a great scope for the two partner countries to realise the full potential of an already existing economic partnership agreement.

The nature of trade relations has also been lopsided, with Korean imports into India comprising significantly of high technology products like electronics, iron and steel, mechanical appliances, organic chemicals etc. While India's exports apart from remaining insignificant for a long time, they are mainly of nature of primary and resource-based products, as opposed to India's sectoral strengths like textile, apparel, gem and jewellery and food products to name a few. These labour intensive sectors have fared well in other major markets, but have not been able to utilise the preferential arrangements within the Asian markets.

India's share of a labour intensive sectors has fallen over the years in Korean imports such as textile, apparel, leather and footwear, while other sectors like food products and gems and jewellery have been unable to gain shares in the Korean market. While Korean imports under the labour intensive sectors shows sufficient import demand of $ 101 billion in 2024, their imports from India was just $ 1.2 billion.

Textile and Apparel Sector

India held the 6th largest position in the global market for the textile and apparel sector, with an export of $ 37 billion in 2024-25, including handicrafts accounting for about 8.2 per cent of total exports of India. However, in the global market, the share of India has remained stagnant, hovering around 4-5 per cent if not gone up over the years.

Within the sectoral exports, apparel exports constitute 42% of the export basket, followed by raw materials/semi-finished materials at 34% and finished non-apparel goods at 30%. Clearly, the apparel industry is an important player in the global market, and therefore, susceptible to changes in the trade policies and the trade agreements that the Indian government has or is in the process of entering in to in the near future.

Issues in India-Korea Economic Relations

Taking the case of India-Korea CEPA, there is a need to delve deeper into why India has been unable to penetrate the Korean market using the preferential arrangement that has been in place since 1.5 decades. Although India enjoys a duty free access into the Korean market under the agreement, India has not been able to utilise the gains from trade. Except for China and Japan, the average estimated tariff applied by Korea on its FTA/CEPA partners is zero.

Tariff Profile for the Ready Made Garments Sector under Various FTAs of Korea

Country	Average Estimated Tariff applied by Korea (%)	Preferential Access
China	8.8-9.3	China - Korea FTA
Vietnam	0	Korea - Vietnam FTA
Italy	0	EU - Korea FTA
Bangladesh	0	LDC, APTA (Member Countries - Bangladesh, China, India, Korea, Republic of, Lao, People's Democratic Republic, Mongolia, Sri Lanka)
Indonesia	0	Indonesia - Korea CEPA
Cambodia	0	LDC, ASEAN - Korea
Turkey	0	Korea - Turkey FTA
Japan	12.8	No Preference
India	0	India - Korea CEPA

There are several factors that have been less emphasised in the active dialogue between India and Korea under the CEPA. The thing to understand is that the economic relation does not emanate from a mere one-to-one effect of the preferential treatment to partner countries under the free trade agreements.

There are many layers of economic engagements and institutional understanding that enables deeper trade relations between two countries.

There are few factors that we discuss here that bring out the difficulties that Indian exporters are either unaware of due to lack of attention from the governments on both sides or which affect the access to the Korean market under the preferential arrangement directly.

With abundant availability of raw materials, skilled manpower and low cost of production, Indian textile and apparel sector has displayed a strong growth trend. It is estimated that the market for Indian textiles and apparel is would grow at a 10 per cent CAGR to reach US$ 350 billion by 2030. India is also a preferred investment destination in the global textile sector due these factors of strength.

On the other hand, Korea was the 10th largest global importer of readymade garments in 2024, with total RMG imports worth USD 12.36 billion. Imports from India accounted for USD 104.48 million, translating to a modest 0.84% share. During January–October 2025, Korea imported USD 10.27 billion worth of garments, of which imports from India amounted to USD 98.8 million, representing a slightly improved 0.96% share.

Top 10 Major Imported Products of South Korea in Apparel Sector

HS Code	Product label	2023	2024	Import Growth	India's Exports to World
620240	Womens or girls overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters,	824.7	841.0	2.0	5.8
611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	684.4	770.7	12.6	41.7
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	648.3	673.7	3.9	1760.8
620140	Mens or boys overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters,	697.3	639.1	-8.3	6.9
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted	577.7	567.5	-1.8	219.4
620462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	396.2	442.8	11.8	340.3
620343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excl. ...	427.9	403.9	-5.6	85.6
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	377.4	401.1	6.3	614.4
620463	Womens or girls trousers, bib and brace overalls, breeches and shorts of synthetic fibres ...	365.4	401.1	9.8	84
621143	Womens or girls tracksuits and other garments, n.e.s. of man-made fibres (excl. knitted or ...	286.5	324.2	13.2	264.9
	Total Imports (in $ billion)	**5.3**	**5.5**		**3.4**

China emerged as South Korea's leading apparel exporter, with Korea's imports from China totalling USD 4.5 billion capturing 36.6% in South Korea's total apparel imports in 2024 and USD 3.98 billion (38.7%) in 2025 (Jan-Oct). Meanwhile, imports from Vietnam amounted to USD 3.5 billion in 2024 and USD 2.84 billion in 2025 (Jan-Oct) and imports from Bangladesh amounted to USD 611.4 million in 2024 and USD 462.63 million in 2025 (Jan-Oct).

Korea's top 10 major imports of apparel were $ 5.5 billion in 2024, comprising of apparel products such as women's overcoats, jackets etc. made of man-made fibres; jerseys, pullovers made of man-made fibres; cotton vests, T-Shirts; women and men's cotton trousers and overalls etc. In many of these products, India has a significant presence in the global market, however, exports to Korea in these products remain very miniscule. The CEPA actually worsened the position of India in Korea's imports from 5th rank in 2007 to 9th in 2024.

Top 10 Suppliers of Textile and Apparel Products to South Korea				
Ranks	**2007**	**2010**	**2015**	**2024**
1	China	China	China	China (41%)
2	Italy	Vietnam	Vietnam	Vietnam (25%)
3	Japan	USA	Indonesia	Italy (6%)
4	USA	Indonesia	USA	Indonesia (4%)
5	**India**	**India**	Italy	Bangladesh (3%)
6	Indonesia	Japan	Myanmar	Myanmar (3%)
7	Vietnam	Italy	**India**	Japan (2%)
8	Pakistan	Brazil	Japan	U S A (2%)
9	Thailand	Myanmar	Bangladesh	**India (2%)**
10	Australia	Thailand	Thailand	Cambodia (1%)

Issues and Concerns

1. Low Market Share: In the apparel segment, although South Korea's share in India's total RMG exports increased from 0.12% in 2009 to 0.40% in 2024, it has largely remained stagnant over the years, indicating limited market deepening despite the nominal rise.

2. Product Focus: India remains a niche player in seasonal, cotton-based garments, failing to meet demands for high-fashion, fast-turnaround items.

3. Certification Requirements: South Korea demands high-quality garments with strict adherence to safety, sustainability, and labelling standards. For instance, regulations on chemicals used in dyes and fabrics are stringent under laws like KC Certification (Korea Certification) and compliance with REACH-like standards for hazardous substances.

4. High Logistics Cost: Shipping costs to South Korea are relatively high for Indian exporters, compounded by longer lead times compared to regional competitors.

5. Fast Fashion Trends: South Korea's demand for high-value and sustainable apparel is growing, while India traditionally exports mid-range products. Transitioning to premium or sustainable offerings requires investments in R&D, design, and certifications.

	Top 5 major imported products	Competitors and the average tariffs	The Products in which India is already Present	Immediate Potential Products	Long term Potential Products
02 South Korea Region: East Asia Import from World: 12367.02 Import from India: 104.48 India's Rank: 13th Top 3 major import sources: China (36.5%), Vietnam (28.2%), Italy (7.0%)	• Women's overcoats, car-coats, capes etc (620240) • MMF Jerseys, pullovers, cardigans (611030) • Cotton T-shirts (610910) • Men's or boys' overcoats, car-coats, capes etc (620140) • Cotton Jerseys, pullovers, cardigans, waistcoats and similar articles (611020)	• China (8.8-9.3%, China-Korea FTA, RCEP) • Vietnam (0%, Vietnam-Korea FTA, RCEP, Korea-ASEAN CECA) • Italy (0%, EU-Korea FTA) • Bangladesh (0%, LDC Status) • Indonesia (0%, Indonesia-Korea FTA, RCEP, Korea-ASEAN CECA)	• Cotton T-shirts (610910) • Cotton women's blouses, shirts and shirt-blouses (620630) • Men's shirts of cotton (620520) • Cotton Jerseys, pullovers, cardigans (611020) • Cotton women's dresses (620442)	• Cotton men's trousers and shorts (620342) • Cotton woven women's trousers and shorts (620462) • Women's tracksuits and other garments of textile materials (621149) • T-shirts of other textile materials (610990)	• Women's or girls' overcoats, car-coats, capes etc (620240) • MMF Jerseys, pullovers, cardigans, waistcoats and similar articles (611030) • Men's overcoats, car-coats, capes etc (620140) • MMF men's trousers and shorts (620343)

Strategies to boost apparel exports

1. **Invest in Design and Technology:** Upgrade capabilities to produce high-quality, trendy, and sustainable garments aligned with Korean tastes.

2. **Speed to market:** Korean buyers need faster delivery which India is not able to cater at this point of time. The government should support the development of a faster delivery and logistics ecosystem to meet South Korea's demand for quick turnaround, enhancing India's speed-to-market competitiveness.

3. **Market Outreach Programs:** Participate in South Korean trade shows and exhibitions to build awareness about Indian RMG and its unique offerings.

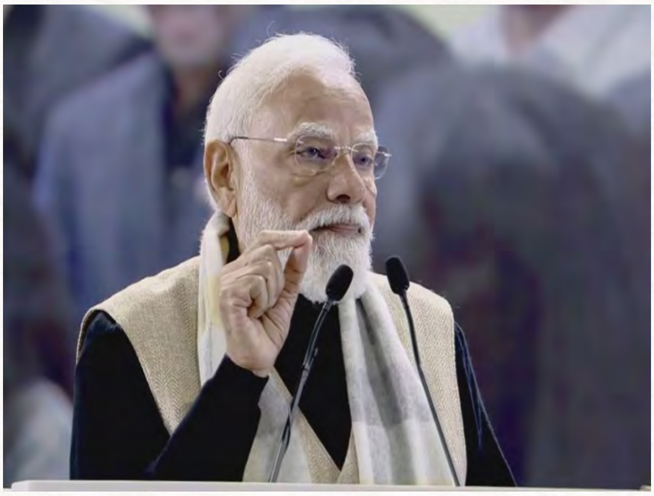
4. **Brand Collaborations:** South Korean Fast fashion brands like SPAO and Zara dominate the South Korean market, emphasizing rapid design-to-delivery cycles to stay aligned with the latest trends. These brands prioritize suppliers capable of delivering high-quality garments within significantly reduced lead times. For India to expand its RMG exports to South Korea, it must address this critical requirement by adopting agile manufacturing and supply chain strategies. These brands present a lucrative opportunity for Indian fashion players to partner and introduce them domestically. Such partnerships could pave the way for increased investment flows, technology transfer, and innovation.

5. **Collaboration with KTTA (Korea Textile Trade Association):** Establish partnerships for joint R&D projects focusing on automation, 3D textile technologies, and advanced manufacturing processes. Leverage KTTA's expertise in sustainability to enhance India's competitiveness in eco-friendly apparel production.

6. **Institutional partnership:** Korea maintains bilateral MOUs with 76 agencies from 41 countries for mutual cooperation in global standardization activities, exchange of technical information related to standards and conformity assessment, organization of standardization meetings, operation of joint education programmes, and exchange of experts (TPR of Korea, 2021). While KATS (Korean Agency for Technology and Standards) has MoUs signed on cooperation with 148 agencies in 33 countries, however, India has no MoU with KATS yet. The industry could benefit from a similar MoU with the implementing agencies in Korea to enable better understanding of the Korean standards in the apparel sector.

Startup India Has Evolved into a Defining Movement of New India: Prime Minister Shri Narendra Modi

Calling the ten-year journey of Startup India a revolution shaped by millions of dreams and youthful imagination, Prime Minister Shri Narendra Modi said that the initiative has gone far beyond being a government scheme to become a defining movement of new India, while addressing startup founders, innovators, and young entrepreneurs at Bharat Mandapam, New Delhi on National Startup Day.



Highlighting that India has emerged as the world's third-largest startup ecosystem in just ten years, he noted that the number of startups has grown from fewer than 500 in 2014 to over two lakh today, while the count of unicorns has risen from four to nearly 125, with Indian startups increasingly launching IPOs, creating jobs, and attracting global attention.

The Prime Minister said that nearly 44,000 startups were registered in 2025 alone—the highest in any single year—underscoring the accelerating momentum of the ecosystem. Recalling interactions with young innovators from sectors such as agriculture, fintech, mobility, health, and sustainability, he said their ideas, confidence, and ambition reflected a new India focused on solving real-world problems. The Prime Minister expressed satisfaction at meeting the youth and praised their courage to dream big, stating that Startup India has given them an open sky to innovate and that many of the young entrepreneurs present today would themselves become future case studies in India's startup success story.

