

LETTER

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FM Sitharaman Calls for Quality-Driven Growth in India

Union Finance Minister Nirmala Sitharaman has said that India's next phase of growth must be built on quality. Addressing the 53rd National Management Convention of the All India Management Association in New Delhi today, Mrs Sitharaman said that every factory floor, boardroom, service centre, Research and Development team must aim for higher standards, fewer defects, and greater reliability. She stressed that management professionals and corporate leaders should make quality consciousness a shared discipline, embedded in products, processes, services and institutions.

Ms. Sitharaman highlighted that the world economy is passing through an unpredictable period and the architecture of global trade and supply chains is also undergoing a parallel shift. The Finance Minister noted that resilience cannot mean retreating into economic isolationism in such an environment. She added that resilience means deep domestic capacity, fiscal strength and industrial scale for India, so that global shocks are absorbed without interrupting national development.

She further said that while global economic growth is slowing to below three percent, the Indian economy continues to expand at close to eight percent. She added that the latest quarter recorded stronger growth than most forecasts.

Ms. Sitharaman said this macroeconomic stability is prompting the world to re-rate India. She noted that on 2nd September 2026, the Japan Credit Rating Agency upgraded India's long-term foreign currency and local currency issuer ratings from BBB-plus to A-minus, with a stable outlook, and raised the country ceiling to A.

Govt set to consider auto PLI applications with Chinese investment after FDI nod

Read more at : https://m.economictimes.com/industry/auto/auto-news/govt-set-to-consider-auto-pli-applications-with-chinese-investment-after-fdi-nod/amp_articleshow/134419730.cms

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India's jute sales seen rising 15% this fiscal as fibre costs ease

India's jute industry is poised for a turnaround this fiscal, with sales volumes expected to rise about 15 per cent after declining at an annualised about 10 per cent over the previous two fiscals, as domestic demand revives, export prospects improve and raw jute prices soften, according to the Crisil Ratings.

The recovery follows two difficult years marked by weak demand, elevated raw material costs and pressure on profitability. For manufacturers and buyers, moderation in fibre costs is expected to ease product prices, helping demand recover after customers shifted towards lower-cost alternative packaging materials when higher raw jute prices were passed on.

Crisil Ratings in a press release said its analysis of jute manufacturers' rates, which account for about 40 per cent of industry revenue, shows the domestic market remains central to the rebound. Domestic demand, which contributes nearly 85 per cent of industry revenue, is projected to increase about 20 per cent this fiscal, reversing a similar cumulative decline over the preceding two years.

Export demand is also showing signs of improvement. Growth in downstream sectors such as home textiles, lifestyle products and other value-added jute applications is expected to support exports, while rationalisation of US tariffs from elevated levels seen last fiscal could improve the competitiveness of Indian jute products in global markets.

Rahul Guha, senior director, Crisil Ratings said: "While improving demand will support revenue growth, profitability is likely to receive an even larger boost from easing raw material costs." The agency said better crop output has improved domestic raw jute availability and softened prices despite subdued imports. Raw jute accounts for 60-65 per cent of the industry's operating expenses, and lower fibre costs plus better capacity

utilisation are expected to lift operating margins by about 130 basis points to nearly 9 per cent this fiscal.

Raw jute prices had risen by more than 10 per cent last fiscal because of supply constraints. Higher minimum support prices encouraged farmers to increase acreage under cultivation, leading to better crop output this year.

The credit rating agency said stronger profitability and limited debt-funded capital expenditure should improve credit metrics. Healthy cash accruals are likely to fund maintenance capital expenditure and working capital requirements while maintaining adequate liquidity, while most players have avoided aggressive debt-funded expansion and favoured incremental modernisation and operational efficiency initiatives.

Balance sheets are expected to remain resilient, with gearing projected to improve marginally to about 0.5 time this fiscal from 0.6 time last year, and interest coverage to strengthen to nearly 5 times from about 4 times, added the release. The agency said improved cash generation should support stable sector credit profiles.

Argha Chanda, director, Crisil Ratings said: "Beyond the cyclical recovery, the industry stands to benefit from structural shifts towards sustainable materials." Crisil Ratings said growing environmental awareness, tighter rules on single-use plastics and rising preference for biodegradable alternatives are opening opportunities for jute-based products in geotextiles, agro-textiles, home décor, industrial packaging and other value-added segments. Value-added applications currently account for 12 per cent of revenue, offer better realisations and could become important long-term growth drivers, it said.

