LETTER

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News Highlights

NATIONAL	Crafts Council of India brings India’s textile heritage to Chennai India set to stitch a bigger role in global apparel trade as China slips: Report Giriraj Singh reaffirms push to transform India’s cotton sector at CCI’s 56th Foundation Day India, Rwanda launch joint trade mechanism: Focus on critical minerals, healthcare and digital economy UK Trade Secretary Visits India to Fast-Track Free Trade Agreement Implementation MSP for seed cotton raised by 7% for cotton season 2026-27 in India UK trade pact CETA gives Tamil Nadu the export edge
GLOBAL	China Cotton Association slams US inclusion of 43 Chinese companies on 'Entity List' under groundless 'forced labor' claim, warns sanctions have undermined global cotton industry chain SMEs face hurdles limiting ability to be energy-efficient: IEA article Seasonally-adjusted Q1 2026 world merchandise trade volume up 3.2% YoY

NATIONAL

Crafts Council of India brings India's textile heritage to Chennai

Read more at : https://www.thehindu.com/life-and-style/crafts-council-of-india-brings-indias-textile-heritage-to-chennai/article71285206.ece

Home

India set to stitch a bigger role in global apparel trade as China slips: Report

Read more at : https://www.moneycontrol.com/news/india/india-set-to-stitch-a-bigger-role-in-global-apparel-trade-as-china-slips-report-13991226.html

Home

Giriraj Singh reaffirms push to transform India's cotton sector at CCI's 56th Foundation Day

Union Textiles Minister Giriraj Singh on Saturday reaffirmed the Centre's commitment to transforming India's cotton ecosystem, highlighting measures to improve farmer incomes, boost productivity, strengthen quality standards and promote sustainable cotton cultivation during the 56th Foundation Day celebrations of the Cotton Corporation of India (CCI) in Chhatrapati Sambhajinagar, Maharashtra.

The event was attended by Maharashtra Ministers Sanjay Shirsat, Sanjay Savkare and Atul Save, along with senior officials from the Ministry of Textiles, researchers, scientists, representatives of the textile industry, Farmer Producer Organisations (FPOs) and cotton farmers.

Addressing the gathering, Singh described cotton as the cornerstone of India's rural economy, self-reliance and agricultural prosperity, and reiterated the government's commitment to the welfare of cotton growers.

Highlighting CCI's performance during the 2025-26 cotton season, the minister said the corporation carried out one of the largest minimum support price (MSP) procurement operations in its history by procuring more than 522 lakh quintals of seed cotton (kapas) through nearly 24 lakh farmer transactions. He said ₹41,530 crore was directly transferred into Aadhaar-linked bank accounts of farmers.

Singh also noted that the MSP for seed cotton has been increased by around 7 per cent for the 2026-27 cotton season, a move aimed at ensuring remunerative prices and strengthening income security for cotton farmers.

Referring to the recently approved Cotton Productivity Mission – Kapas Kanti, the minister said the mission, with an outlay of ₹5,659 crore over five years, seeks to enhance cotton productivity and quality, modernise cotton processing infrastructure, promote branding and traceability through Kasturi Cotton Bharat, and encourage sustainable and climate-resilient cultivation practices.

He said the Kasturi Cotton Bharat initiative reflects India's vision of taking premium Indian cotton from "Farm to Fashion to Global Market" through internationally accepted standards of certification, traceability and sustainability.

On the occasion, the minister launched the 'Kapas Darshan' Bulletin, which will provide cotton farmers with timely advisories on weather, market trends, scientific cultivation practices, quality management and various government initiatives.

To promote scientific and contamination-free cotton cultivation, modern agricultural equipment, including Kapas Plucker Machines, Cotton Stalk Shredder Machines and Contamination Control Kits, was distributed to farmers and Farmer Producer Organisations.

A key highlight of the event was the signing of four Memorandums of Understanding (MoUs) aimed at strengthening India's cotton ecosystem.