Union Minister for Commerce and Industry, Shri Piyush Goyal, while addressing the event said that ten years ago, the Prime Minister of India presented a new line of thought to the nation, calling upon the youth to transform themselves from job seekers into job generators. He stated that the country is proud to witness this transformation clearly taking shape under the Prime Minister's leadership.

Shri Goyal recalled that when the Startup India initiative was launched in 2016, there were only about 400 startups in the country. Today, the movement has expanded significantly, with over two lakh startups registered with the Department for Promotion of Industry and Internal Trade (DPIIT). He added that these startups have generated an estimated 21 lakh jobs across the country.

Highlighting the widespread impact of Startup India, the Minister said that during his interactions with students and faculty members at university convocations, he witnesses a new sense of confidence among the youth. He noted that several campuses have transformed into "mini Shark Tanks", with students eager to convert their ideas into reality. This change, he said, has been made possible through the visionary leadership and constant encouragement of the Prime Minister.

Sharing his experience of engaging with startups at IIT Madras' Centre for Innovation, Shri Goyal said he was deeply impressed by the enthusiasm, creativity, and problem-solving capabilities of the students. He emphasized that their talent and skills reflect India's potential to address global challenges and showcase innovation on the world stage.

The Minister noted that Indian startups are currently active in over 50 sectors, including Deep Tech, Artificial Intelligence, Machine Learning, Quantum Computing, Agri-Tech, Space Tech, Drone Technology, Aerospace, and Rocket Technology. He said startups are prospering across all essential and high-impact sectors of the economy.

To strengthen the startup ecosystem, Shri Goyal recalled that the Government constituted a Fund of Funds worth ₹10,000 crore in 2016 to provide seed capital and enable startups to take calculated risks. Following the successful utilisation of the first tranche, a second tranche of ₹10,000 crore was sanctioned in the last Union Budget. He stated that the Government aims to deploy a significant portion of this fund in deep tech and high-tech sectors to further encourage youth entrepreneurship.

The Minister further highlighted that the Prime Minister has announced a Rs.1 lakh crore fund dedicated to research, development, and innovation, which will support researchers, scientists, and startups in undertaking advanced research in deep tech at par with global standards.

Shri Goyal pointed out that startups are now present in every corner of the country, with nearly 50 per cent originating from Tier-II and Tier-III cities, demonstrating that the startup revolution has truly become an Indian movement. He cited the North Eastern region as a prime example, noting the commendable work of startups in Sikkim and the collaboration between tea cultivators and youth in Assam to introduce modern farming techniques. In southern India, he said Andhra Pradesh is emerging as the drone capital of the country, while Karnataka and Tamil Nadu have become hubs for deep tech and AI startups.

Stating that the world views India with great optimism, Shri Goyal said that during foreign delegations and Free Trade Agreement negotiations, several countries have expressed keen interest in establishing startup bridges with India. He estimated that nearly 100 countries are seeking to collaborate with India's startup ecosystem through inter-startup coordination platforms.

The Minister concluded by expressing confidence that the seed of Startup India, sown under the leadership of Prime Minister Shri Narendra Modi, will continue to flourish and play a pivotal role in realizing the vision of Viksit Bharat, a dream shared by 140 crore Indians.

As India completes a landmark decade of the Startup India initiative, the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, commemorates ten years of sustained policy-driven efforts to build a strong, inclusive, and innovation-led entrepreneurial ecosystem in the country. The celebrations culminate today, with the observance of National Startup Day and the Result Declaration Ceremony of the 5th editions of the States' Startup Ranking Exercise and the National Startup Awards, bringing together key stakeholders from across the startup ecosystem.

Launched on 16th January 2016 by Prime Minister, Shri Narendra Modi, Startup India was envisioned as a transformative initiative to nurture innovation, promote entrepreneurship, and enable investment-driven growth with a vision of India being a nation of job creators instead of job seekers.

Over the past ten years, the initiative has emerged as a cornerstone of India's economic and innovation architecture, strengthening institutional mechanisms, expanding access to capital and mentorship, and fostering an environment where startups can scale across sectors and geographies. In recognition of the critical role played by startups in nation-building, socio-economic development, and self-reliance, the Prime Minister, in 2022, declared 16 January as National Startup Day.

Over the past decade, the Indian startup ecosystem has recorded unprecedented expansion, with more than 2,00,000 startups recognised by DPIIT across the country. These enterprises have emerged as key drivers of employment generation, innovation-led economic growth, and the strengthening of domestic value chains across diverse sectors. Through sustained policy support, institutional facilitation, and ecosystem-wide collaboration, the Startup India initiative continues to advance the national vision of Viksit Bharat @ 2047 by fostering entrepreneurship as a catalyst for inclusive growth, technological advancement, and long-term economic resilience.

As part of the National Startup Day celebrations, DPIIT announced the results of the fifth edition of the National Startup Awards (NSA 5.0) and the States' Startup Ranking Exercise (SRF 5.0), two flagship initiatives that have emerged as key national platforms for driving ecosystem performance and recognising excellence across the startup landscape.

The National Startup Awards are designed to recognise startups that demonstrate excellence in innovation, scalability, and societal impact, while providing a structured national platform to showcase high-impact enterprises. The fifth edition of the Awards, coinciding with the ten-year milestone of Startup India, reflects the evolving maturity of the ecosystem through the introduction of new and future-oriented award categories. Spread across 20 award categories, this edition of the National Startup Awards include recognition for startups from Tier II and Tier III cities, deep-tech innovation, and emerging sectors aligned with national development priorities.

The States' Startup Ranking Framework serves as a practical policy and governance tool to assess how effectively States and Union Territories are enabling startup growth on the ground. By encouraging both healthy competition and collaboration among state governments, the framework supports the development of strong, well-functioning startup ecosystems across the country.

The fifth edition of the States' Startup Ranking Framework builds on lessons from previous editions and places greater emphasis on measurable outcomes, long-term sustainability, and the resilience of startup ecosystems. States and Union Territories are evaluated across six reform areas and nineteen clearly defined action points, covering policy and institutional support, physical and digital infrastructure, access to funding, market access and linkages, capacity building for entrepreneurs and ecosystem stakeholders, and innovation-led growth. Participation from 34 States and Union Territories in the current edition reflects a shared national commitment to improving implementation, strengthening ecosystem maturity, and enabling startups to grow and scale across regions.

The National Startup Awards and the States' Startup Ranking Exercise have decisively shaped how startup success is recognised and how ecosystem performance is measured across the country. By rewarding high-performing startups and assessing government action at the State level, these initiatives have driven accountability, raised standards, and accelerated the pace of ecosystem development nationwide.

As Startup India completes ten years, this decade stands out for clear policy intent, consistent execution, and growing entrepreneurial confidence. Startups today are not only engines of innovation and job creation but also critical contributors to economic strength and self-reliance, reinforcing India's position as a leading global destination for entrepreneurship and innovation.

Union Minister for Commerce and Industry Shri Piyush Goyal Highlights Growing Self-Confidence Among India's Youth at Startup Pe Charcha

Union Minister for Commerce and Industry Shri Piyush Goyal, while addressing the "Startup Pe Charcha" interaction at Bharat Mandapam, New Delhi, highlighted that one of the most visible transformations in a resurgent and new India is the growing self-confidence among the country's youth. He noted that young Indians today are increasingly willing to take risks, pursue entrepreneurship and experiment with ideas, marking a significant shift from earlier hesitations around career choices. The Minister said that this self-confidence reflects a fundamental change in India's mindset towards innovation and future-ready growth.

During the interaction, Shri Goyal engaged with several founders and achievers present at the event. Responding to a question on sectors with high growth potential, the Minister identified tourism and skill development as areas offering significant opportunities, both in terms of national requirements and entrepreneurial success. He emphasised the need to integrate technology into these sectors to reach wider sections of the population, particularly in rural areas. He also underlined the importance of training, re-training and re-skilling to prepare India's workforce for emerging technologies such as artificial intelligence, quantum computing and cyber security.

On Free Trade Agreements (FTAs), the Minister said that India's recent agreements with developed economies provide significant opportunities for startups and entrepreneurs. He explained that these agreements create certainty and confidence for investors while opening new markets for Indian goods and services. He encouraged startups to explore startup-to-startup collaborations and partnerships with countries abroad to attract investment and expand globally, highlighting opportunities across services, mobility, payments, sustainability, renewable energy and advanced technologies.

On deep-tech innovation, the Minister expressed optimism about the progress being made across the country. He noted that recent policy discussions have brought sharper focus to deep-tech development and said that the second ₹10,000-crore Startup Fund of Funds announced by the Government will significantly support deep-tech startups, particularly at early and critical stages of growth. He added that his interactions with incubators and academic institutions across the country reflect strong momentum in this sector.

Addressing concerns related to sectors such as handicrafts, Shri Goyal highlighted the importance of integrating technology into inventory management to enable artisans to access digital and e-commerce platforms. He stated that the Government e-Marketplace (GeM) is willing to support such efforts by facilitating onboarding, inventory digitisation and market access, including through integration with the Open Network for Digital Commerce (ONDC).

Referring to India's space startup ecosystem, Shri Goyal noted that over 350 startups are currently operating in the sector, with deep-tech innovation at their core. He said the sector has crossed a valuation of USD 2 billion, with the Government aiming to support the emergence of multiple unicorns in the coming years.

The interaction was held in the presence of Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Shri Amardeep Singh Bhatia; Joint Secretary, DPIIT, Shri Sanjiv; Co-founder and Chief Marketing Officer, Boat, Shri Aman Gupta; Founder and Group Chief Executive Officer, OYO Rooms, Shri Ritesh Agarwal; and Co-founder, Minimalist, Shri Mohit Yadav.

Concluding the interaction, the Minister emphasised the importance of building strong domestic supply chains by connecting startups and small enterprises with large investors and manufacturers. He stated that institutions such as Invest India and DPIIT are working to facilitate these linkages, enabling startups to access captive demand, capital and scale. He encouraged entrepreneurs to explore emerging opportunities, take calculated risks and leverage India's unmatched talent base to drive innovation-led growth.

National Textiles Ministers' Conference begins in Guwahati

- The Conference aims to build a strong roadmap for strengthening the textile sector & to position India as a global textile hub: Shri Giriraj Singh

The two-day National Textiles Ministers' Conference was held in Guwahati, Assam, bringing together Textile Ministers and senior officials from States and Union Territories across the nation, to deliberate on the future roadmap of India's textile sector.

Organised by the Ministry of Textiles, Government of India, the Conference is being held under the theme "India's Textiles: Weaving Growth, Heritage & Innovation". The event aims to strengthen cooperative federalism and foster coordinated efforts between the Centre and States to position India as a global hub for textiles, apparel and technical textiles. The inaugural session was marked by the presence of the Union Minister of Textiles, Shri Giriraj Singh, Chief Minister of Madhya Pradesh Dr. Mohan Yadav, Minister of State for Textiles, Shri Pabitra Margherita along with other dignitaries.

Speaking at the inaugural session, Union Minister for Textiles Shri Giriraj Singh said that, the Union Government is working in a steady and balanced manner to harmonise production, exports, and sustainability in the textile sector. He said that the National Textiles Ministers' Conference aims to encourage brainstorming, innovation, and idea sharing to help build a strong roadmap for strengthening India's textile industry. The Union Minister urged the textile ministers of various states and UTs to formulate investor friendly policies and emphasized the need to attract greater investment in the textile sector at the state level. He expressed hope that the two-day deliberations at the conference would help pave the way forward. Speaking about the Northeastern region, Shri Giriraj Singh said that the Prime Minister has given the highest priority to the growth and development of the regions and the Government is working tirelessly to strengthen basic infrastructure and accelerate overall development in the Northeast.

Addressing the gathering, Dr. Mohan Yadav, Chief Minister of Madhya Pradesh, said that the textile industry in India is witnessing rapid growth and that the artistic skills of the country's craftsmen deserve greater access to global markets. He added that the National Textiles Ministers' Conference would provide a comprehensive roadmap for planning future actions to accelerate the growth of the textile industry.

Addressing the conference, Minister of State for Textiles, Shri Pabitra Margherita said that it is a moment of pride that the National Textiles Ministers' Conference is being organised in Guwahati, bringing together the Centre and the States to jointly build a roadmap for the textile sector. He added that through dialogue and coordination among representatives of the Centre and State governments, the conference will enable the Indian textile industry to expand its presence in the global market. Shri Margherita further asserted that under the leadership of Prime Minister Shri Narendra Modi, India has set an ambitious target of building a USD 350 billion textile economy. Referring to the Handloom Census 2019–20, Shri Margherita highlighted that the Northeastern region accounts for the highest handloom production in the country, contributing around 52 per cent of the total handloom output.

Secretary, Textiles, Smt. Neelam Shami Rao said that the textile industry in the country continues to occupy an important place in the nation's social and economic life and nearly 500 districts across the country export one or more textile products to the global market. Speaking at the inaugural session Additional Secretary, Textiles, Shri. Rohit Kansal said that India is one of the largest textile-producing countries in the world, and the sector is growing rapidly, and the Union Government is working in close coordination with State Governments to promote the growth of the textile sector.

