LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

30th

July

2026

News Highlights

NATIONAL

The West Asia Wake-up Call For India's $100 Bn Textile Exports Dream

India's textile and apparel exports have hovered around the USD 40 billion mark for nearly six years, even as the country targets USD 100 billion by 2030. As the ongoing West Asia crisis reshapes global supply chains, industry leaders say the disruption has become a wake-up call for exporters, prompting exporters to rethink inventory planning, logistics, working capital and production strategies, while bringing into sharper focus the structural gaps that must be addressed to accelerate export growth.

Across the industry, executives say the disruption has accelerated changes that were already underway. Exporters are moving towards shorter production cycles, demand-led inventory planning, phased order execution and closer coordination between manufacturing, sourcing and logistics to reduce risk. At the same time, they argue that achieving the USD 100 billion export target will hinge on addressing long-standing challenges around logistics efficiency, labour productivity, man-made fibres (MMF), technology adoption, value addition and access to working capital, while aligning with global buyers' growing preference for speed, reliability and consistent execution.

“In fashion, carrying excess fabric or finished goods can quickly affect margins because demand, seasons and product preferences change rapidly. Exporters are therefore moving towards shorter planning cycles, smaller and more frequent production runs and earlier alignment with customers on fabric and capacity requirements,” Sanjay Jain, Group Chief Executive Officer (CEO), PDS, told BW Businessworld.

Structural Changes In Production Planning

The West Asia crisis has triggered a shift in how exporters and buyers plan production and fulfil orders, with companies moving away from rigid supply chains and large upfront commitments towards more flexible operating models. "The lasting operational lesson is simple, resilience must be designed in, not improvised. Exporters are shifting to multi sourcing, distributed inventory and flexible routing backed by real time visibility, moves that prioritise responsiveness without sacrificing efficiency."," said Rajkiran Kanagala, President and Chief Business Officer, Transport Corporation of India (TCI).

A similar trend is playing out on the demand side. "Most brands that I know are trying to reduce their inventory and they are going in for shorter runs," said Rahul Mehta, Chief Mentor, Clothing Manufacturers Association of India (CMAI). Referring to buying trends at a recent industry exhibition, he said, "While the dealer wants to place order for 10,000 pieces, today he is placing 6,000 pieces and will come back next month for the balance... Inventory management has become much more stricter, much more sharper... most of the industry has taken advantage out of this adverse situation and therefore are able to manage and sustain their businesses."

Addressing The Gaps For The USD 100 Bn Dream

While the industry has adapted its operating model, executives argue that achieving the USD 100 billion export target will require structural reforms across the textile value chain. The need for these reforms has become more pressing as India's textile and apparel exports have remained around the USD 40 billion mark, even as global sourcing strategies shift towards diversified, reliable and value-added manufacturing destinations.

The India Textiles and Apparel CXO Blueprint 2030 report released by CMAI and the Global Alliance for Textile Sustainability (GATS) added that while global trade grew at 3.5 per cent over the past six years, Indian exports have registered a marginal annual uptick of 0.8 per cent. The report pointed out that the sector remains a leader in cotton, carpets and made-ups, but global demand has moved towards apparel, man-made fibres and technical textiles, categories where its presence is thin. More than 52 per cent of India's textile exports come from just 134 product categories where India has over 10 per cent global export share, indicating a need for diversification into higher-growth segments.

"Firstly, labour absenteeism runs at roughly 20 per cent, compared to approximately 3 per cent in Bangladesh, directly affecting production reliability," Jain added. He also pointed out that factory-to-port logistics in India take 10 to 11 days, against 3 to 4 days in competing economies, making it harder for exporters to meet increasingly compressed buying cycles. However, the gap is not static. Domestic consumption exceeding USD 100 billion, growing at around 12 per cent annually, is driving infrastructure investment, including PM MITRA Mega Textile Parks, which are expected to improve supply chain efficiency and strengthen manufacturing ecosystems.

