· US imposes new tariffs, impacting competitiveness of Indian textile & apparel exporters

The United States has imposed a 10% tariff on Indian goods following Section 301 investigations conducted by the Office of the US Trade Representative (USTR). The investigations relate to the enforcement of prohibitions on imports of goods produced with forced labour. This tariff will apply in addition to the existing MFN tariffs.

Further, the USTR has announced that Tariff-Rate Quotas (TRQs) will be established for Bangladesh, Cambodia, Indonesia and Malaysia for an initial period of three years. The objective of the TRQs is to encourage imports by these economies of US textile goods by allowing specified quantities of textiles and apparel from these countries to enter the United States without being subject to the additional Section 301 tariffs.

CITI feels that beyond the Section 301 tariff itself, the proposed TRQs for competing sourcing destinations could place India's textile and apparel exporters at a distinct competitive disadvantage by diverting sourcing orders away from India. CITI Chairman Shri Ashwin Chandran said that the US decision on tariffs also created reputational risks for an industry that operates under a robust legal framework and follows a zero-tolerance approach to forced labour.

Read CITI's Press Release on this issue:

https://citiindia.org/wp-content/uploads/2026/07/CITI-Press-Release-on-US-tariffs-July-24-2026.pdf

· India "engaged" with US on textile issue, says Commerce & Industry Ministry

In a statement issued on July 25, the Ministry of Commerce & Industry said: "The textile specific mechanism referenced in the final measures *(US Section 301 measures on forced labour)* is yet to be established and operationalised. India continues to engage with the U.S. on this matter as part of the ongoing negotiations for the India-U.S. Bilateral Trade Agreement."

The statement further said: "The Government remains committed to working with the United States towards the early conclusion of the India-U.S. Bilateral Trade Agreement, as announced on 2nd February 2026 and in accordance with the Joint

Statement issued on 7th February 2026."

· Union Textiles Minister chairs Consultative Committee meeting

Union Textiles Minister Shri Giriraj Singh chaired a meeting of the Consultative Committee to discuss key issues related to cotton. In a post on X, the Minister said the discussions focused on:

- Improving cotton productivity and quality;
- Empowering farmers;
- Promoting value addition; and
- Strengthening the global competitiveness of the Indian textile industry.

On the issue of cotton productivity, a comprehensive report on India's cotton sector jointly prepared by Gherzi and the International Cotton Advisory Committee (ICAC), released by CITI in May 2026, said: "The long-term policy considerations should address the fundamental constraints faced by the cotton sector for improving productivity to ensure economic viability of this strategic crop for the growers. Policy framework for an industrial crop such as cotton, will need to take into account the interests of the entire value chain."

The Gherzi-ICAC report further said that increasingly, farm-level profitability is determined by productivity outcomes. "Where yields remain stagnant, per unit production costs rise, limiting the ability of farmers to benefit fully from market opportunities," it pointed out.

Image Courtesy: Union Textiles Minister

WTO reviews India's Trade Policy

India's 8th WTO Trade Policy Review concluded in Geneva with active participation from WTO Members. During the review, 68 Members took the floor, while 44 Members submitted 1,122 written questions. India's official delegation was led by Union Commerce Secretary Shri Rajesh Agrawal, who underscored the country's commitment to an open, transparent, and predictable trade and investment regime.

Image Courtesy: Union Commerce Department

· New CEO at NITI Aayog

Indian Administrative Service (IAS) officer Shri Anurag Jain has been appointed the new CEO of the NITI Aayog. The Appointments Committee of the Cabinet approved the decision.

· Data Analysis

India Export to GCC

- India's textile and apparel exports to the GCC stood at US$ 36.95 billion in 2025, registering a CAGR of -2.84% during 2021–2025. After declining between 2021 and 2023, exports showed signs of stabilization in 2024–2025.
- Product Composition: Apparel remained the largest export category, accounting for 44.1% of total exports with a 1.73% CAGR, followed by Home Textiles (17.0%) and Fabric (14.5%). In contrast, Fibre, Filament, and Yarn recorded significant declines, highlighting the GCC's stronger demand for value-added textile products.

Categories	2021	2022	2023	2024	2025	CAGR (2021-2025)	% Share 2025
Fibre	3.97	2.22	1.63	1.89	1.72	-18.87%	4.66%
Filament	1.42	1.10	0.86	0.96	0.74	-15.17%	2.00%
Yarn	5.83	4.23	4.48	4.30	4.11	-8.37%	11.12%
Fabric	5.54	5.59	5.01	5.09	5.35	-0.87%	14.48%
Apparel	15.20	16.68	14.50	15.72	16.28	1.73%	44.06%
Home Textiles	7.13	6.20	5.77	6.43	6.29	-3.07%	17.03%
Others	2.37	2.30	1.98	2.32	2.46	0.95%	6.66%
Grand Total	**41.47**	**38.31**	**34.23**	**36.71**	**36.95**	**-2.84%**	**100%**

Source: ITC Trade Map & CITI analysis