The Cotton Corporation of India and ICAR-CIRCOT signed an agreement for capacity building and quality improvement in the ginning and pressing sector. CCI also partnered with GIZ to improve market access for cotton farmers through the Kasturi Cotton Bharat initiative by promoting sustainability, quality assurance and traceability.

Another agreement involving CITI, ICAC and MERAGO/GEOCLARA focuses on promoting carbon credit generation through climate-smart and sustainable cotton cultivation. In addition, TEXPROCIL and Manjeet Cotton Pvt. Ltd. signed an MoU to produce and certify 30,000 cotton bales under the Kasturi Cotton Bharat programme, ensuring traceability, compliance with quality standards and the development of a premium cotton supply chain.

The celebrations began with a farmer orientation programme featuring demonstrations on the use of cotton stalk shredder machines and kapas plucker machines, contamination control practices and awareness sessions on the Cotton Productivity Mission – Kapas Kanti. A musical presentation on pink bollworm management was also organised to promote scientific crop management practices.

Speaking at the event, Joint Secretary (Fibre) in the Ministry of Textiles, Padmini Singla, said India's cotton sector is entering a transformative phase driven by innovation, sustainability and productivity enhancement. She said the Cotton Productivity Mission would improve productivity, strengthen global competitiveness through Kasturi Cotton Bharat and promote sustainable natural fibres across the cotton value chain.

CCI Chairman and Managing Director Lalit Kumar Gupta highlighted the corporation's 56-year journey in safeguarding the interests of cotton farmers through transparent, technology-driven and farmer-centric initiatives. He reaffirmed CCI's commitment to ensuring remunerative prices for farmers, promoting quality cotton production and contributing to the vision of Viksit Bharat @2047.

Home

India, Rwanda launch joint trade mechanism: Focus on critical minerals, healthcare and digital economy

Read more at:
https://government.economictimes.indiatimes.com/news/governance/india-rwanda-launch-joint-trade-mechanism-focus-on-critical-minerals-healthcare-and-digital-economy/132800944

Home

UK Trade Secretary Visits India to Fast-Track Free Trade Agreement Implementation

The UK-India Business Council (UKIBC) has welcomed the visit of UK Secretary of State for Business and Trade Peter Kyle to India, underscoring the need for the early implementation of the India-UK Free Trade Agreement (FTA) to boost bilateral economic cooperation.

Kyle held talks with Commerce and Industry Minister Piyush Goyal during his visit, with both sides discussing measures to bring the agreement into force at the earliest. The FTA, signed in July 2025, is considered the United Kingdom's most significant bilateral trade pact since leaving the European Union.

According to UKIBC, annual trade between India and the UK is currently valued at £48 billion. The agreement is expected to liberalise 99 per cent of UK tariffs and 90 per cent of Indian tariffs, facilitating smoother and more cost-effective trade between the two countries.

The trade pact includes 30 chapters covering areas such as trade, innovation, labour, environment and gender cooperation, making it one of India's most comprehensive trade agreements.

Dr. Kishore Jayaraman, Group Chief Executive Officer of UKIBC, said the agreement between the world's fourth and sixth largest economies had reached its final stage after years of negotiations and would unlock substantial opportunities for businesses and consumers in both countries.

The UK-India Business Council, a not-for-profit organisation that promotes trade and investment between the two countries, said it had worked closely with industry stakeholders and policymakers throughout the negotiation process to support a balanced and mutually beneficial agreement.

Home

MSP for seed cotton raised by 7% for cotton season 2026-27 in India

State-owned Cotton Corporation of India Ltd. (CCI) undertook one of the largest minimum support price (MSP) procurement operations in its history by procuring over 52.2 million quintals of cotton seeds through nearly 2.4 million farmer transactions during cotton season 2025-26 (October-September), according to Minister of Textiles Giriraj Singh.

In the process, CCI directly transferred ₹415.3 billion (~$4.35 billion) into farmers' bank accounts, Singh told CCI’s 56th foundation day celebration event at Chhatrapati Sambhajinagar in Maharashtra yesterday.