Alongside improving logistics and workforce productivity, Jain said India must strengthen capabilities in man-made fibres (MMF), performance fabrics and value-added apparel, while investing in design, sustainability, traceability and closer integration between mills and garment manufacturers. "With exports currently at around USD 37 billion, the industry would need to sustain annual growth of nearly 28 per cent over the next four years, far above the low single-digit growth recorded in recent years," explained Naveen Malpani, Partner and Consumer Industry Leader, Grant Thornton Bharat.

As per Malpani, the next phase of growth will depend on improving logistics competitiveness, accelerating value addition in MMF products, technical textiles and sustainable materials, and building an integrated export ecosystem backed by digital supply chains, free trade agreements, regulatory compliance and reliable execution.

Finance Emerges As The Next Competitive Lever

While logistics, product diversification and manufacturing remain central to the USD 100 billion roadmap, industry leaders say financing could prove equally critical in determining how quickly exporters can scale. In January, media reports said the Ministry of Textiles was preparing a roadmap to double shipments to FTA partners, expand into high-value segments and bring more districts into the export ecosystem, signalling that market expansion would need to be backed by stronger execution capabilities.

Executives, however, argue that execution ultimately hinges on liquidity. "The textile business operates on long working capital cycles. Manufacturers procure raw materials, process orders, ship products overseas, and often wait 60 to 120 days before payments are realised. For many exporters, particularly MSMEs, cash flow rather than demand becomes the primary constraint on growth," said Munindra Verma, CEO, M1 NXT.

He added that wider adoption of digital trade and financing infrastructure can enable faster access to finance, streamline documentation and improve exporters' ability to respond to changing global trade dynamics. Deepak Gandhi, Director and Business Head-Exports at Drip Capital, echoed the concern, saying access to working capital remains one of the biggest structural constraints facing exporters. "Quick access to financing is very essential because it will help companies place bigger orders, venture into new markets and cope with temporary disturbances without affecting business," he noted.

Gandhi also highlighted a financing gap in tier 3 and 4 manufacturing clusters, adding that greater digitisation of trade finance can accelerate credit assessments, improve liquidity and strengthen India's competitiveness as global buyers diversify their sourcing strategies. Many exporters, particularly MSMEs, continue to operate with limited financial buffers and remain vulnerable to delays in payments or higher logistics costs. Recognising these challenges, the Centre, in March 2026, has also introduced measures such as the Rs 497 crore RELIEF (Resilience and Logistics Intervention for Export Facilitation) scheme to help eligible exporters manage extraordinary freight and insurance costs during such disruptions.

Meeting Global Expectations

As global brands continue to diversify their sourcing strategies, exporters believe India's competitive edge will increasingly depend on reliability, innovation and execution rather than low-cost manufacturing alone. Industry executives say the next phase of export growth will be shaped by the country's ability to consistently deliver premium, design-led and value-added products while meeting evolving buyer expectations around quality, sustainability and speed.

"The key opportunity for India lies in emerging as a sought-after partner for premium, design-driven and value-added clothing rather than trying to compete based on low-cost manufacturing alone. Reliability, quality, sustainability and speed of delivery are some of the criteria that global consumers are looking at now more than ever before," added Rohan Gupta, Managing Director and Chief Financial Officer, Gargee Designers.

For an industry that has spent nearly six years around the USD 40 billion export mark, executives believe the next leap will not come from producing more, but from becoming faster, more reliable and more competitive across the value chain.

India's textile and apparel exports exceed US$33.5 billion in 2025–2026

India's exports of textiles and apparel, including handicraft products, exceeded approximately US$33.5 billion in the 2025–2026 financial year. This was reported by IANS, a TV BRICS partner, citing the Parliament of India.

In the 2023–2024 financial year, exports totalled approximately US$30.7 billion. As a result, the compound annual growth rate reached 4.7 per cent.

Pabitra Margherita, Minister of State for Textiles of India, stated that exports expanded to more than 100 countries during the 2025–2026 financial year. He emphasised that the Government is closely monitoring export performance while engaging with all market participants to strengthen the competitiveness of India's textile and apparel industry.