The inaugural session also featured the opening of an Exhibition and Pavilion, showcasing India's textile strength, innovation, and rich heritage. A report; India's Textile Atlas: State Compendium 2025, was also released.

During the day, multiple sessions were held focusing on Infrastructure, Investments Raw materials and fibres including cotton, silk, jute, wool, Technical Textiles and New Age Fibres. Ministers and officials from various States & UTS shared best practices, investment opportunities, challenges and policy suggestions to further strengthen the sector.

The Conference will continue tomorrow with further deliberations on various topics including Exports, Branding, Handlooms and Handicrafts.

Ministry of Textiles Reviews Progress and Charts Roadmap for Accelerating Textile Growth in North-Eastern States

The conference provided a focused platform for comprehensive deliberations on accelerating the growth of the textile sector in the North-Eastern states through enhanced policy coordination, investment promotion, skill development, value addition, and improved market access.

The conference was attended by the Hon'ble Union Minister for Textiles Shri Giriraj Singh, Hon'ble Minister of State for Textiles Shri Pabitra Margherita, Textile and Industry Ministers, Members of Parliament & senior officials from the north eastern states and the Central Government along with representatives of key textile sector institutions.

Addressing the conclave, Union Minister for Textiles, Shri Giriraj Singh said that Northeastern region plays a very integral part of the Textile sector of the nation and the Union Govt is committed for its development.

The North-Eastern Region's unique strengths—its rich handloom heritage, GI-tagged products, diverse silk varieties, bamboo crafts, and strong participation of women artisans and weavers—were highlighted during the deliberations.

The conference underscored the need for a coordinated and integrated approach to strengthen value chains, enhance exports, attract investments, and combine traditional skills with modern technology, design innovation, and market linkages.

Ministry of Textiles Announces "District-Led Textiles Transformation (DLTT)" Plan to Create Global Export Champions

The Ministry of Textiles has unveiled the District-Led Textiles Transformation (DLTT) initiative, a strategic initiative designed to catalyze inclusive and sustainable growth across India's textile landscape, in the National Textile Ministers Conference in Guwahati. By shifting to a sector-specific, district-level approach, the Ministry aims to transform 100 high-potential districts into Global Export Champions and elevate 100 Aspirational Districts into self-reliant hubs.

The Ministry analyzed all districts using a data-driven scoring methodology based on three key parameters - Export Performance, MSME Ecosystem Workforce Presence. This was then designed into two-pronged strategy where districts were categorized into Champion Districts and Aspirational Districts.

The plan follows a tailored implementation framework based on a district's category:

- **Champion Districts (Scale & Sophistication):** These districts will focus on removing advanced bottlenecks. Interventions include upgrading to Mega Common Facility Centres (CFCs), integrating Industry 4.0, and facilitating direct Export Market Linkages, etc.

- **Aspirational Districts (Foundation & Formalization):** These districts would aim to build the ecosystem from the ground up in setting up foundation and formalization of workforce. This includes basic skilling and certification, establishing Raw Material Banks, and promoting micro-enterprises through Self-Help Groups (SHGs) and Cooperatives, etc.

The initiative also emphasizes on Purvodaya convergence in east and northeast zones. These regions are prioritized for tribal belt development, connectivity improvement, and Geographical Indication (GI) tagging to position unique cultural handicrafts for premium global markets.

Through the strategic convergence of government resources and collaborative partnerships with industry and academia, the program aims to strengthen textile clusters and systematically scale successful models to maximize impact across districts.

National Textiles Ministers' Conference concludes in Guwahati with key policy deliberations and setting the future roadmap

The National Textiles Ministers' Conference concluded in Guwahati after two days of extensive deliberations on strengthening India's textile ecosystem through innovation, sustainability, heritage preservation, and export growth. The conference witnessed participations of Ministers and officials from State and UTs across the nation. Addressing the session Minister of State Shri Pabitra Margherita said that the conference had seen serious deliberations on various aspects of the Textile sector and expressed the confidence that this would lead to a clear roadmap for fulfilling the vision of making India a global textile hub.

On the second day of the conference, discussions focused on expanding exports, competitiveness and branding of Textiles of India. The Center and State dialogue focused on competitiveness, support, expectations and vision of achieving USD 100 billion in textile exports by 2030.

Another key session deliberated on traditional textiles, handlooms and handicrafts, with emphasis on preserving India's rich textile heritage while ensuring market access, value addition, branding and livelihoods for artisans and weavers. Participants stressed the need for convergence of schemes, design innovation and digital platforms to enhance income generation.

Senior officials and Ministers underscored the importance of collaborative efforts between the Centre and States. States were encouraged to leverage flagship schemes of the Ministry of Textiles, including infrastructure development, technology upgradation and sustainability-driven initiatives.

The two-day extensive Centre-State dialogue marked a significant step towards policy coordination, investment promotion and holistic development of India's textile sector.

GLOBAL NEWS

Indonesia launching US$6 billion state-owned firm to shield textile industry from US tariffs, rising imports

Indonesia plans to establish a new state-owned enterprise (SOE) focused on the textile and garment sector, a move aimed at strengthening the industry against external shocks, including US tariff risks and the flood of Chinese textile imports in recent years.

Coordinating Minister for Economic Affairs Mr. Airlangga Hartarto announced on Jan 14, that the company will be directly managed by Danantara, the country's sovereign wealth fund, with an initial funding allocation of up to US$6 billion.

The funds will be directed towards capital equipment procurement, adoption of new technologies and export expansion initiatives. However, he did not specify the company's expected launch date.

Mr. Airlangga said the government has outlined a comprehensive road map for the sector, targeting an increase in textile exports from US$4 billion currently to US$40 billion over the next decade.

The plan also emphasises deepening the domestic value chain, which includes spinning, weaving, dyeing, printing and finishing processes, areas that remain weak in Indonesia compared to regional peers.

"By establishing this new SOE, we aim to drive modernisation and strengthen the industrial backbone of our textile sector," Mr. Airlangga said. "It is crucial to enhance value-chain capabilities to compete internationally and reduce dependency on imported intermediate products."

The move comes after the US imposed a 19 per cent tariff on select Indonesian textile products, a move that could dampen the country's competitiveness in a crucial export market.

South-east Asia's largest economy typically ships around US$2 billion worth of textiles to the US annually, making the tariffs a potentially significant drag on one of its key trade flows.

Indonesia's textile industry, which employs more than six million workers, has been grappling with mounting challenges, notably from a surge of low-cost Chinese imports.

Local manufacturers have struggled to maintain market share at home and abroad, as cheaper Chinese fabrics and garments continue to undercut Indonesian products. Last year, textile giant Sri Rejeki Isman filed for bankruptcy and laid off over 50,000 workers amid severe financial strain.

Observers have warned that without significant government intervention, the domestic textile sector could continue to lose competitiveness.

Mr. Redma Gita Wirawasta, Chairperson of the Indonesian Fiber and Filament Yarn Producers Association, said the move aligns with broader efforts to revitalise Indonesia's manufacturing base and move towards higher value-added production.

However, he cautioned that the plan should be accompanied by measures to improve the overall industry climate, particularly by controlling the influx of illegal textile imports from abroad.

Mr. Eko Listiyanto, Vice-Director of the Institute for Development of Economics and Finance, believes the government's plan to establish a new textile SOE under Danantara goes too far, as the textile sector can largely be managed by private companies.

"Creating a new entity rather than reviving existing ones, risks competing with struggling private textile firms, potentially isolating them and causing layoffs," he said.

While the SOE may aim to compete globally, Eko warned it could inadvertently "cannibalise" the domestic textile industry. He suggested that SOEs are better suited for sectors where private companies face significant barriers to entry, which is not the case for textiles.

Bangladesh Bank Announces Export Incentives for Textiles and Garments

Bangladesh Bank has announced a revised export incentive package covering 43 product categories, under which local textile industries will receive 1.50% alternative cash assistance in lieu of duty drawback or bonded warehouse facilities.

Under the same policy framework, small and medium-sized enterprises in the garment sector will be eligible for a 3% cash incentive, while exporters shipping goods to the Eurozone will receive an additional 0.50% incentive.

In a circular issued by the Foreign Exchange Policy Department-1, the central bank confirmed that the revised incentive rates will apply to shipments made between 1st January 2026, and 30th June 2026. The measures are intended to enhance export competitiveness and support diversified industrial growth.

Bangladesh Bank said the alternative cash assistance has been designed specifically for local textile manufacturers that do not benefit from bonded warehouse facilities or duty drawback schemes, offering targeted support to domestically integrated producers.

The central bank further noted that exporters seeking to avail themselves of the incentives must have their claims audited by external auditors in accordance with existing regulatory requirements.

The policy also extends cash incentives to enterprises operating in Bangladesh Economic Zones Authority areas, Bangladesh Export Processing Zones Authority zones and High-Tech Parks, with support ranging from 0.50% to 2.00% depending on the product category and industry classification.

Bangladesh Bank said the initiative reflects the government's continued emphasis on export diversification, value addition and maintaining momentum in global markets, with textiles remaining a central pillar of the country's export economy.

Vietnam's textile and garment industry targets US$50 billion in exports in 2026

HCMC – Vietnam's textile and garment industry is aiming for around US$50 billion in export revenue in 2026, up nearly US$3 billion from 2025, as companies restructure supply chains, deepen investment and leverage free trade agreements (FTAs).

The target was shared by Mr. Vu Duc Giang, chairman of the Vietnam Textile and Apparel Association (Vitas) and Chairman of Viet Tien Garment Corporation, at a press briefing on January 12 marking Viet Tien's 50th anniversary.

Mr. Giang said 2025 is considered a pivotal year for the industry, with export revenue estimated at US$46–47 billion. The planned increase is not a sudden leap, but the outcome of a long restructuring process covering supply chains, markets and growth models.

Vitas noted that Vietnam's textile and garment exports are now approaching the US$50 billion threshold, prompting the association to define three strategic pillars for the next development phase.

The first pillar is the impact of new-generation FTAs. In 2025, several product lines have begun to benefit more effectively from tariff preferences, creating additional room for export growth. Market segmentation is becoming clearer between traditional and emerging destinations, while China remains a key reference point in both production and consumption.

The second pillar is the global geopolitical and geo-economic environment. Strategic adjustments among major economies are creating challenges but also accelerating investment relocation. Vietnam is emerging as a destination for new capital flows, especially in product segments where domestic firms previously lacked capabilities.

Mr. Giang said from 2025 onward, and more clearly in 2026–2027, Vietnam will begin producing items that were previously unavailable or only aspirational. Several investment projects have already started, enabling the industry to upgrade its position in global value chains.

In 2025, garment exports alone are estimated at about US$38 billion, contributing to total textile and garment exports of US$46–47 billion. Vietnam continues to rank among the world's top three garment exporters, alongside China and Bangladesh.

The industry's three core growth drivers are FTAs, a more synchronized domestic supply chain that improves self-reliance in materials and logistics, and deeper investment in technology, digitalization and automation. Based on these factors, Vitas views the US$50 billion export target for 2026 as achievable but cautious.

Within this broader picture, Viet Tien is cited as a representative example of industry restructuring. The company reported nearly US$800 million in export revenue and consolidated system-wide revenue of about VND18.5 trillion. Its main markets include the U.S., the EU, Japan, and South Korea.

Viet Tien operates an ecosystem of member companies and industrial clusters, with more than 500,000 square meters of factory space and over 30,000 employees. The group plans to maintain stable growth, increase automation, strengthen governance transparency, and shift from contract manufacturing to FOB and ODM, while gradually building brand capacity.

Mr. Giang said Viet Tien remains committed to becoming a diversified group, with garments as its core business, while expanding into textile materials, industrial real estate, trading, consumer services, finance, hospitality, tourism, maritime transport, education and healthcare.

Korea's Textile Exports Fall Below $10 Billion for First Time

The Korean textile industry faces a decline due to lost price competitiveness and failure to transition to high-value-added products.

Despite the growing global market, Korea's share in industrial and eco-friendly textiles remains low, exacerbated by increased imports and a trade deficit.

According to the Ministry of Trade, Industry and Resources on Han. 11, last year's textile export value recorded $9.681 billion, a decrease of 7.5% compared to the previous year ($10.463 billion). This marks the first time textile exports have fallen below the $10 billion threshold in 38 years since 1987.

Textiles have long maintained their position as a representative export mainstay. Among domestic industries, it was the first single sector to surpass $10 billion in annual exports in 1987. To commemorate this achievement, Nov. 11, the day the $10 billion milestone was reached, was designated as Textile Day. However, textile export values have fluctuated since the 2000s, and from 2022 onwards, they have entered a complete downward trend, barely exceeding $10 billion.

Meanwhile, textile import values have shown an increasing trend, deteriorating the trade balance. Textile import values, which stood at $9.739 billion in 2010, increased by 26.6% in just one year to $12.33 billion in 2011, and continued to rise, recording $18.749 billion last year. The textile sector has been showing a trade deficit consistently since 2016.