The MSP for seed cotton has been increased by about 7 per cent for cotton season 2026-27, ensuring remunerative prices and strengthening the income security of cotton-growing farmers across the country, he said.

The minister said the recently-approved Cotton Productivity Mission—Kapas Kanti has an outlay of ₹56.59 billion ($593.25 million) over five years, and represents a transformational initiative aimed at enhancing cotton productivity and quality, modernising cotton processing infrastructure, promoting branding and traceability through Kasturi Cotton Bharat, and encouraging sustainable and climate-resilient cotton cultivation practices.

Kasturi Cotton Bharat is India's vision of taking premium Indian cotton from farm to fashion to global market through internationally-accepted standards of certification, traceability and sustainability.

Four memoranda of understanding (MoUs) were signed at the event to strengthen the country’s cotton ecosystem.

CCI and the Central Institute for Research on Cotton Technology under the Indian Council of Agricultural Research (ICAR-CIRCOT) signed an MoU for capacity building and quality improvement in the ginning and pressing sector.

CCI and German development agency GIZ signed an MoU to enhance market access for cotton farmers through Kasturi Cotton Bharat by promoting sustainability, quality assurance and traceability.

The International Cotton Advisory Committee (ICAC), the Confederation of Indian Textile Industry (CITI), and MERAGO/Geoclara signed an MoU to promote carbon credit generation through climate-smart and sustainable cotton cultivation practices. Geoclara is a unified platform for biochar and soil carbon projects.

The Cotton Textiles Export Promotion Council (TEXPROCIL) and Manjeet Cotton Pvt. Ltd. signed an MoU to collaborate under the Kasturi Cotton Bharat programme for production and certification of 30,000 cotton bale—20,000 long staple and 10,000 extra long staple—ensuring traceability, compliance with quality standards and the development of a premium, traceable cotton supply chain.

Home

UK trade pact CETA gives Tamil Nadu the export edge

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Home

GLOBAL

China Cotton Association slams US inclusion of 43 Chinese companies on 'Entity List' under groundless 'forced labor' claim, warns sanctions have undermined global cotton industry chain

The US Department of Homeland Security (DHS) added 43 Chinese companies, including cotton textile enterprises, to the "Entity List" under the so-called "Uyghur Forced Labor Prevention Act" (UFLPA) on Friday, a move that the China Cotton Association (CCA) said in a statement on Sunday marked the largest single expansion of the list since its establishment and seriously violated the basic principles of international trade. The Chinese cotton association expressed strong concern over and firm opposition to the US move.

According to a press release posted on the US website, effective August 3, 2026, US Customs and Border Protection will apply a rebuttable presumption that goods produced by these 43 entities are prohibited from entering the US as a result of the companies' activities.

The 43 new entities include companies in sectors including aluminum, apparel, copper, cotton, as well as tomatoes and downstream products.

In responding to the US move, the CCA said on Sunday that the US allegations of so-called "forced labor" are entirely without factual or legal basis. China's cotton industry has consistently pursued a market-oriented and modernized development path.

Today, mechanized harvesting accounts for more than 90 percent of cotton production in Northwest China's Xinjiang Uygur Autonomous Region, with the entire industry chain, from cultivation and harvesting to processing and textile manufacturing, achieving a high degree of automation and large-scale production, said the association.

Moreover, the labor rights of cotton farmers and industry workers are strictly protected under Chinese law, and employment is based entirely on free choice. There is simply no such thing as so-called "forced labor," the association said, noting that by ignoring these objective facts and applying a presumption of guilt to Chinese companies, the US is politicizing and weaponizing human rights issues in an attempt to contain the development of China's cotton and textile industry.

The US sanctions have seriously undermined the stability of the global cotton industry and supply chains. As a globally traded commodity, cotton has a highly internationalized industry chain. The US move has harmed the legitimate rights and interests of Chinese companies, the CCA said.