In particular, the Government of India is implementing an export promotion and market diversification strategy covering 40 priority countries. It was also noted that import duties on cotton were temporarily suspended from 1 June to 31 October 2026 in order to improve the availability of raw materials for domestic textile and apparel production.

The Government has also approved a programme to enhance productivity in the cotton sector for the period from the 2026–2027 to the 2030–2031 financial years. According to the minister, the programme is aimed at addressing key constraints, improving production efficiency and resolving issues related to the quality of Indian cotton.

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India to get standardised apparel sizing as govt moves towards uniform clothing measurements

Read more at : https://m.economictimes.com/industry/cons-products/garments-/-textiles/india-to-get-standardised-apparel-sizing-as-govt-moves-towards-uniform-clothing-measurements/articleshow/132721611.cms

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Indian economy resilient despite global uncertainties

The Indian economy continues to demonstrate remarkable resilience despite an increasingly uncertain global economic environment, with key high-frequency indicators pointing to sustained growth across major sectors and a broad-based revival in private sector investment, according to a report by Kotak Institutional Equities.

The brokerage said that while geopolitical tensions, volatile commodity prices, and weather-related challenges have created headwinds for the global economy, India's domestic growth story remains intact. Strong activity in manufacturing, construction, services, consumption, and the labour market has helped the economy maintain its growth momentum, reflecting the underlying strength of domestic demand and ongoing policy support.

According to the report, most high-frequency economic indicators have either remained stable or improved in recent months, suggesting that economic activity continues to expand despite external uncertainties.

"The Indian economy seems to be holding up rather well in the current uncertain macroeconomic environment, with most high-frequency indicators suggesting steady or improving growth outlook across sectors," the report stated.

One of the most encouraging signs highlighted by Kotak Institutional Equities is the significant increase in industrial credit, which the brokerage views as a clear indication that private companies are stepping up investment activity after a prolonged period of cautious spending.

The report noted that credit extended to industries has witnessed broad-based growth across multiple sectors, reflecting renewed business confidence and an improvement in capital expenditure plans.

"In particular, the sharp increase in industry credit across sectors suggests a broad-based pick-up in private sector investment," the report observed.
Kotak expects this investment cycle to strengthen further in the coming quarters, driven by expanding opportunities in value-added manufacturing industries. Sectors such as chemicals, electricity, electronics, engineering, and advanced manufacturing are expected to attract substantial private investment, supported by favorable government policies aimed at boosting domestic production and improving India's global manufacturing competitiveness.

"We expect the momentum to continue as the private sector invests aggressively in value-added manufacturing in chemicals, electricity and electronics chains, encouraged by supportive government policies," the brokerage added.

The report cited banking data showing that industrial credit expanded 18 per cent year-on-year in May 2026, significantly outpacing growth recorded in previous months. Overall gross bank credit also remained robust, indicating healthy demand for financing from businesses across the economy.

Several manufacturing segments, including engineering, iron and steel, chemicals, infrastructure, and allied industries, recorded strong credit growth, suggesting that companies are increasingly investing in capacity expansion, modernization, and new projects.

Analysts believe that sustained growth in industrial lending is an important indicator of improving business sentiment, as companies typically increase borrowing when they are confident about future demand and profitability.

Despite the positive domestic outlook, Kotak cautioned that India's macroeconomic environment remains exposed to several external risks. The report highlighted renewed geopolitical tensions involving Iran and the United States, which have pushed global crude oil prices higher, as one of the key concerns for the economy.

Higher crude oil prices could increase India's import bill, put pressure on the current account deficit, and contribute to elevated inflation, particularly given the country's heavy dependence on imported energy.

The brokerage also pointed to concerns surrounding the ongoing monsoon season. Deficient rainfall in some parts of the country has raised the risk of lower agricultural output, which could result in higher food prices and add to inflationary pressures.

"India's macroeconomic outlook has become uncertain again, given the re-escalation in the Iran-US conflict leading to higher crude oil prices and deficient rainfall during the ongoing monsoon season raising concerns about food inflation," the report said.

