

LETTER

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News Highlights

NATIONAL

Piyush Goyal to visit US for G20 meet, hold talks on interim trade deal

Industrial output growth quickens to 8% in August on manufacturing, power

Broadening inflation, robust growth, global hikes build case for India RBI tightening

India's economy grows 7.8% in Q1 as exports strengthen: RBI

India-EU FTA to open new chapter in economic ties, India-Sweden economic exchange must double by 2030: Envoy Petra Menander

Labour ministry to launch Labour Codes awareness campaign: Mansukh Mandaviya

GLOBAL

US, China advance trade ties with \$30 bn tariff-treatment framework

Vietnam's EU exports grow 26%, but compliance demands increase

NATIONAL

Piyush Goyal to visit US for G20 meet, hold talks on interim trade deal

Union Commerce Minister Piyush Goyal will attend the G20 Trade Ministerial and engage with his US counterpart during his seven-day visit to the nation beginning Tuesday. This will advance the proposed India-US Bilateral Trade Agreement (BTA) and finalise an interim deal.

The G20 Trade Ministerial is scheduled in Milwaukee (Wisconsin) for Wednesday and Thursday. Goyal will also visit Chicago and New York.

“On the sidelines of the (G20) meeting, Goyal will hold bilateral meetings with his counterparts. The engagements will focus on expanding opportunities for farmers, fishermen, women entrepreneurs, startups, micro, small, and medium enterprises (MSMEs) and other enterprises,” the commerce ministry said in a press release on Monday.

“Shri Piyush Goyal will also engage bilaterally with his counterpart from the United States as part of ongoing efforts to advance a balanced and mutually beneficial India-US BTA and finalise an interim deal in line with the joint statement of February 7, 2026,” the release added.

India and the US issued a joint statement on the first tranche of the agreement this year in February, agreeing on a lower reciprocal tariff of 18 per cent for Indian goods.

However, soon after, the Supreme Court of the United States scrapped the legal basis for the reciprocal tariff. Since then, both sides have held several rounds of negotiations to update the terms of the deal.

New Delhi has maintained for the last few months that it is only waiting for Washington to devise a mechanism to ensure India gets a tariff edge over other competing economies under the deal. Goyal reiterated this position several times in the past, including last week.

The latest bilateral meeting comes as the US passed a law authorising President Donald Trump to impose up to a 100 per cent tariff on India for its energy purchases from Russia. Trump is yet to announce a final decision on the tariff levy, including its rate and coverage.

Besides the tariff threat from the Lindsey O Graham Act, Washington’s probe against India, alleging excess capacity under Section 301 of the US Trade Act, is also underway.

Section 301 allows the United States Trade Representative (USTR) to investigate foreign trade practices it considers unfair or harmful to US commerce.

The office of the USTR has already imposed a 10 per cent additional tariff on Indian goods after concluding a separate Section 301 investigation in July. It had alleged the involvement of forced labour in the supply chain.

Forced labour and excess capacity are also part of the G20 Trade Ministerial's discussion agenda.

Goyal will also meet chief executives of leading US companies in manufacturing, consumer goods, agribusiness, retail and technology in Milwaukee and Chicago, the release added.

He will participate in business and startup roundtables, highlight investment and manufacturing opportunities in India, and invite US-based companies to deepen partnerships with Indian enterprises.

"The visit is expected to further strengthen the trade and investment partnership between India and the United States and deepen India's engagement with its G20 partners," the ministry said in its release.

[Home](#)

Industrial output growth quickens to 8% in August on manufacturing, power

Union Finance Minister Nirmala Sitharaman will lay the foundation stone for the ambitious ₹1 trillion Rayalaseema Horticulture Hub at Madanapalle on Friday.

The plan includes a synchronised public investment framework integrating irrigation (₹20,884 crore), horticulture (₹14,906 crore), and rural roads (₹4,562 crore) across three years (2026–2029).

"Out of the total ₹1 trillion, about ₹40,352 crore is public investment and about ₹60,000 crore is expected from the private sector. The plan brings together irrigation, horticulture, rural roads and value-chain infrastructure. It will be implemented in three phases from August 2026 to July 2029 across 201 clusters in 10 districts," said a government note.

The aim is to expand horticulture to 1.44 million hectares, nearly double production, and improve the incomes and livelihoods of about 9.6 lakh farmers. This is part of a larger roadmap by Chief Minister N Chandrababu Naidu to unlock the agricultural potential of Rayalaseema by shifting from low-value rainfed crops to a climate-resilient, high-value horticulture-led economy.