In the face of US suppression, China's cotton industry has the confidence and capability to meet the challenges. China has the world's most complete cotton and textile industry chain, a vast domestic consumer market, and an increasingly diversified international market presence.

The Chinese industry association called on cotton and textile enterprises across China to remain steadfast and confident, strengthen cooperation, actively expand into diversified markets, enhance supply chain resilience, and overcome external restrictions through high-quality products and irreplaceable industrial strengths.

The US move to expand the scope of the so-called Entity List is another example of its abuse of domestic legal tools and their extension into the field of international trade, He Weiwen, a senior fellow at the Center for China and Globalization, told the Global Times on Sunday.

"Such unilateral measures not only increase uncertainty for companies engaged in cross-border operations and disrupt the normal functioning of global industrial and supply chains, but may also undermine international confidence in the US commitment to openness, cooperation and fair competition," He said.

In recent years, China's cotton textile industry has strengthened its global competitiveness through digital and intelligent transformation, efficiency improvements and a more complete industrial chain. Against this backdrop, the US has repeatedly imposed trade restrictions under the pretext of "human rights" issues rather than enhancing its own industrial competitiveness, reflecting its tendency to politicize economic and trade matters, Hu Qimu, a professor at the Maritime Silk Road Institute of Huaqiao University, told the Global Times on Sunday.

A spokesperson of China's Ministry of Commerce on Saturday strongly condemned and firmly opposed the US decision to add more than 40 Chinese entities to the so-called UFLPA Entity List, saying the move is completely groundless. The US has continued to impose unilateral sanctions on Chinese companies under its domestic law under the pretext of so-called "human rights" and "forced labor," which constitutes typical acts of economic coercion, according to the spokesperson.

This is not the first time the US has used so-called "forced labor" allegations as a tool for economic pressure. Previously, the US imposed additional tariffs of 10 percent and 12.5 percent on imports from 60 trading partners, including the EU and China, claiming those countries had failed to prevent imports linked to so-called "forced labor."

China blasted fresh US tariffs imposed on China and 59 other economies over alleged "forced labor" concerns, and warned that trade wars do not serve any parties.

Home

SMEs face hurdles limiting ability to be energy-efficient: IEA article

As small and medium enterprises (SMEs) are often among the least equipped to manage price shocks arising out of successive energy crises, improving energy efficiency offers them a practical way to reduce energy bills and emissions, raise profits, strengthen resilience to future price shocks and enhance their long-term competitiveness, an article on the International Energy Agency (IEA) website noted.

However, SMEs continue to face structural barriers that limit their ability to invest in energy-efficient solutions, and targeted government support to address these challenges remains insufficient in many parts of the world, the commentary by IEA energy analyst Emma Mooney and junior energy analyst Donata Schilling noted.

Energy often represents a major operating expense for SMEs, which typically pay much higher prices than large firms. As a result, a greater share of SME sales revenue is spent on energy, the authors said.

As SMEs struggle to manage such cost fluctuations effectively, often lacking the scale, bargaining power, skills and expertise to manage energy price risks, that can erode profit margins, reduce financial resilience and constrain growth, the analysts said.

Additionally, SMEs are generally more vulnerable to wider economic shocks and uncertainty than other sectors, making it harder for them to manage periods of instability.

Access to finance is often a challenge for SMEs, which typically face higher borrowing costs and more limited credit availability than larger firms. Administrative and regulatory complexity add to the burden, the authors observed.

Price increases and volatility can hit SMEs especially hard. In 2022, when Russia's full-scale invasion of Ukraine led to sharply higher fuel costs, 8 per cent of SMEs in the European Union reported that declines in productivity and revenue threatened their survival. In the same survey, many SMEs reported absorbing rising energy costs by accepting lower profits or raising consumer prices.

These pressures can ripple through employment, supply chains, local economies and household purchasing power worldwide, the article said.

While SMEs are particularly exposed to high and volatile energy prices, relatively few adopt energy efficiency measures that can reduce this exposure.