However, Kotak believes these risks remain manageable at present and are unlikely to derail India's broader growth trajectory unless they intensify significantly.

According to the brokerage, the economic outlook could weaken if geopolitical tensions escalate into a prolonged conflict or if energy prices remain elevated for an extended period. Conversely, any easing of hostilities in West Asia would help stabilize commodity prices and improve the macroeconomic environment.

"India's macroeconomic outlook appears manageable for now, but could deteriorate in the event of a prolonged conflict or improve in the case of a de-escalation in the Iran-US conflict," the report noted.

Kotak also expressed confidence that economic and political considerations would likely discourage both Iran and the United States from allowing the conflict to escalate over a prolonged period.

Overall, the report paints an optimistic picture of the Indian economy, highlighting resilient domestic demand, improving industrial activity, rising private investment, and supportive government policies as key drivers of growth. While external risks such as geopolitical tensions and weather-related uncertainties warrant close monitoring, the brokerage believes India's economic fundamentals remain strong enough to sustain its recovery and support continued expansion in the coming quarters.

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Comparative advantage for India key to US pact: Piyush Goyal

Read more at : https://m.economictimes.com/news/economy/foreign-trade/india-us-trade-pact-to-come-into-operation-once-india-gets-comparative-advantage-piyush-goyal/articleshow/132716938.cms

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Textile associations demand measures to reduce power costs in T.N.

With the Tamil Nadu government planning to come out with a new industrial policy, textile industry associations have urged the government to announce measures to reduce the power cost and encourage investments.

The Southern India Mills Association said the textile industry, which is labour-intensive, will benefit from a hybrid incentive structure that combines upfront capital subsidy, power tariff support, and technology upgrade assistance.

Upfront capital support helps improve project viability, particularly in spinning, weaving, processing, garmenting, technical textiles and textile machinery manufacturing. In addition, power constitutes a significant portion of manufacturing costs and therefore competitive power tariff support and incentives for renewable energy adoption are essential to enhance cost competitiveness, it said.

The SIMA added that employment-linked incentives should form an integral part of the policy to encourage large-scale job creation, particularly for women and skilled workers.

The Recycling Textile Federation called for measures to permit private power procurement and abolish HT-equivalent demand charges for LT CT consumers.

It also appealed to the government to waive renewable energy wheeling charges, strengthen the infrastructure at industrial estates and establish district-level commercial complexes to provide a platform for industries in the State to market their products.

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CAI raises cotton pressing estimate to 337 lakh bales

The Cotton Association of India (CAI) has increased its cotton pressing estimate for the 2025-26 season by 3 lakh bales to 337 lakh bales of 170 kg each, with a variation of plus or minus 3 per cent.

The revised estimate is equivalent to 353.64 lakh running bales of 162 kg each, compared with the earlier projection of 334 lakh bales of 170 kg each.

The estimate was finalised at a CAI Crop Committee meeting held on 27 July 2026. The meeting included 24 representatives from cotton-producing regions and considered inputs from 11 state cotton associations and trade sources.

CAI also increased its domestic cotton consumption estimate for the season by 10 lakh bales to 348 lakh bales of 170 kg each, based on data from the Confederation of Indian Textile Industry. This is 29 lakh bales higher than the previous season's estimated consumption of 319 lakh bales.

Cotton consumption up to 30 June 2026 was estimated at 261 lakh bales.

The association raised its cotton import estimate by 13 lakh bales to 60 lakh bales for the 2025-26 season, compared with the previous estimate of 47 lakh bales. Imports are expected to be 19 lakh bales higher than the previous season.

Around 51 lakh bales were estimated to have arrived at Indian ports by the end of June 2026.

Meanwhile, CAI reduced its cotton export estimate by 3 lakh bales to 15 lakh bales from the earlier projection of 18 lakh bales. Around 11.25 lakh bales were estimated to have been exported up to 30 June 2026.

India's total cotton supply for the season is estimated at 452.59 lakh bales, comprising an opening stock of 55.59 lakh bales, cotton pressing of 337 lakh bales and imports of 60 lakh bales.