Experts cite as the cause that despite exports declining due to intensified competition with latecomer countries such as China since the 2000s, the industry has only focused on overseas expansion without establishing any substantial growth drivers. The criticism is that as other developing countries entered the clothing textile market based on cheap labour, the domestic textile industry lost price competitiveness. Although experts pointed out that there should be a swift transition to high-value-added advanced and eco-friendly industrial textiles, this effort also failed.

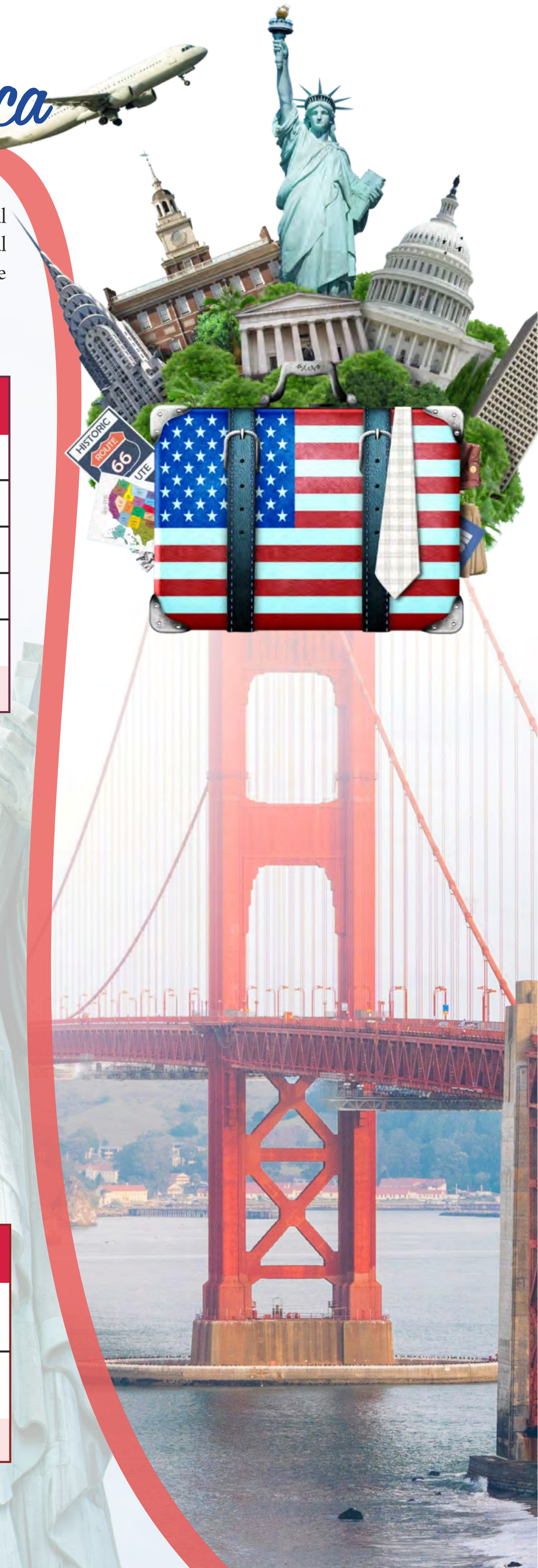
According to the Ministry of Trade, Industry and Resources, the global industrial textile market, which was $146.7 billion in 2021, is projected to grow at an average annual rate of 4.7% and expand to $192.2 billion by 2027. However, as of 2023, Korea's share in the global industrial textile market was only 3%. The share in the eco-friendly textile market was also low at 2%.

An industry official pointed out, "As domestic facility investment decreased due to the offensive from China and other countries, and labour shortages intensified, even manufacturing companies relocated overseas on a large scale, leading to the collapse of the domestic textile industry's manufacturing foundation," adding, "While we are trying to develop industrial textiles, we still have a long way to go due to technology gaps and other factors."

US Textile Imports Fall 2.01% YoY to $88.9B

US textile and apparel imports fell 2.01 per cent year on year to $88.9 billion in January–October 2025, reflecting softer apparel demand and weaker non-apparel shipments. China remained the largest supplier but lost share sharply as buyers diversified sourcing. Rising imports from Vietnam, Bangladesh and Cambodia underline a structural shift driven by tariffs, costs and supply-chain resilience.

United States of America



➢ Economic Overview:

United States of America (USA) is World's largest economy by nominal GDP; largest importer and second-largest exporter; home to leading financial exchanges and global reserve currency; inflation moderating but remains above pre-pandemic levels.

➢ Economic Indicators:

Indicators	*Value (in USD)*
Real GDP (Purchasing Power Parity), 2024 est.	25.68 trillion
Real GDP (Growth Rate), 2024 est.	2.8 %
Real GDP (Per Capita), 2024 est.	75,500
GDP (Official Exchange Rate), 2024 est.	29.19 trillion
Inflation Rate, 2024 est.	2.9 %
Source: The World Factbook – CIA 2026	

➢ Industries:

Highly diversified, world leading, high-technology innovator, second-largest industrial output in the world; petroleum, steel, motor vehicles, aerospace, telecommunications, chemicals, electronics, food processing, consumer goods, lumber, mining.

➢ Climate:

Mostly temperate, but tropical in Hawaii and Florida, arctic in Alaska, semiarid in the great plains west of the Mississippi River, and arid in the Great Basin of the southwest; low winter temperatures in the northwest are ameliorated occasionally in January and February by warm chinook winds from the eastern slopes of the Rocky Mountains

➢ Average Tariff for India:

16 % + 25% Reciprocal Tariff + 25% Penalty for purchasing Russian oil

➢ Exchange Rate :

Indicators	*Value (in USD)*
Indian Rupees (INR) per US Dollar (USD)	90.07
Euro (EUR) per US Dollar (USD)	0.86
Source: X-Rates (January 2026)	

➢ USA's RMG Trade:

USA's RMG Import from World and India (In USD million)

	2022	2023	2024	% Change 2024 over 2023	2024 (January-October)	2025 (January-October)	% Change FY 2025 over 2024
USA's RMG imports from World	105352.8	81591.4	83709.5	2.6	67028.4	66628.8	-0.6
USA's RMG imports from India	6004.9	4679.5	4933.1	5.4	4049.8	4398.1	8.6
India's Share in USA's total RMG imports from World, %	5.7	5.7	5.9		6.0	6.6	

Source: UN Comtrade and OTEXA 2026

The above table shows that USA's RMG import from the World were to the tune of USD 83709.5 million in 2024 showing a growth of 2.6 % as compared to 2023. RMG import from India has also increased to USD 4933.1 million, registering a growth of 5.4 % as compared to 2023. India's percentage share in USA's RMG import from the World has also increased to 5.9 % in 2024.

USA's RMG import from World between January-October 2025 were to the tune of USD 66628.8 million, showing a decline of 0.6 % as compared to January-October 2024 and import from India during the same period showed a growth of 8.6 % with the share of 6.6% in 2025.

➢ Top RMG Supplier to USA:

Top RMG Supplier to USA and India's Position

Position	Countries	Imported value in FY 2024-25 (in USD mn)	% Share
	World	**83709.5**	**100**
1	China	18393.9	22.0
2	Vietnam	15325.9	18.3
3	Bangladesh	7404.4	8.8
4	**India**	**4933.1**	**5.9**
5	Indonesia	4433.0	5.3
6	Cambodia	3999.3	4.8

Source: UN Comtrade 2026

The above table shows that China has remain the top supplier of RMG to USA with 22.0 % share in 2024. India is the 4th largest supplier of RMG to USA with 5.9 % share. Vietnam and Bangladesh has a share of 18.3 % and 8.8 % respectively.

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

Top 10 RMG products imported by USA from World (in USD million)

S. No.	HS Code	Product label	Imported from World in 2024	Imported from India in 2024	India's Share in %
		Total RMG	**83709.5**	**4933.1**	**5.9**
		Sum of Top 10	**35556.0**	**1458.7**	**4.1**
1	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	7411.2	430.4	5.8
2	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	4942.4	432.4	8.7
3	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	4837.3	26.7	0.6
4	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	4425.8	121.6	2.7
5	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	4011.9	126.0	3.1
6	620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excl. ...	2300.2	21.2	0.9
7	621210	Brassieres of all types of textile materials, whether or not elasticated, incl. knitted or ...	2119.8	27.7	1.3
8	610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	1962.9	23.0	1.2
9	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	1775.6	246.6	13.9
10	610463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, ...	1768.9	3.1	0.2

Source: UN Comtrade 2026

The above table shows USA'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 35556.0 million in 2024 and import from India of these top 10 products were to the tune of USD 1458.7 million India has 4.1 % share in USA's top 10 products import from the World.

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

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

Top 10 RMG Products India's Export to USA (in USD million)

S.No.	HS Code	Product label	Export from India, 2024	% Share in 2024
		Total RMG	4933.1	100.0
		Sum of Top 10	2699.9	54.7
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	432.4	8.8
2	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	430.4	8.7
3	620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	380.9	7.7
4	611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	308.0	6.2
5	620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excl. knitted or crocheted and ...	291.5	5.9
6	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	246.6	5.0
7	610510	Men's or boys' shirts of cotton, knitted or crocheted (excl. nightshirts, T-shirts, singlets ...	214.0	4.3
8	610711	Men's or boys' underpants and briefs of cotton, knitted or crocheted	141.2	2.9
9	610610	Women's or girls' blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excl. ...	128.9	2.6
10	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	126.0	2.6

Source: UN Comtrade 2025

The above table shows USA's top 10 RMG products imported from India. USA's top 10 products imported from India were to the tune of USD 2699.9 million with 54.7 % share in USA's total RMG import from India.

The top products imported by USA from India includes (i) T-shirts, singlets and other vests of cotton, knitted or crocheted (ii) Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted (iii) Women's or girls' dresses of cotton.

Textiles Committee and NEHHDC signs MoU on Intellectual Property Rights (IPR) protection through GI registration & Post-GI initiatives

The Textiles Committee, Ministry of Textiles, Govt of India and the North Eastern Handloom and Handicraft Development Corporation (NEHHDC), a Government of India enterprise under the Ministry of Development of North Eastern Region, signed a landmark Memorandum of Understanding (MoU) during the North Eastern Region Conclave in Guwahati, Assam.

This collaboration marks a significant step towards Intellectual Property Rights (IPR) protection of unique products from the North Eastern states through Geographical Indications (GI) registration and Post-GI initiatives.

Key Highlights of the MoU

• **GI Registration of Handlooms & Handicraft Products from NE region:** The initiative will initially facilitate GI registration of 33 unique products — 18 from Nagaland and 15 from Meghalaya — under the Geographical Indications of Goods (Registration and Protection) Act, 1999.

• **Collaborative Development:** Both organizations will work jointly with Central and State Governments to strengthen textiles, handloom, handicrafts, khadi, and allied sectors in the region.

• **Strengthening Post-GI Initiatives:** Beyond registration, the partnership will focus on capacity building, branding, and market linkages to ensure sustainable growth and recognition of Northeastern crafts.

Significance

This initiative is expected to:

- Empower artisans and weavers by protecting their traditional knowledge and craftsmanship.
- Enhance global visibility of Northeastern textiles and handicrafts.
- Create new economic opportunities through branding and market expansion.

MSME exporters get Rs 7,300 crore credit lifeline

The commerce department announced a new interest subsidy mechanism aimed at supporting micro, small and medium enterprises (MSMEs), along with the creation of a loan guarantee corpus for small exporting businesses.

The interest subvention scheme, with an outlay of about ₹5,181 crore spread over six years beginning the current financial year, will provide a 2.75 per cent subsidy on eligible loans. The subsidy rate will be reviewed every six months and will be linked to the repo rate as well as interest rates prevailing in competing economies. A senior official said the initiative is intended to address a key cost disadvantage faced by small exporters.

In addition, exporters selling goods to new and emerging markets will be eligible for incentives, with detailed guidelines to be announced in the coming weeks. The government will also roll out complementary financial tools such as factoring to improve liquidity. For years, Indian businesses have flagged limited access to credit and high interest rates as major constraints on exports. Officials noted that small businesses currently borrow at interest rates of 9–12 percent to meet export credit requirements, and the subsidy is expected to provide meaningful relief. Learning from earlier experience, the Directorate General of Foreign Trade (DGFT) has capped annual interest subsidy assistance at ₹50 lakh per business. Around 75 percent of tariff lines—particularly labour-intensive products—will be eligible under the scheme.

A second initiative providing collateral support has been allocated a corpus of ₹2,114 crore over six years. The government expects this to be leveraged 30–35 times, facilitating loan disbursements worth ₹60,000–65,000 crore. "Delinquency levels are around 3–4 percent and appear to have peaked, which allows the funds to be leveraged to extend more credit," an official said. Under the collateral guarantee scheme, micro and small enterprises will receive guarantee cover of up to 85 percent, while medium enterprises will be eligible for coverage of up to 65 percent.

Gujarat expands Textile Policy benefits for Women & MSMEs

Aiming to further strengthen and empower women's self-help groups (SHGs), Gujarat Chief Minister Shri Bhupendra Patel announced amendments to the Gujarat Textile Policy, 2024.