But when SMEs do invest in efficiency, the returns can be substantial, they noted. At the global level, these savings can add up to significant economic benefits.

Policies focused on SMEs, however, remain relatively rare. Of the 85 countries and jurisdictions that announced or implemented new energy efficiency policies in 2025 and 2026, only 9 included measures targeting SMEs, compared with 36 targeting industry more broadly, the IEA analysts added.

Home

Seasonally-adjusted Q1 2026 world merchandise trade volume up 3.2% YoY

The seasonally-adjusted volume of world merchandise trade grew by 1.9 per cent quarter on quarter (QoQ) in the first quarter (Q1) this year and 3.2 per cent year on year (YoY), according to recent data from the Word Trade Organisation (WTO) and UN Trade and Development (UNCTAD).

In value terms, world merchandise trade was up by 2 per cent QoQ and 11 per cent YoY in Q1 2026.

Merchandise trade in volume terms

The pace of YoY growth in Q1 2026 was particularly impressive considering that trade in the first quarter of 2025 was boosted by the frontloading of imports in North America ahead of expected tariff hikes, a WTO release noted.

The Middle East conflict has weighed heavily on merchandise trade flows of the region, whose seasonally-adjusted export and import volumes were down by 9.7 per cent and 11.9 per cent YoY in Q1 2026, with larger contractions expected in Q2.

Meanwhile, artificial intelligence (AI)-related investment spending lifted trade volumes in Asia and to a lesser extent in North America in Q1.

Seasonally-adjusted exports and imports of Asia were up by 12.9 per cent and 14.6 per cent YoY respectively.

Asia's strong YoY trade growth was in part attributable to very large QoQ increases in both exports and imports in Q1—5.5 per cent and 7.2 per cent respectively, with exports driven not only by China, but also by Singapore, South Korea, Thailand and Taiwan.

The Q1 2026 exports for North America were up by 7 per cent YoY. North American imports were down by 10.7 per cent YoY.

A 2.6-per cent YoY decline in the volume of Europe's exports in Q1 was noticed. European import volume registered a modest 0.6 per cent increase YoY.

In other regions, QoQ export volume growth was moderate to negative in Q1 2026: 0.3 per cent for South America, minus 2.5 per cent for Africa and minus 7.4 per cent for the Commonwealth of Independent States (CIS) region.

However, the 22.5-per cent cumulative increase in South America's exports since the start of 2023 was greater than any region other than Asia (33.4 per cent). South America's 24.5-per cent cumulative rise on the import side over the same period was also the second largest of any region, this time behind Africa (25 per cent).

Exports of South America, Africa and the CIS region are expected to have rebounded in Q2 2026 as petroleum producers tried to make up for reduced output from the Middle East.

Merchandise trade in value terms

The value of merchandise exports in Q1 2026 increased the most in Asia, rising by 20 per cent YoY. Africa saw the second-highest increase, with 14 per cent growth. South and Central America also grew by 14 per cent.

Only the exports of the Middle East and the CIS regions declined, both falling by 1 per cent YoY.

On the imports side, strong YoY increases were observed for Asia (plus 22 per cent) and Africa (plus 15 per cent).

North America's merchandise imports in Q1 2026 decreased the most by 7 per cent. The value of Middle East imports also fell by 6 per cent due to a combination of rising prices and falling volumes.

All the top five exporters in Q1 2026 recorded nominal export growth YoY, with South Korea leading with 38.4 per cent; followed by Hong Kong (38.3 per cent); the United

States (15.2 per cent); and China (14.7 per cent). The European Union (EU), with 9.2 per cent, recorded a more modest growth rate.

Of the top five importers, only US merchandise imports declined YoY (minus 13.6 per cent) during Q1 2026, while imports of the other four increased YoY in value terms: Hong Kong (44.8 per cent), the United Kingdom (28 per cent), China (23 per cent) and the EU (11.4 per cent).

Home