The total available surplus is projected at 104.59 lakh bales after accounting for domestic demand of 348 lakh bales. This compares with a surplus of 73.59 lakh bales in the previous season.

CAI has also raised its closing stock estimate for 30 September 2026 by 4 lakh bales to 89.59 lakh bales. The figure is 34 lakh bales higher than the closing stock recorded at the end of the previous season.

Closing stock as of 30 June 2026 was estimated at 162.72 lakh bales, including 94.50 lakh bales held by textile mills and 68.22 lakh bales held by the Cotton Corporation of India, Maharashtra Federation, multinational companies, ginners and traders.

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India's merchandise exports rise 15 percent despite Red Sea crisis and global turmoil

Commerce and Industry Minister Piyush Goyal has said that India's merchandise exports have registered 15 per cent growth so far in the current financial year, despite the Red Sea crisis and global turmoil.

He said that despite these headwinds, India's merchandise exports have grown by 15 per cent during the April-July period. Delivering the JRD Tata Memorial Lecture 2026, Mr Goyal said the country's merchandise exports remained resilient despite mounting geopolitical tensions and disruptions to global trade routes.

The Minister said India's export performance reflects the strength of the country's economic fundamentals, even as businesses worldwide grapple with uncertainty stemming from conflicts in West Asia and disruptions in key shipping corridors.

The Minister said the first quarter of the current financial year has been marked by persistent global challenges, including volatility in crude oil, petrol, diesel and gas markets, as well as uncertainty surrounding the Strait of Hormuz and the continuing Red Sea crisis.

Highlighting India's broader economic performance, Mr Goyal said the country remained the world's fastest-growing major economy, recording 7.7 per cent growth in the previous financial year despite a lot of uncertainty around the world.

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PM Modi-Led FTA Strategy Opens Access to $60 Trillion Markets: Piyush Goyal

India's recent Free Trade Agreements (FTAs) with major economies are opening access to markets worth nearly $60 trillion and supporting the country's push to become a global export hub, Union Commerce and Industry Minister Piyush Goyal said on Wednesday, crediting Prime Minister Narendra Modi's leadership for the trade expansion strategy.

A video shared by the minister on social media platform X highlighted that the FTAs negotiated under PM Modi's leadership were aimed at expanding market opportunities for Indian exporters, boosting manufacturing and creating jobs.

"Here's why India is signing multiple Free Trade Agreements with major economies," Goyal said in the post, adding that the agreements were providing access to some of the world's largest markets.

India's exports have grown by 73 per cent over the last five years, with FTAs helping sectors such as textiles, gems and jewellery, engineering goods and pharmaceuticals gain access through lower or zero-duty benefits, the video showed.

It further noted that the trade agreements also safeguard sensitive sectors, including dairy and agriculture, while creating opportunities for investment inflows.

Moreover, these FTAs are also bringing billions of dollars in investment, boosting manufacturing, creating jobs, and helping Indian businesses enter global value chains.

India has been actively pursuing trade agreements with key economies to enhance market access for domestic exporters and integrate Indian businesses with global supply chains.

The government has been highlighting FTAs as a key component of its strategy to strengthen exports, attract foreign investment and expand India's manufacturing capabilities.

The agreements reflect the government's vision of positioning India as a major player in global trade and transforming the country into an export-driven economy, Goyal said.

Additionally, the government informed Parliament on Tuesday that India recorded its highest-ever exports at $863.1 billion in FY2025-26.

Merchandise exports stood at $441.8 billion, while services exports expanded further to $421.3 billion during the fiscal, reflecting the combined strength of India's goods and services sectors in driving overall export growth. The data was shared by Minister of State for Commerce and Industry Jitin Prasada in the Lok Sabha.

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Ukraine ratifies Free Trade Agreement with Türkiye, signaling new opportunities for regional manufacturing, defense cooperation and investment

On July 14, 2026, Ukraine's parliament, the Verkhovna Rada, ratified the Free Trade Agreement (FTA) between Ukraine and Türkiye, completing Ukraine's parliamentary approval process for an agreement that was originally signed in February 2022 and ratified by Türkiye in 2024.