In a release, the chief minister's office stated, "…the Chief Minister has issued directions to make important amendments in certain provisions of the Textile Policy. Accordingly, one or more Self Help Groups consisting of women associated with similar livelihood objectives, registered under the National Rural Livelihood Mission and the National Urban Livelihood Mission, or other voluntary Self Help Groups, will be eligible to receive benefits under the Textile Policy."

It added, "The CM has also taken another decision that units engaged in non-polluting textile manufacturing activities related to garments, apparel and made-ups, stitching, embroidery, and other activities, which fall within municipal area limits in the state, will also be granted benefits under the Textile Policy-2024."

As per the release, "As a result of this decision … non-polluting textile units located within municipal corporation limits in the state will receive extensive benefits from the scheme. Additionally, employment generation in urban areas will be encouraged and local employment opportunities for skilled and semi-skilled workers will increase. Recognition of non-polluting textile activities in urban areas will also create a favourable environment for the growth of Micro, Small and Medium Enterprises (MSMEs)."

It stated that encouragement to non-polluting activities will help achieve the objectives of environmental protection as well as balanced and sustainable industrial development.

"Along with the benefits available to Self Help Groups (SHGs) under the Gujarat Textile Policy-2024, the outcome of this decision… will enable women of the state to become more economically empowered and self-reliant. Such measures will provide them with greater opportunities and empowerment, enabling them to become stronger in society, the economy, and the business sector," the release added.

Textiles Emerge as Key Export Growth Engine for Andhra Pradesh: NITI Aayog Report

Andhra Pradesh is witnessing a notable shift in its export profile, with textiles emerging as a key growth driver, according to the Export Preparedness Index (EPI) 2024 released by NITI Aayog. The development marks a significant transition for the state, which has traditionally depended on agricultural and marine products for export earnings.

The EPI assessment points to a strengthening business ecosystem in Andhra Pradesh, particularly improvements in access to utilities, logistics and industrial estates, which have helped enhance the state's export potential. Within this broader framework, the textiles sector has gained prominence, reflecting steady expansion across yarn, fabrics, garments and home textiles.

NITI Aayog noted that Andhra Pradesh has been building textile production capacity through clusters located across Rayalaseema and the coastal districts. EPI 2024 identifies textiles as a sector demonstrating strong export performance and future potential, supported by the state's raw material base and growing manufacturing capabilities.

Officials cited in the assessment indicated that the development of integrated textile parks and cluster-based manufacturing could enable Andhra Pradesh to benefit from changing global sourcing patterns, as international buyers seek to diversify supply chains. However, the report also flagged persistent structural challenges within the sector, including fragmented production, uneven infrastructure in inland districts and limited direct access to global buyers.

To address these constraints, EPI 2024 underscored the need for better logistics connectivity, industry-aligned skilling programmes and stronger branding and market access support. Such measures, it said, would help textile units in the state integrate more effectively into global value chains.

The report added that Andhra Pradesh has aligned its industrial and export strategies with national objectives, including the goal of achieving US $ 1 trillion in merchandise exports by 2030 under the Viksit Bharat 2047 vision, with textiles identified as a sector capable of generating both export growth and employment.

Central Wool Development Board in collaboration with ICAR organises a Chintan Shivir, on " Challenges, Opportunities and Future Prospects of the Indian Wool Sector" in Avikanagar

A one-day "Chintan Shivir on Challenges, Opportunities and Future Prospects of the Indian Wool Sector" was organised by the Central Wool Development Board (CWDB), Ministry of Textiles, in collaboration with ICAR–Central Sheep and Wool Research Institute (CSWRI) today at Avikanagar in Rajasthan. The programme was presided over by Smt. Neelam Shami Rao, Secretary Textiles, as the Chief Guest. Smt. Padmini Singla, Joint Secretary, Ministry of Textiles graced the occasion as the Guest of Honour.

The Chintan Shivir witnessed wide participation from officials of Government of India departments related to the wool sector and representatives from State Governments, including Rajasthan, Himachal Pradesh, Jammu & Kashmir, Uttarakhand, Ladakh, Uttar Pradesh, Maharashtra, and Punjab. Representatives from other stakeholder organisations such as the Textile Committee, research institutions, academic institutions, industries, start-ups, and non-governmental organisations also actively participated and contributed to the deliberations.

Four technical sessions were conducted during the Chintan Shivir, wherein expert panels deliberated on key themes including sheep rearing, wool production, wool pre-processing, research and development, sustainability, value addition, Common Facility Centres (CFCs), value chain strengthening, and marketing and branding of wool and wool products. Detailed discussions were held on current challenges, available opportunities, and future strategies and action plans.

Smt. Neelam Shami Rao, Secretary, (Textiles), while summarising the key recommendations emerging from the deliberations, outlined the way forward for the holistic development of the Indian wool sector. She emphasised that R&D work must be done keeping in focus the economics of wool production and processing. She mentioned that the role of collectives is extremely important in the wool sector and through public-private initiatives they should be encouraged to boost the wool sector.

In her keynote address, Smt. Padmini Singla, Joint Secretary, (Textiles), stressed the importance of treating wool production, processing, product development, and promotion as an integrated value chain. She underscored the need for end-to-end analysis and strategic interventions to enhance competitiveness and sustainability in the wool sector.

Addressing the gathering, Shri Rudra Gaur, Secretary, Department of Animal Husbandry, Leh–Ladakh, highlighted region-specific challenges faced by the wool sector in Ladakh. He emphasised the need to develop the wool sector on par with other agricultural commodities and advocated the creation of a dedicated institutional mechanism focused exclusively on wool sector development.

Major outcomes of the Chintan Shivir included pathbreaking recommendations on strengthening the entire wool value chain including pre-processing activities such as collection, grading, and scouring; establishment of a Centre of Excellence for branding; creation of strategically located CFCs based on economic analysis; branding of Indian wool and wool products; and strengthening research and development initiatives.

Dr. Arun Kumar Tomar, Director, ICAR-CSWRI, Avikanagar, warmly welcomed all dignitaries by presenting wool products developed by the institute. He briefed the guests on the institute's research and development initiatives in the areas of wool production and advanced woollen technologies. Shri Gopal Singh Bhati, Executive Director, Central Wool Development Board, Jodhpur, outlined the objectives of the Chintan Shivir and highlighted the various initiatives being undertaken by CWDB for the welfare and upliftment of sheep farmers across the country.

A technology exhibition was organised alongside the Chintan Shivir, showcasing different breeds of sheep and rabbits, apparel-grade wool products, technical textile products made from coarse wool, and innovations developed by various research organisations. Several start-ups also displayed their products and technologies. The dignitaries visited the exhibition, textile unit, agribusiness incubation center at ICAR-CSWRI.

8th Meeting of National Traders' Welfare Board Reviews Initiatives to Strengthen Retail Trade Sector

The 8th Meeting of the National Traders' Welfare Board (NTWB) was held at Vanijya Bhawan, New Delhi, under the chairmanship of Shri Sunil J. Singhi. Addressing the meeting, Joint Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Shri Sanjiv, highlighted the importance of the retail trade sector in the Indian economy and encouraged Members to enhance awareness about the initiatives and activities of the NTWB, including virtual interactive sessions. He appreciated the leadership of the Chairperson and observed that the progress achieved by the Board reflects effective coordination and a clear vision.

The Chairperson, Shri Sunil, apprised the Board of the major initiatives undertaken towards achieving its objectives. He informed that representations received from trade associations and Members had been forwarded to the concerned Ministries and Departments for necessary action. He invited suggestions from Members to further enhance awareness and outreach of welfare schemes related to the retail trade sector.

He also briefed the Board on the next-generation Goods and Services Tax (GST) reforms and their positive impact on traders and consumers. He referred to the nationwide traders-led campaign, "GST Bachat Utsav", which reflects the trading community's appreciation of the transformative GST reforms implemented under the leadership of the Hon'ble Prime Minister Shri Narendra Modi. He reiterated the Government's commitment to creating a conducive business environment through simplified procedures, reduced compliance burden, financial support and improved infrastructure.

The Board emphasized the importance of the 'Vocal for Local' initiative to boost indigenous industries and promote locally made products. In this context, discussions were held on taking the 'Swadeshi Sankalp Daud' nationwide from 12th to 23rd January, encouraging citizens across the country to participate and embrace the spirit of Swadeshi in both production and consumption.

The Chairperson further stressed the importance of digital transformation in the retail sector and urged small traders to leverage platforms such as the Open Network for Digital Commerce (ONDC) to expand market access and enhance income opportunities. It was highlighted that future policies and schemes will continue to prioritize traders' welfare through capacity building, financial support, social security measures, market linkages and transparent grievance redressal mechanisms. Reaffirming the mission and vision of the Board, the Chairperson stated that sustained efforts would ensure traders remain competitive, secure and prosperous in the evolving economic landscape.

The meeting was attended by non-official Members representing various trade associations and States and Union Territories, along with ex-officio Members from nine Ministries and Departments of the Government of India.

GeM Marks Seven Years of Womaniya Initiative to Strengthen Women-Led MSE Participation in Public Procurement

Government e-Marketplace (GeM) marked seven years of the Womaniya initiative, its flagship programme aimed at strengthening the participation of women-led Micro and Small Enterprises (MSEs) in public procurement. The commemorative event was held at Jeevan Bharti Building, New Delhi.

Seven years on, the impact of the initiative is evident. As of 14 January 2026, more than two lakh women-led MSEs are registered on the GeM portal. Collectively, these enterprises have secured public procurement orders exceeding ₹80,000 crore, accounting for 4.7 per cent of GeM's total order value, significantly surpassing the mandated three per cent procurement target for women-owned and women-led enterprises.

Launched on 14 January 2019, Womaniya was conceived to address the limited access of women entrepreneurs and Self-Help Groups (SHGs) to government markets. By providing a direct, transparent and fully digital interface with government buyers, the initiative eliminated intermediaries and reduced entry barriers that had historically constrained participation. Over the years, Womaniya has evolved from an access-enabling platform into a national ecosystem of opportunity.

The event brought together policymakers, multilateral institutions and ecosystem partners to reflect on this journey. Addresses were delivered by Joint Secretary (SME), Ministry of MSME, Smt. Mercy Epao; Chief of Staff, UN Resident Coordinator's Office, Smt. Radhika Kaul Batra; and Country Programme Manager, UN Women India, Smt. Suhela Khan. The speakers highlighted the importance of institutional access, capability building and sustained policy support in advancing women's economic participation, and underscored the need for promoting gender-responsive public procurement.

Speaking on the occasion, Chief Executive Officer, GeM, Shri Mihir Kumar, stated that Womaniya has grown into a structured and scalable ecosystem and has emerged as a flagship initiative enabling women-led enterprises to scale their businesses through resilience and credibility. He noted that policy-enabled digital procurement through the GeM portal has played a key role in nurturing women entrepreneurship and advancing gender inclusion in public procurement. He emphasised the importance of price discovery and product comparison for government buyers, the need for women entrepreneurs to understand procurement patterns on the portal, awareness of Government Financial Rules (GFR), and the convergence of stakeholders to collectively support and promote women entrepreneurship.

A key highlight of the event was the signing of a Memorandum of Understanding (MoU) between GeM and the Women's Collective Forum (WCF). The MoU was signed by Additional Chief Executive Officer, GeM, Shri Ajit B. Chavan, and Chief Community Officer, WCF, Ms. Richa Sharma. The partnership aims to strengthen institutional support for women entrepreneurs by building awareness of business-to-government opportunities, supporting onboarding, documentation, compliance and product listing, and enhancing visibility and participation through structured training programmes, workshops and field-level coordination.

The programme also featured testimonials from women entrepreneurs, interactive sessions and roundtable discussions, providing insights into how access to public procurement has translated into enterprise growth and local economic impact.

Aligned with national priorities such as Aatmanirbhar Bharat, Make in India and Vocal for Local, the Womaniya initiative reflects the Government's commitment to gender-inclusive economic growth and demonstrates how policy, platforms and partnerships can work together to transform participation into prosperity.

India–EU FTA likely to spur textiles, pharma, engineering sectors: exporters

Textiles, pharmaceuticals, chemicals, engineering goods, gems and jewellery exports will receive a boost from the free trade agreement between India and the 27-nation European Union, according to exporters.

The conclusion of negotiations for the agreement is likely to be announced on January 27.

The industry estimates that with tariffs having been phased out due to the FTA, exports to the EU will double over the next three years, they said.

The free trade agreement (FTA) would provide a stable and predictable framework for exporters, allowing Indian firms to plan long-term investments, integrate into European value chains, and secure market access, even as global economic uncertainties persist, they noted.

"This FTA will be a game changer in terms of reducing our dependence on any single market," Apparel Export Promotion Council Chairman Dr. A. Sakthivel said, adding that with the US tariffs on Indian goods being too high, domestic exporters face higher costs and reduced competitiveness in a major market, which is pushing Indian exporters to diversify the export market.

Successive negotiations have emphasised sectors where India has a strong export footprint in the EU. Textiles and apparel, pharmaceuticals, engineering goods, petroleum products and chemicals are central to these discussions, he added.