The recovery remains exposed to risks from the pace and sustainability of demand revival, particularly in export markets, the trajectory of raw jute prices, crop-related disruptions and changes in government policy support, added the release. Any sharp rise in raw jute prices could again pressure margins.

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GLOBAL

ASEAN-UK trade reaches \$82 bn in 2025 as economic ties deepen

ASEAN and the UK have reaffirmed their economic partnership with new commitments covering trade, investment, supply-chain integration and economic resilience, a development relevant to exporters, importers and sourcing teams navigating higher operating costs and shipping uncertainty.

In a joint media statement marking the fifth anniversary of the ASEAN-UK Dialogue Partnership in 2026, ASEAN and the United Kingdom of Great Britain and Northern Ireland said total trade in goods and services between the UK and ASEAN reached £62.0 billion (~\$82.7 billion) in 2025, up 17.4 per cent, or £9.2 billion (~\$12.3 billion), in current prices from 2024.

Citing ASEAN preliminary statistics, the statement said foreign direct investment from the UK was recorded at \$9.1 billion in 2025, making the UK the sixth-largest source of FDI inflows to ASEAN that year.

The meeting exchanged views on regional and global economic developments and noted that rising geopolitical tensions and regional conflicts threaten the rules-based international order. It also noted that developments in the Middle East have contributed to volatility in global energy markets and disruption to some supply chains, creating challenges for businesses through higher operating costs and increased uncertainty.

Particular attention was given to MSMEs, which the statement said are more vulnerable to fluctuations in energy prices, input costs and shipping disruptions. In that context, the meeting stressed the need for a closer and more substantive ASEAN-UK economic partnership, and reaffirmed commitments to strengthen trade and investment ties and deepen supply-chain integration.

The meeting endorsed a new Joint Ministerial Declaration on Future Economic Cooperation and an updated ASEAN-UK Economic Work Plan. These are anchored in the

ASEAN Community Vision 2045, the ASEAN Economic Community Strategic Plan 2026-2030 and the UK's Trade and Industrial Strategies.

Priority co-operation areas highlighted by the meeting include maintaining open markets, strengthening economic resilience, advancing financial services co-operation and regulatory reform, promoting digital economy, science, technology and innovation collaboration, supporting clean energy transition, and enhancing public-private sector partnerships. The statement said these areas are underpinned by cross-cutting work on professional business services, skills and inclusion.

The meeting also noted the successful implementation of the current ASEAN-UK Work Plan to Implement the Joint Ministerial Declaration on Future Economic Cooperation. The statement said the work plan has provided a framework for the ASEAN-UK economic relationship over the past five years, with activity across 11 priority areas: high-level policy dialogue, supply-chain resilience, regulatory excellence, digital innovation, MSME development, public-private partnership, financial services, sustainable growth, infrastructure, skills and education, and women's economic empowerment.

The meeting noted significant progress in the ASEAN-UK Economic Integration Programme across all three pillars of cooperation. Under the Regulatory Reform pillar, it noted UK support for strengthening ASEAN regulatory frameworks and continued cooperation on intellectual property, standards and competition policy.

It also noted ongoing efforts to promote financial inclusion and widen access to quality financial services for MSMEs and women. ASEAN-UK financial-sector co-operation includes sustainable finance, regional financial integration, cross-border payments and the responsible adoption of artificial intelligence, according to the statement.

Under the Open Trade Pillar, the meeting acknowledged UK support over the past year for trade digitalisation and trade facilitation initiatives. These included the Outreach Programme on the upgraded ASEAN Trade in Goods Agreement, the development of the 2026 Annual Report on the Implementation of Non-Tariff Measures in ASEAN, and capacity building and development of Alternative Dispute Resolution Guidelines.

The meeting further noted a plan to support implementation of the Cross-Border E-Payments and Digital Finance activity under the Digital Trade Outreach Toolkit. The statement said this activity is expected to enhance MSMEs' readiness to engage in cross-border digital trade while contributing to ASEAN's broader digital economic integration agenda.