The FTA enters into force following the exchange of instruments of ratification through diplomatic channels, which is expected in the coming weeks unless either party specifies a later effective date. Türkiye has grown into one of Ukraine's most important trading partners, ranking among the country's leading export destinations and overall trading partners. Once in force, the agreement will establish one of the most significant new trade frameworks in the Black Sea region.

While much of the initial attention has focused on tariff reductions, the commercial significance of the agreement extends well beyond customs duties. The FTA provides an updated legal framework for bilateral trade while complementing the broader legal framework governing investment between two strategically important regional economies. It also supports Ukraine's broader objective of becoming a manufacturing, processing and logistics hub connecting the European Union, the greater Black Sea region and the Middle East.

Although the FTA is expected to facilitate increased cross-border investment, investors should note that substantive investment protections continue to derive primarily from the existing bilateral investment treaty between Ukraine and Türkiye rather than the FTA itself. Those protections—including standards relating to expropriation, fair and equitable treatment and investor-state dispute settlement—remain available independently of the trade agreement.

Key features of the agreement

According to the Ministry of Economy of Ukraine, the FTA provides for fully liberalized access to the Turkish market for approximately 84 percent of Ukrainian goods. Certain agricultural products and other sensitive sectors will, however, remain subject to tariff-rate quotas, staged tariff reductions or transition periods. Businesses operating in these sectors should review the product-specific schedules to the FTA to determine the applicable preferential treatment and implementation timetable.

Perhaps more significant from an investment perspective is the incorporation of updated Pan-Euro-Mediterranean (PEM) rules of origin. These rules permit manufacturers to combine inputs sourced from participating countries while preserving preferential origin status for qualifying products. In practical terms, this provides greater flexibility for businesses seeking to structure production across Türkiye, Ukraine and the European Union.

Businesses seeking to take advantage of the revised PEM framework should carefully assess the applicable product-specific rules of origin, documentation requirements and customs compliance obligations before restructuring existing supply chains. Preferential treatment is contingent upon satisfying the relevant origin criteria and maintaining appropriate supporting documentation.

The agreement also reflects the continued growth of bilateral economic relations. As bilateral trade continues to expand, the FTA provides a more predictable legal framework to support future commercial activity and investment.

Like most modern free trade agreements, the FTA establishes institutional mechanisms for implementation, consultation and dispute resolution between the parties. These mechanisms are intended to facilitate how the FTA is interpreted and applied in practice and provide structured procedures for resolving disputes concerning its implementation, complementing the parties' existing rights and obligations under the WTO framework.

Beyond tariffs: Strengthening regional supply chains

For many businesses, the greatest value of the agreement will not be reduced customs duties but rather the opportunity to optimize regional supply chains.

The updated PEM rules of origin make it easier for manufacturers to integrate production across multiple jurisdictions. Turkish materials and components may be incorporated into

manufacturing processes in Ukraine while maintaining preferential origin status for exports to participating markets, subject to the applicable rules of origin. This creates new opportunities for companies serving European and regional markets to evaluate where various stages of production can be located most efficiently.
Industries that could particularly benefit from these developments include automotive components, machinery, construction materials, industrial equipment, food processing and other manufacturing sectors that rely on integrated cross-border supply chains.

Supporting Ukraine's industrial development

The agreement also aligns with Ukraine's broader economic strategy of encouraging greater domestic processing and higher-value manufacturing.
Rather than serving primarily as an exporter of raw materials, Ukraine continues to promote investment into processing industries capable of creating greater domestic value before export. Improved access to the Turkish market, combined with enhanced regional supply chain integration, may encourage additional investment in production facilities serving both domestic and international customers.
This approach complements Ukraine's ongoing efforts to align its regulatory framework with European standards, improve the investment climate and attract long-term industrial investment as part of the country's reconstruction and economic modernization.