Textiles and apparel currently attract 12-16 per cent import duty in the EU, which makes Indian goods less competitive. The average import duty for ready-made garments in the EU is 12 per cent, which apparently comes to 9.6 per cent as India enjoys preferential access under the EU's Generalised Scheme of Preferences (now called DCTS).

Kanpur-based Growmore International MD Mr. Yadvendra Singh Sachan said that domestic leather exporters should use this opportunity to significantly boost shipments. "The FTA will be a game changer for Indian exporters," Mr. Sachan said.

Federation of Indian Export Organisations (FIEO) said substantial increases in US tariffs are affecting a spectrum of Indian exports, and it underscores the need for diversification of export markets and trade strategies.

Against this backdrop, FIEO said concluding a comprehensive India-EU Free Trade Agreement is not only timely, but it is strategically vital.

The EU remains one of India's largest trading partners, accounting for about 17 per cent of India's goods exports and a significant share of services trade.

Government plans nationwide survey to map India's textile hubs

India's major textile hubs, spanning states from Uttar Pradesh and Gujarat to Tamil Nadu, are set to be mapped in detail as the government prepares to undertake a nationwide survey of the textile industry. The Ministry of Statistics and Programme Implementation (MoSPI) is working on a framework to assess the health of the sector and is expected to launch the survey in 2027, government officials said.

The proposed survey will capture a broad range of indicators, including financial inclusion, gross value added (GVA), enterprise and worker conditions, export status, access to credit and loan repayment patterns. The textile sector is among India's largest employment generators and plays a critical role in the country's industrial landscape. Officials said the initiative follows a request from the Ministry of Textiles for a dedicated survey of enterprises engaged in textile-related activities. The textile and apparel industry contributes around 2.3% to India's gross domestic product and accounts for about 13% of overall industrial production.

A government official stated that India has multiple textile hubs across the country and that the Ministry of Textiles has been asked to share a list of areas where textile activity is concentrated. The official added that the ministry is also examining the type of area-based data it can provide to help MoSPI capture the required information comprehensively.

Textile clusters are widely distributed across India, with Surat in Gujarat known for synthetic fabrics, Tirupur in Tamil Nadu emerging as a major knitwear hub, and Ludhiana in Punjab specialising in woolens, among several others. The planned survey is expected to provide policymakers with a granular understanding of these clusters and support more targeted interventions for the sector's growth.

PM MITRA Textile Parks to draw US $ 3.04 billion in proposed investments

The seven PM MITRA (PM Mega Integrated Textile Region and Apparel) Parks are being developed across India with a total estimated cost of ₹13,040 crore (US$ 1.44 billion). So far, MoUs worth over ₹27,434 crore (US$ 3.04 billion) have been signed, reflecting strong investment interest. The parks are located in Virudhnagar (TN), Warangal (TS), Navsari (GJ), Kalaburagi (KA), Dhar (MP), Lucknow (UP), and Amravati (MH). Among them, Dhar (MP) and Virudhnagar (TN) have project costs of ₹2,063 crore (US$ 229 million) and ₹1,894 crore (US$ 210 million), respectively. The initiative aims to create integrated textile hubs, boosting manufacturing, exports, and employment.

The government has begun infrastructure development worth Rs. 2,590.99 crore (US $287 million) for PM MITRA Parks, following site approvals from the Central Government. These works are being implemented by all seven state governments and will provide external infrastructure up to the park gates. Additionally, 100% of the land has been acquired and handed over to the respective Special Purpose Vehicles (SPVs). The PM MITRA Parks are planned as large, fully integrated textile hubs encompassing the entire value chain—from spinning and weaving to processing, printing, garment production, and accessories. The initiative aims to cut logistics costs, boost competitiveness, attract large investments, and create substantial employment, strengthening India's position in the global textile industry.

The government has approved DPRs worth Rs.7, 024 crore for PM MITRA Parks in Madhya Pradesh, Tamil Nadu, Telangana, and Maharashtra. External infrastructure like roads, water, and power totaling Rs. 1,861.24 crore has been sanctioned, with Rs. 564.72 crore already spent. The scheme aims to develop modern, plug-and-play textile parks and has a total budget of Rs. 4,445 crore for 2021–22 to 2027–28.

PM shares article on growth of India's textile sector

The Prime Minister, Shri Narendra Modi, has shared an article by Union Minister of Textiles, Shri Giriraj Singh.

The article outlines the rise of India's textile sector from a legacy industry to a powerful, job-creating and people-centric engine of growth, embodying the true spirit of Aatmanirbhar Bharat. It highlights that initiatives such as PM MITRA Parks, PLI schemes and new Free Trade Agreements are creating the next wave of employment.

The Prime Minister's Office posted on X;

"In this article, Union Minister Shri @girirajsinghbjp outlines the rise of India's textile sector from a legacy industry to a powerful, job-creating, people-centric engine of growth, embodying the true spirit of Aatmanirbhar Bharat.

He highlights that PM MITRA Parks, PLI schemes and new Free Trade Agreements are creating the next wave of employment."

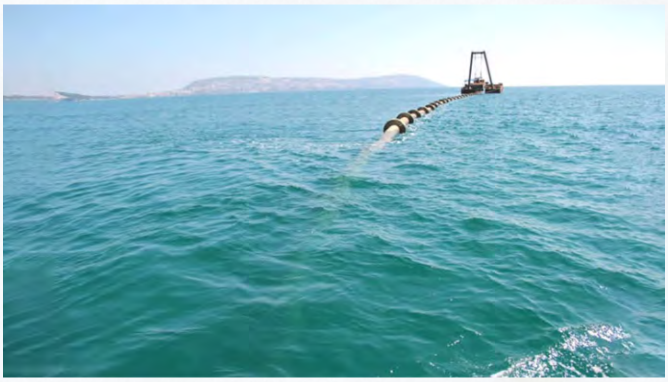
Vrunda Desai Appointed Textile Commissioner

Ms. Vrunda Desai, an Indian Revenue Service (IRS) officer from Nagpur, has assumed charge as the Textile Commissioner in Mumbai, a position under the Union Ministry of Textiles.

The Textile Commissioner serves as a key interface for the Ministry of Textiles, playing a central role in supporting policy formulation and overseeing its implementation. The office provides technical advice to the government and coordinates with state governments, industry stakeholders and international bodies. Its mandate includes supporting micro and small enterprises, powerloom workers and initiatives aimed at promoting import substitution. The Textile Commissioner also works in coordination with the Nagpur-based Central Institute of Cotton Research.

Ms. Desai joined the Indian Revenue Service after clearing the Civil Services Examination and began her career as an Assistant Commissioner in Nagpur. She later served as Director (Broadcasting) in the Ministry of Information and Broadcasting on a five-year Central Secretariat Service deputation. During this tenure, she was involved in the formulation of policy guidelines for the uplinking and downlinking of satellite television channels and played a role in enforcement action against illegal satellite channel operators.

Gujarat Nears Rollout of Deep Sea Effluent Project Covering Over 400 Surat Textile Units



The Gujarat government is moving closer to launching the 'Surat Cluster Deep Sea' project, a major environmental initiative aimed at benefiting more than 400 textile processing, powerloom weaving and other industrial units in and around Surat.

The pilot project proposes the disposal of around 600 million litres per day (MLD) of treated industrial effluent from Kadodara GIDC, Eco Textile Park, Palsana GIDC, Pandesara GIDC and Sachin GIDC. Under the plan, treated wastewater will be discharged into the sea through a pipeline, with the state government bearing 80% of the project cost and the remaining 20% to be funded by participating industrial units.

A key meeting on the project was held at Pandesara GIDC between textile industry representatives and the Minister of State for Forest, Environment and Climate Change, Pravin Mali. Discussions focused on industrial growth, sustainable development and emerging opportunities for the textile sector. As outlined under the Surat Economic Development Plan, effluent treated at Common Effluent Treatment Plants (CETPs) in GIDC industrial estates in and around Surat will be transported through a common pipeline and released into the sea approximately 10 kilometres offshore at a depth of around one kilometre.

The government has indicated that industrial units located outside GIDC areas will be required to connect to the nearest GIDC facility. Units that fail to comply may face closure, as the state plans to adopt a stricter stance against polluting industries across Gujarat.

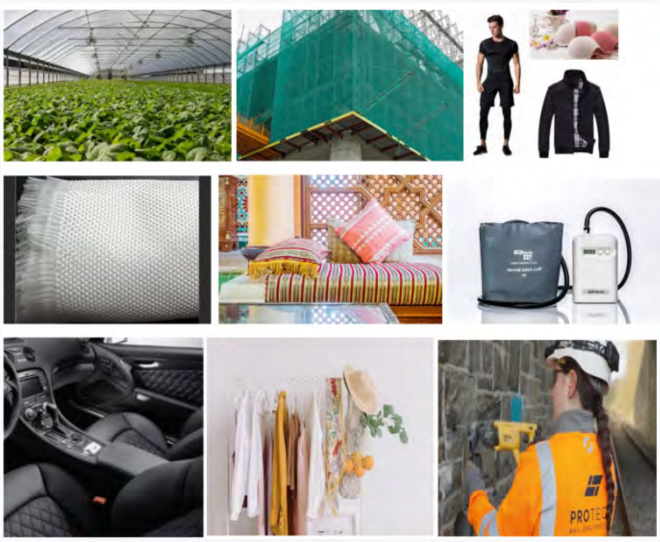
At the meeting, the Minister of State highlighted the efforts made by industries in the Sachin and Pandesara GIDC areas towards environmental protection and acknowledged initiatives undertaken under 'Mission Life'. He noted that while the textile sector continues to grow in compliance with regulatory norms, it must also be prepared to capitalise on opportunities arising from the ongoing industrial transformation.

MLA Shri Manubhai Patel said the State Government maintained a supportive approach towards industrial development. He called for improved road infrastructure in GIDC areas to facilitate transportation, expedited completion of the Deep Sea project and the establishment of a skill development centre to provide locally trained manpower for industries.

The meeting was attended by officials from the Gujarat Pollution Control Board, including the regional officer from Palsana, representatives from KIM and Kadodara, presidents of various industry associations, textile industrialists and processors, who shared their views on the project.

The South Gujarat Textile Processors Association has submitted a proposal to the state government, following which the authorities are expected to issue a tender, allowing the project to move into the execution phase.

Technical Textile Exports Slip 1.2% In Aproct On Higher US Tariffs



Export of technical textile goods declined 1.2 percent during April–October 2025 compared with the same period last year, largely due to higher tariffs imposed by the United States, according to industry data.

Exports Dip Despite Rupee-Term Growth

Data from the Manmade and Technical Textiles Export Promotion Council shows that India's technical textile exports stood at USD 1.95 billion during April–October 2025, marginally lower than USD 1.97 billion recorded in the corresponding period of 2024–25. However, exports grew 2.3 per cent in rupee terms during the same period.

While exports registered month-on-month growth between April and September, shipments fell sharply in October 2025 to USD 249.7 million, compared with USD 305.5 million in October 2024.

Product Mix and Key Export Segments

Geo-textiles, medical textiles and packaging materials led exports, with Flexible Intermediate Bulk Container (FIBC) bags, slings, ropes, gauze and wipes accounting for nearly 60 percent of technical textile exports in the seven-month period, while technical fabrics contributed 27.7 percent.

The U.S. remained the largest market for Indian technical textiles with a 25.9 percent share, followed by Germany (6 percent) and the UK (5 percent), though exports to the U.S. fell 15 percent in April–October 2025.

Industry officials said tariffs hurt shipments, while weak demand in markets like Vietnam and Bangladesh limited export diversion.

Limited Scope for Market Diversification

“Goods produced for customers in one country cannot be easily diverted to another market,” an official from the Council said, adding that unresolved tariff issues could further impact exports.

While exports to Canada, Saudi Arabia, Israel, Oman, Japan and Russia are showing an upward trend, officials cautioned that building a substantial presence in these emerging markets will take time.

India's Textile & Apparel Exports Maintain Growth Momentum amid Global Headwinds

India's Textile and Apparel (T&A) exports have demonstrated resilience and steady growth despite a subdued global trade environment, reflecting the sector's adaptability, diversified market presence, and strength in value-added and labour-intensive segments. The sector recorded positive growth for the second consecutive month, with exports in December 2025 rising by 0.40% over December, 2024 to USD 3.27 billion, following strong growth in November 2025.

During December 2025, export growth was broad-based across key segments, led by Handicrafts (7.2%), Ready-Made Garments (2.89%), and MMF yarn, fabrics and made-ups (3.99%). These trends underline India's competitive advantage in value-added manufacturing, traditional crafts, and employment-intensive production, even amid volatile global demand conditions.

On a calendar-year basis (January–December 2025), textile and apparel exports remained stable at USD 37.54 billion, with notable cumulative growth in Handicrafts (17.5%), Ready-Made Garments (3.5%), and Jute products (3.5%). Stability at this scale, despite geopolitical tensions and inflationary pressures in key markets, reflects the sector's structural strength and diversified export basket.