The meeting also welcomed collaboration under the ASEAN-UK Green Transition Fund in supporting ASEAN's sustainable growth and energy transition objectives.

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Global economy to stabilise despite growth risks: WEF

Read more at : <https://gazettengr.com/global-economy-to-stabilise-despite-growth-risks-wef/>

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ICE cotton rebounds strongly after six-session losing streak

ICE cotton futures recovered sharply on Monday after six consecutive sessions of losses, supported by broader commodity-market strength, China–US developments and continued buying through China's State Reserve auctions. However, weak US export demand and advancing harvest activity limited expectations of an immediate trend reversal.

The most-active December 2026 contract settled 227 points, or 2.80 per cent, higher at 83.42 cents per pound, marking its strongest daily increase since August 27. The contract touched an intraday high of 83.96 cents.

The rebound followed a cumulative decline of 707 points across the preceding six sessions. Although the recovery from Friday's close of 81.15 cents renewed some bullish sentiment, the December contract remained around 9.72 cents below its August 31 closing high of 93.14 cents.

The broader futures board also strengthened, with other active contracts settling 110–247 points higher. The comparatively stronger performance of the front-month contracts indicated renewed buying interest at lower price levels. However, further follow-through would be needed before the move could be considered a sustained trend reversal.

Trading volume stood at 65,634 contracts, close to Friday's 67,983 contracts and above the previous week's daily average of 63,340 contracts. Open interest (OI) increased for the fourth consecutive session. It stood at 382,296 contracts at the beginning of Monday's

session, up by 423 contracts from the previous report and representing the fourth-highest level recorded.

China's State Reserve auctions continued to record strong buying. Of the 8,211 tonnes offered on Sunday, 8,171 tonnes were sold. The entire Monday offering of 8,149.44 tonnes was also sold at an average price of 16,635.91 yuan (~\$2,479) per tonne.

Brazilian cotton and 20 per cent Xinjiang cotton highlighted the importance of imported fibre in China's physical market. Chinese domestic cotton prices showed slight weakness. The China Cotton Index 3128B declined by 7 yuan (~\$1) to 17,381 yuan (~\$2,590) per tonne, while the 2129B index eased by 8 yuan (~\$1) to 17,731 yuan (~\$2,642) per tonne. Meanwhile, the Zhengzhou Commodity Exchange's January cotton contract settled 35 yuan (~\$5) higher at 15,870 yuan (~\$2,365) per tonne.

The wider recovery in commodity markets and developments involving China and the US also supported cotton futures. Reports that Chinese President Xi Jinping would undertake a state visit to the US on September 23–25 helped strengthen sentiment across equity and commodity markets.

However, the demand outlook remained subdued. US upland cotton export sales totalled 71,231 bales during the week ended September 10, down by 4 per cent from the previous week and approximately 30 per cent below the preceding four-week average. Upland cotton export shipments reached 142,076 bales.

On the supply side, the US harvest was estimated to be 13 per cent complete as of September 20, compared with 8 per cent a week earlier and 12 per cent during the corresponding period last year. The advancing harvest could increase the physical availability of the new crop.

Around 34 per cent of US cotton bolls had opened, compared with 36 per cent in the previous week and 47 per cent a year earlier. Meanwhile, approximately 65 per cent of the US cotton crop was reportedly affected by drought as of September 15, up from 63 per cent a week earlier and 41 per cent last year. Consequently, emerging information on crop yield and fibre quality will remain important for market direction.

Monday's rally provided a significant technical recovery following the previous week's steep losses. The market will now monitor whether buying can sustain the December contract above 83 cents alongside supportive volume and OI.

Cotton continues to face opposing factors. Weak export demand and increasing US harvest supplies remain bearish influences, while strong Chinese Reserve purchases, crop and weather uncertainty, and improved mill interest near 81–82 cents offer support.



This morning (Indian Standard Time), December 2026 cotton was trading at 83.52 cents per pound, up 0.10 per cent. Cash cotton rose 2.27 per cent to 80.92 cents, while the October 2026 contract increased 2.47 per cent to 79.85 cents. March 2027 was at 86.17 cents, up 0.09 per cent; May 2027 was at 87.68 cents, up 0.05 per cent; and July 2027 was at 87.54 cents, down 0.12 per cent.

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