Opportunities in defense industrial cooperation

The FTA may also create additional opportunities for cooperation within the defense sector.
Over the past several years, Ukraine has rapidly expanded its domestic defense industrial base while simultaneously encouraging greater international participation in defense manufacturing and technology partnerships. Türkiye, meanwhile, has developed one of the

region's most dynamic defense manufacturing sectors with internationally competitive capabilities across aerospace, unmanned systems, naval platforms, electronics and advanced manufacturing.

Against this backdrop, the FTA may facilitate closer industrial cooperation through joint manufacturing, component supply chains, maintenance and repair capabilities, technology partnerships and other forms of collaboration, subject of course to applicable export control and national security regulations. As Ukraine continues to develop its defense industrial ecosystem and expand opportunities for international cooperation, the agreement provides an additional framework that could support cross-border investment and industrial partnerships.

Supporting reconstruction and long-term investment

The FTA should also be viewed within the broader context of Ukraine's reconstruction and economic recovery.

Increasingly, reconstruction is no longer viewed solely as rebuilding damaged infrastructure. It is also about modernizing Ukraine's industrial base, strengthening domestic manufacturing capacity, integrating into European value chains and attracting long-term private investment.

The agreement supports these objectives by providing greater legal certainty for investors and facilitating closer economic integration between Ukraine and one of the region's largest economies. Sectors that may benefit include infrastructure, construction materials, logistics, transportation, renewable energy, manufacturing, agribusiness, critical minerals and defense production.

Looking ahead

The ratification of the Türkiye-Ukraine Free Trade Agreement represents another important step in Ukraine's continuing economic integration with both Europe and the wider Black Sea region.

Although security considerations will continue to influence investment decisions, the agreement demonstrates that Ukraine's long-term economic strategy extends beyond post-war reconstruction. Together with ongoing EU accession reforms, increasing regulatory alignment with European standards and continued efforts to attract foreign investment, the FTA reinforces Ukraine's ambition to become a competitive regional manufacturing and processing platform integrated into European and international supply chains.

For companies already operating in the region—or considering future investments—the agreement creates an opportunity to reassess supply chain structures, manufacturing strategies and long-term investment plans as Ukraine continues its economic transformation.

Dentons: Committed to Ukraine's future

With offices across Europe and around the globe and deep experience in public and private sector advisory, Dentons is uniquely positioned to support investors, institutions and developers in navigating the complex but promising Ukrainian recovery landscape.

As part of our commitment, Dentons has established a dedicated Global Task Force on Ukraine's Transformation and Rebuild, bringing together legal, policy, and sector experts from across our global platform to lead and coordinate our efforts in support of Ukraine's reconstruction.

We remain committed to delivering strategic legal solutions that enable impactful projects, secure financing, and that support Ukraine's long-term integration into European and global markets.

For the latest legal developments, analysis and insights into the evolving business environment and the opportunities for international investors committed to Ukraine's rebuild, we invite you to visit our **Ukraine Transformation and Rebuild Hub**.

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Uzbekistan to import 100,000 tonnes of cotton from Afghanistan

During a recent high-level visit to Kabul led by Deputy Prime Minister Jamshid Khojaev, Uzbekistan promised to buy 100,000 tonnes of cotton from Afghanistan and expand trade, transport and investment cooperation.

Khojaev met officials from Afghanistan's State-Owned Companies Authority and the National Development Company, and said Uzbekistan would help supply chemical fertilisers and improved seeds, continue work on the Trans-Afghan railway project and support infrastructure investment.

He told Afghan Prime Minister Mohammad Hassan that Afghanistan remains a priority in Uzbekistan's foreign policy and that the delegation wants to turn earlier investment and trade commitments into practical projects, according to media reports in Uzbekistan.

Afghanistan exported $150 million worth of goods to Uzbekistan last year, while exports have reached $111 million since the beginning of this year.

Afghan Minister of Transport and Civil Aviation Mohammad Fazil Mazloom met his Uzbek counterpart Ilkhom Makhkamov Rustamovich. The two sides agreed to set up a joint technical team to improve transport and transit facilitation, while the Uzbek minister pledged additional measures to increase the movement of Afghan transit vehicles into Uzbekistan.

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