A key highlight of 2025 has been significant market diversification. During January–November 2025, India's textile sector recorded export growth across 118 countries and export destinations compared to the corresponding period of 2024, reflecting a broad-based improvement in market performance. Strong expansion was observed in both emerging and traditional markets, including the United Arab Emirates (9.5%), Egypt (29.1%), Poland (19.3%), Sudan (182.9%), Japan (14.6%), Nigeria (20.5%), Argentina (77.8%), Cameroon (152.9%), and Uganda (75.7%), along with steady growth in key European markets such as Spain (7.9%), France, Italy, the Netherlands, Germany, and the United Kingdom.

This diversified growth pattern underscores the resilience of India's textile export sector and the strengthening of India's global market presence across a wide range of destinations.

This positive export performance is being reinforced by a coherent policy framework focused on enhancing competitiveness, value addition, and market expansion. Overall, the sustained export momentum, widening market footprint, and strong performance of value-added segments reaffirm India's position as a reliable and resilient global sourcing hub for textiles and apparel. With continued emphasis on diversification, competitiveness, and MSME participation, the sector is well-placed to scale up exports and deepen its integration with global value chains in the period ahead.

The cumulative exports (merchandise & services) during April-December 2025 is estimated at US$ 634.26 Billion, as compared to US$ 607.93 Billion in April-December 2024, an estimated growth of 4.33%

India's total exports (Merchandise and Services combined) for December 2025* is estimated at US$ 74.01 Billion, registering a negative growth of (-)1.01 percent vis-à-vis December 2024. Total imports (Merchandise and Services combined) for December 2025* is estimated at US$ 80.94 Billion, registering a positive growth of 6.17 percent vis-à-vis December 2024.

India's total exports during April-December 2025* is estimated at US$ 634.26 Billion registering a positive growth of 4.33 percent. Total imports during April-December 2025* is estimated at US$ 730.84 Billion registering a growth of 4.95 percent.

MERCHANDISE TRADE

• Merchandise exports during December 2025 were US$ 38.51 Billion as compared to US$ 37.80 Billion in December 2024.

• Merchandise imports during December 2025 were US$ 63.55 Billion as compared to US$ 58.43 Billion in December 2024.

Merchandise Trade during December 2025

• Merchandise exports during April-December 2025 were US$ 330.29 Billion as compared to US$ 322.41 Billion during April-December 2024.

• Merchandise imports during April-December 2025 were US$ 578.61 Billion as compared to US$ 546.36 Billion during April-December 2024.

• Merchandise trade deficit during April-December 2025 was US$ 248.32 Billion as compared to US$ 223.96 Billion during April-December 2024.

Merchandise Trade during April-December 2025

• Non-petroleum and non-gems & jewellery exports in December 2025 were US$ 32.02 Billion compared to US$ 30.96 Billion in December 2024.

• Non-petroleum, non-gems & jewellery (gold, silver & precious metals) imports in December 2025 were US$ 42.72 Billion compared to US$ 38.44 Billion in December 2024.

SERVICES TRADE

• The estimated value of services export for December 2025* is US$ 35.50 Billion as compared to US$ 36.97 Billion in December 2024.

• The estimated value of services imports for December 2025* is US$ 17.38 Billion as compared to US$ 17.80 Billion in December 2024.

Services Trade during December 2025*

• The estimated value of service exports during April-December 2025* is US$ 303.97 Billion as compared to US$ 285.53 Billion in April-December 2024.

• The estimated value of service imports during April-December 2025* is US$ 152.23 Billion as compared to US$ 150.01 Billion in April-December 2024.

• The services trade surplus for April-December 2025* is US$ 151.74 Billion as compared to US$ 135.52 Billion in April-December 2024.

Exports of Other Cereals (85.83%), Coffee (53.12%), Iron Ore (50.02%), Meat, Dairy & Poultry Products (30.16%), Tobacco (17.15%), Electronic Goods (16.78%), Mica, Coal & Other Ores, Minerals Including Processed Minerals (12.07%), Marine Products (11.73%), Handicrafts Excl. Hand Made Carpet (7.2%), Drugs & Pharmaceuticals (5.65%), Tea (5.39%), Man-Made Yarn/Fabs./Made-Ups Etc. (3.99%), Cereal Preparations & Miscellaneous Processed Items (3.61%), Rmg Of All Textiles (2.89%), Spices (1.54%), Engineering Goods (1.28%) and Organic & Inorganic Chemicals (1.08%) record positive growth during December 2025 over the corresponding month of last year.

Imports of Gold (-12.08%), Leather & Leather Products (-8.93%), Wood & Wood Products (-8.82%), Transport Equipment (-7.11%), Chemical Material & Products (-6.23%), Iron & Steel (-4.48%), Textile Yarn Fabric, Made-Up Articles (-2.92%), Pulses (-2.87%), Organic & Inorganic Chemicals (-2.3%), Machine Tools (-1.42%) and Artificial Resins, Plastic Materials, Etc. (-1.22%) record negative growth during December 2025 over the corresponding month of last year.

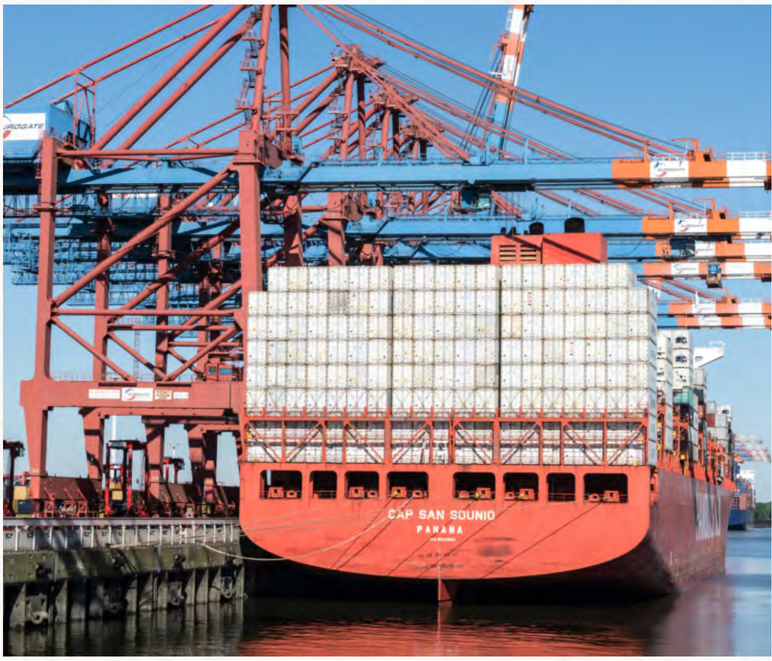
Services exports is estimated to grow by 6.46 percent during April-December 2025* over April-December 2024.

Top 5 export destinations, in terms of change in value, exhibiting positive growth in December 2025 vis a vis December 2024 are China P Rp (67.35%), U Arab Emts (14.94%), Malaysia (65.42%), Hong Kong (61.28%) and Spain (48.48%).

Top 5 export destinations, in terms of change in value, exhibiting positive growth in April-December 2025 vis a vis April-December 2024 are U S A (9.75%), China P Rp (36.68%), U Arab Emts (7.49%), Spain (53.33%) and Hong Kong (25.75%).

Top 5 import sources, in terms of change in value, exhibiting growth in December 2025 vis a vis December 2024 are China P Rp (20.01%), Saudi Arab (28.85%), Brazil (95.62%), Peru (59.08%), and Chile (116.35%).

Top 5 import sources, in terms of change in value, exhibiting growth in April-December 2025 vis a vis April-December 2024 are China P Rp (13.46%), U S A (12.85%), Hong Kong (29.28%), U Arab Emts (8.26%) and Ireland (103.06%).

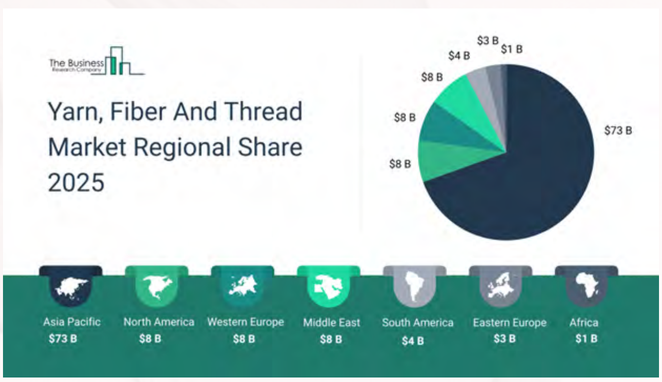


MARKET REPORT

Yarn, Fiber And Thread Market In 2029

Yarn, Fiber And Thread Market to Surpass $133 billion in 2029. In comparison, the Textile market, which is considered as its parent market, is expected to be approximately $858 billion by 2029, with Yarn, Fiber And Thread to represent around 15% of the parent market. Within the broader Paper, Plastics, Rubber, Wood And Textile industry, which is expected to be $9,585 billion by 2029, the Yarn, Fiber And Thread market is estimated to account for nearly 1% of the total market value.

Which Will Be the Biggest Region in the Yarn, Fiber And Thread Market in 2029 Asia-Pacific will be the largest region in the yarn, fiber and thread market in 2029, valued at $92,108 million. The market is expected to grow from $68,366 million in 2024 at a compound annual growth rate (CAGR) of 6%. The strong growth can be attributed to the rising industrial fiber demand and expansion of the e-commerce sector.



Which Will Be The Largest Country In The Global Yarn, Fiber And Thread Market In 2029?

India will be the largest country in the yarn, fiber and thread market in 2029, valued at $53,673 million. The market is expected to grow from $37,157 million in 2024 at a compound annual growth rate (CAGR) of 8%. The strong growth can be attributed to the increasing popularity of athleisure and sportswear and increasing demand for sustainable and eco-friendly textiles.

What will be Largest Segment in the Yarn, Fiber And Thread Market in 2029?

The yarn, fiber and thread market is segmented by type into regular yarn, fiber and thread and special yarn, fiber and thread. The regular yarn market will be the largest segment of the yarn, fiber and thread market segmented by type, accounting for 71% or $93,905 million of the total in 2029. The regular yarn market will be supported by the growing demand from the apparel and textile industry for everyday clothing, increasing production of cotton and synthetic yarns, rising popularity of fast fashion driving bulk yarn consumption, expanding use of regular yarn in home textiles such as bedsheets, curtains, and upholstery, technological advancements improving yarn quality and durability, rising consumer preference for comfortable and breathable fabrics, and increasing exports of regular yarn to global markets.

The yarn, fiber and thread market is segmented by end user into apparel, footwear and accessories, home interior and other end users. The apparel market will be the largest segment of the yarn, fiber and thread market segmented by end user, accounting for 57% or $75,970 million of the total in 2029. The apparel market will be supported by the rising global demand for fast fashion and affordable clothing, increasing preference for sustainable and organic fibers in apparel manufacturing, growing popularity of sportswear and athleisure wear, technological advancements enabling the production of stretchable and durable yarns, expanding e-commerce platforms driving sales of apparel made from innovative fibers, increasing investments in circular fashion practices promoting fiber recycling, and rising consumer demand for wrinkle-resistant and easy-care garments.

The yarn, fiber and thread market is segmented by application into quilting, sew and stitch and embroidery. The quilting market will be the largest segment of the yarn, fiber and thread market segmented by application, accounting for 52% or $69,500 million of the total in 2029. The quilting market will be supported by the rising popularity of DIY and hobby quilting projects, increasing demand for durable and decorative quilting threads, growing preference for eco-friendly and organic cotton fibers in quilting, expanding use of pre-wound bobbins and specialty threads for machine quilting, advancements in colorfast and fade-resistant threads, increasing sales of quilting kits and supplies through e-commerce platforms, and the growing trend of personalized and custom-designed quilt products.

What is the expected CAGR for the Yarn, Fiber And Thread Market leading up to 2029?

The expected CAGR for the yarn, fiber and thread market leading up to 2029 is 7%.

What Will Be The Growth Driving Factors In The Global Yarn, Fiber And Thread Market In The Forecast Period?

The rapid growth of the global yarn, fiber and thread market leading up to 2029 will be driven by the following key factors that are expected to reshape the textile manufacturing landscape and quality assurance processes worldwide.

Increasing Popularity Of Athleisure And Sportswear - The increasing popularity of athleisure and sportswear will become a key driver of growth in the yarn, fiber and thread market by 2029. This trend is fueled by the growing emphasis on health and fitness, casual workwear, and lifestyle shifts toward active living. Manufacturers are investing in advanced textile technologies, including moisture-wicking, stretchable, and breathable fabrics, to meet consumer expectations for functionality and aesthetics. As a result, the increasing popularity of athleisure and sportswear is anticipated to contributing to a 2.2% annual growth in the market.

Growing Popularity Of Fast Fashion - The growing popularity of fast fashion will emerge as a major factor driving the expansion of the yarn, fiber and thread market by 2029. Fast fashion's emphasis on affordability, variety, and quick turnaround times is driving large-scale consumption of synthetic and blended fibers, such as polyester and elastane, which offer cost efficiency and versatility. The continuous need for new styles and mass-produced garments is pushing manufacturers to enhance textile production capacity and innovate with durable yet lightweight materials. Consequently, the growing popularity of fast fashion is projected to contributing to a 1.7% annual growth in the market.

Rising Industrial Fiber Demand - The rising industrial fiber demand will serve as a key growth catalyst for the yarn, fiber and thread market by 2029. Sectors such as automotive, construction, aerospace, and filtration are driving demand for technical and industrial-grade fibers, including aramid, carbon, glass, and high-tenacity polyester. These fibers offer superior strength, heat resistance, and durability, making them essential for manufacturing products such as reinforced composites, conveyor belts, protective clothing, and industrial textiles. Therefore, this rising industrial fiber demand is projected to supporting to a 1.2% annual growth in the market.

Growing E-Commerce And Online Retail- The growing e-commerce and online retail will become a significant driver contributing to the growth of the yarn, fiber and thread market by 2029. The convenience of online shopping, coupled with rising internet penetration and smartphone usage, is driving higher sales of clothing, home textiles, and DIY craft supplies. Fast fashion brands, independent retailers, and direct-to-consumer labels are leveraging digital platforms to reach broader customer bases, accelerating the need for rapid and flexible textile production. Consequently, the growing e-commerce and online retail is projected to contributing to a 0.7% annual growth in the market.

What Are The Key Growth Opportunities In The Yarn, Fiber And Thread Market in 2029?

The most significant growth opportunities are anticipated in the regular yarn, fiber and thread market, the yarn, fiber and thread for apparel market and the quilting yarn, fiber and thread market. Collectively, these segments are projected to contribute over $67 billion in market value by 2029, driven by advances in targeted therapeutic development, rising diagnostic accuracy through biomarker-based and imaging innovations, and expanding access to specialized hepatology care across hospital networks. This surge reflects the increasing adoption of evidence-based treatment pathways, early screening protocols, and precision-medicine approaches that enable timely diagnosis, improved patient management, and enhanced clinical outcomes, fuelling transformative growth within the broader Primary Biliary Cholangitis (PBC) market landscape.

The regular yarn, fiber and thread market is projected to grow by $25,353 million, the yarn, fiber and thread for apparel market by $21,937 million and the quilting yarn, fiber and thread market by $19,330 million over the next five years from 2024 to 2029.

Made in France Textiles: An Industry to Be Revived, Reports The UIT

The publication of a study by the Union of Textile Industries (UIT) has reignited the debate on the relocation of textile manufacturing to France. According to the report's findings, "Made in France" generates much greater economic benefits than imports, capturing up to 84% of the value created, compared with 35% for products from abroad.

The study published, brings us back to the controversy sparked by the opening of Chinese brand Shein's first physical store at BHV in Paris, which reignited concerns and highlighted the risks associated with ultra-fast fashion: aggressive commercial practices, lower-quality products, and pressure on local players.

For the major luxury houses, relocalization and the strengthening of local industrial skills are already an active strategy. LVMH, Hermès, and Kering are investing heavily in production in France and Italy to ensure quality and traceability and to preserve artisanal expertise of excellence.

In 2024, the LVMH group had 119 production and craft workshops in France. Bernard Arnault's group is also focusing on training: since 2014, more than 3,300 apprentices have been trained in over 280 craft trades through the Institut des Métiers d'Excellence. Hermès claims that 100% of its leather goods are made in France, a key part of its brand identity.

The Kering group has adopted a "made in excellence" strategy in Italy: more than 13,700 Italian employees work for the Pinault family's company, representing more than a quarter of its total workforce. Kering has more than 40 production sites in Italy and its local activity contributes nearly €10 billion to the Italian economy, or 0.6% of GDP.

Also in Italy, a study by La Conceria, a platform dedicated to monitoring the activities of tanners and leather goods manufacturers, found that 78% of the production of the 15 leading luxury groups is carried out in Italy, particularly for leather (80%) and footwear (77%). This industrial concentration confirms Italy's status as the "Silicon Valley of luxury": a breeding ground for expertise coveted in particular by French luxury giants.

According to the study by the Union des Industries Textiles, France would therefore be well advised to develop its local textile industry. The France Relance and France 2030 public initiatives have gradually helped to relocate processing and spinning mills, particularly for linen, the former flagship of the French textile industry.

But there is still a long way to go. The Safilin spinning mill, which had just been relocated to the Hauts-de-France region in 2022, has recently closed its doors. It is therefore time for public authorities and fashion industry players to reflect on an industrial and commercial strategy for the future.

Exporters see boost for engg, textiles

New Delhi: Textiles, pharmaceuticals, chemicals, engineering goods, gems and jewellery exports will receive a boost from the free trade agreement between India and the 27-nation European Union, according to exporters.

The conclusion of negotiations for the agreement is likely to be announced on Jan 27.

The industry estimates that with tariffs having been phased

EU DEAL

out due to the FTA, exports to the EU will double over the next three years, they said. FTA would provide a stable and predictable framework for exporters, allowing Indian firms to plan long-term investments, integrate into European value chains, and secure market access, even as global economic uncertainties persist, they noted.

"This FTA will be a game changer in terms of reducing our dependence on any single market," AEPC chairman A Sakthivel said. Successive negotiations have emphasised sectors where India has a strong footprint in EU AGENCIES

8:48 Z

tecoya trend 07 Janu...

PDF reader

The Association has underlined that a significant portion of these imports are being declared at prices ranging between USD 1.3 and USD 2 per kg, levels it describes as commercially implausible for

AEPC Chairman Sakthivel underlines leveraging of growing FTA networks

By Our Staff Reporter

MUMBAI, JAN. 06—

On taking charge for his fifth term as the Chairman of the Apparel Export Promotion Council (AEPC), Dr. A. Sakthivel has reiterated his commitment to working closely with the Government of India, state governments, and industry stakeholders to expand market access, leverage India's growing network of FTAs, address emerging challenges such as sustainability compliance, and enhance India's share in global apparel trade.

Mr. Rohit Kansal, Additional Secretary, Ministry of Textiles, in a message on the occasion of Dr Sakthivel taking over as Chairman AEPC, said, "One world which defines the textiles industry is resilience. The government is cognizant of the difficulties of the industry and is ready to continue its support for boosting textiles exports."

Highlighting the immediate priority Dr. Sakthivel said, "It is to mitigate the adverse impact of the recent US tariff measures on Indian apparel exporters and the millions of workers dependent on the sector." He thanked the government for recent support measures to the export sector in general and labor-intensive sectors like apparel in particular."

10:07 Z

EPaper_Delhi_16_Ja...

PDF reader

Exports rise 1.87% in December, trade deficit widens marginally

Imports rose by 8.7 per cent to $63.55 billion during the month under review, according to government data released on Thursday

India's exports to US decline by 1.83% to $6.88 bn in December

Moody's upgrades outlook on Adani Electricity Mumbai, Adani Transmission Step-One to stable

...according to an exchange filing on Tuesday. The project is part of NHAI's asset monetisation programme.

Apparel, leather export councils get new chiefs

EXPORT PROMOTION COUNCILS for apparel and leather got their new chairmen on Tuesday. A Shakthivel assumed charge as chairman of the Apparel Export Promotion Council (AEPC) for a fifth term. The Council of Leather Exports saw its new Chairman Ramesh Juneja assuming charge, replacing R K Jalan.

India cannot

Apparel sector seeks higher interest subvention

PUSHPITA DEY @ New Delhi

THE apparel sector, which is one of the worst hit due to the US tariff, expects the upcoming Budget 2026 to introduce a focus market scheme (FMS), primarily for exports to the US, a higher interest subvention under Export Promotion Mission (EPM) and also a reduction in GST on textile and apparel machinery from 18% to 5%.

Apparel exporters have written to the Ministry of Finance seeking measures for the sector that could help them navigate through the challenges.

"Apparel sector is not seeking blanket support, but targeted, temporary, and growth-oriented interventions that address extraordinary external shocks, safeguard employment, and strengthen India's position as a reliable global sourcing hub," said A Sakthivel, chairman, Apparel Export Promotion Council (AEPC). With the US imposing 50% tariff on textile and apparel exports, cost competitiveness of Indian exporters has been affected. ICRA expects apparel exporters' revenues to fall by 6-9% in FY26. Thus, AEPC recommended introduction of a FMS for apparel exports to the US. "Under the proposed scheme, exporters should be provided freely transferable incentive scrips equivalent to 20% of the FOB (free on board) value of exports, aligned with the period for which additional US tariff remains in force. This would offset tariff burden, ease liquidity, and help exporters retain market share," said AEPC. Additionally, apparel exporters seek for higher interest subvention.

RUN-UP TO BUDGET

Under the EPM, an interest subvention of 2.75% with a cap of ₹50 lakh a year is available to the exporters. They requested to raise it to 5%, along with relaxation of ₹50 lakh annual cap. "Budget 2026 should revise interest support for exporters to lower borrowing costs considering moratorium for MSMEs in tariff-hit sectors, expand credit guarantees to encourage bank lending, and widen ECGC cover to protect against payment risks," said Krishan Arora, Partner and Indirect Tax Leader, Grant Thornton Bharat.

Expedite Indo-US trade talks to resolve tariff issue: AEPC chief

bl.interview

We need to diversify apparel exports towards non-conventional destinations

Has the industry accepted the higher US tariffs?

US tariffs are the biggest issue facing the textiles industry currently. How will the industry respond if this challenge prolongs?

What is your primary agenda as the Chairman of AEPC?

The foremost will be product and market diversification.

What is the industry's demand from the Union Budget?

The industry in Tiruppur is the worst affected. Is there anything you wish to do for your hometown?

...with participation from other investors, FutureCure said, without disclosing individual cheque sizes. The round followed an earlier $4 million fundraise in 2022 backed by Kotak Alternate Asset Management, RVCF Ventures and Unicorn India Ventures, the company said. TNN

AEPC, leather body get new chiefs

New Delhi: A Sakthivel has returned as AEPC chairman for a fifth term, while Ramesh Juneja has taken over as the new chairman of the Council for Leather Exports. TNN

ET NOW & ET NOW Swadesh set to roll out 'Budget Yatra'

No Tax Exemption for Tiger on Flipkart Stake Sale: SC

Tariffs Drag Export Growth in Dec

PSBs to Standardise Digital Process for MSME Credit

Credit-Deposit Ratio at Banks a Record 81.75%

India Energy Week

Marine Exports Rise

Moody's Upgrades Outlook for Three Key Adani Group Firms

Personal Imports Too

Jobs to brands, exporters hope to expand footprint across Europe

Times News Network

New Delhi: EU with its 27 members can help Indian exports such as marine products, textiles, leather, footwear and gems and jewellery get a strong grip at a time some of them are facing difficulties in the US, which has slapped a 50% tariff on all exports from the country.

More importantly, the shift to zero duty will provide Indian exports a much-needed competitive edge. In textiles, Indian exports face a 12% duty disadvantage compared to competition from Bangladesh. Turkiye and Vietnam too get preferential access. Same is the case with footwear, where Indian exports face 17% duty compared with zero for Pakistan and Bangladesh as well as Vietnam, which has an FTA.

When it comes to marine products, tariffs will fall from 26% for all products that are being exported from India.

"...The press used to ask us, why is Bangladesh able to export $30 billion worth of textiles, and India is such a small player? Because Bangladesh... had zero duty access, and they were able to capture $30 billion out of the $250 billion market of EU in textiles... Sectoral gains in various areas,

COMPETITIVE EDGE

particularly labour-intensive areas, give us tremendous potential for job creation in India," commerce and industry minister Piyush Goyal said.

He said textiles exports could quickly grow from $7 billion to $30-40 billion. "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," said AEPC chairman A Sakthivel.

"Our exposure to EU stands at around 15-17% of our annual topline, and we expect this to increase over the next 12 months. Our existing capacity can cater to EU demand, and we plan to step up capex once the deal is officially signed and implemented," said Sivaramakrishnan Ganapathi, vice-chairman and MD, Gokaldas Exports, among the largest Indian textile exporters.

"Amid soaring metal prices and evolving trade dynamics, the deal enhances margins, sharpens our competitive edge in design and craftsmanship, accelerates manufacturing and generates jobs. For Indian retailers, it opens doors to expand brands across Europe, building on their rising global footprint," said Gem and Jewellery Export Promotion Council chairman Kirit Bhansali.

Services opened, liberal regime on t...

Pact weaves new hope into $100 bn textile export dream

India aims to double apparel exports to Europe to $11 billion in 5 years

Spinning success

India's textile exporters can weave a competitive edge in the EU market

CUT ABOVE THE REST

APPAREL EXPORT PROMOTION COUNCIL

(Sponsored by Ministry of Textiles, Government of India)

Apparel House, Institutional Area, Sector - 44,
Gurugram - 122003 (Haryana)
Tel - 0124-2708000

Website: www.aepcindia.com
Facebook: /apparelexportpromotioncouncil
Linkedin: /apparelexportpromotioncouncil
Twitter: /ApparelCouncil
Instagram: /apparelexportpromotion