The execution of the project is structured across three annual phases and six semi-annual implementation packages (IP1 to IP6) to align water availability with crop expansion and logistics. The first phase of the project, till July 2027, will see an investment of ₹12,066 crore and will focus on completing reservoirs, lifts, and tanks to unlock immediate water availability, activating 72 initial clusters, and constructing high-impact last-mile rural roads. The second phase will be between August 2027 and July 2028, with an investment of ₹15,036 crore, while the third phase, between August 2028 and July 2029, will see an investment of ₹13,250 crore.

"Rayalaseema, once synonymous with drought, is set to become the nation's leader in horticulture crops such as mango, banana, tomato, pomegranate, dates, dragon fruit, watermelon, lemon, sweet orange, avocado, apple and berries," it said.

The progress achieved by Andhra Pradesh's horticulture sector over the past decade demonstrates what can be accomplished when government policy and private partnership work together, it added. Banana exports, which stood at just 246 tonnes in 2016-17, have grown to a level where over one lakh tonnes are now shipped from Anantapur to Iran alone.

An Integrated Horticulture Development Project (IHDP) is designed to expand cultivation and strengthen the entire value chain, from harvest through processing to export. Reducing post-harvest losses, which currently range between 15–20 per cent, requires effective supply chain management, quality control, packaging and value addition.

To this end, the government plans to establish food processing units, cold storages and value-addition centres alongside horticulture clusters so that farmers realise better prices. In addition, the agreement with the UAE will lead to the establishment of a food cluster in the state, bringing investments into the processing, value addition and export of mango, banana and cocoa. Products such as mango pulp, banana powder/chips, chilli oleoresin, tomato puree and dehydrated fruits will reduce dependence on fresh fruit exports and protect farmers from fluctuations in international markets, it added.

Broadening inflation, robust growth, global hikes build case for India RBI tightening

Read more at : <https://www.reuters.com/world/india/broadening-inflation-robust-growth-global-hikes-build-case-india-rbi-tightening-2026-09-28/>

[Home](#)

India's economy grows 7.8% in Q1 as exports strengthen: RBI

India's economy grew 7.8 per cent year on year (YoY) in the first quarter (Q1) of 2026-27, supported by domestic consumption and investment, while high-frequency indicators remained resilient through August despite renewed geopolitical tensions, the Reserve Bank of India (RBI) said in its September 2026 Bulletin.

Merchandise export growth remained strong in August, helping narrow India's trade deficit to \$26.9 billion from \$32.0 billion in July. It rose 26.1 per cent YoY, while imports increased 14.1 per cent.

However, exports of ready-made garments (RMG) of all textiles contracted 2.7 per cent YoY in August, indicating continued pressure on India's apparel export performance. Exports to the US and China increased 21.8 per cent and 52.4 per cent, respectively, while exports to 17 of India's 20 major destinations expanded. Exports to West Asia continued to contract.

The RBI noted that domestic demand remained firm in August, with consumption and investment supporting overall economic activity. For manufacturers and sourcing businesses, the combination of resilient domestic demand and strong merchandise export growth provides a firmer macroeconomic backdrop, although the decline in RMG exports highlights continued challenges for the textile and apparel sector.

Headline CPI inflation rose to 4.8 per cent in August, driven by the food and beverages group as well as higher fuel and core inflation. The RBI Bulletin also noted that global geopolitical tensions, trade fragmentation, energy supply disruptions and broader cost pressures continued to weigh on financial markets and business confidence.

Renewed conflict in West Asia pushed energy prices higher, raising inflation concerns across advanced and emerging market economies. Financial markets also turned volatile in September amid geopolitical tensions and higher oil prices, adding to concerns over the balance between economic growth and inflation.

India's external sector remained supported by a moderate current account deficit in Q1 2026-27 and strong foreign direct investment (FDI) flows. Net FDI in July rose to its highest monthly level in five years, while net inflows under non-resident deposits increased sharply.

Foreign exchange reserves reached an all-time high of \$765.9 billion as of September 18, providing additional external-sector support.

[Home](#)

India-EU FTA to open new chapter in economic ties, India-Sweden economic exchange must double by 2030: Envoy Petra Menander

Swedish Ambassador to India Petra Menander, who has recently begun her tenure in New Delhi, said that strengthening economic ties will be a key priority during her tenure, with the two countries aiming to double their economic exchange by 2030.

In an interview with on Monday, Menander said there was a "very strong positive momentum" in India-Sweden ties and that the focus now should be on delivering on the existing agenda.

"The objective is clear, We need to double the economic exchange we have between our two countries by 2030," Menander said.

The Swedish envoy said she would also seek to strengthen political dialogue, people-to-people exchanges as well as cooperation in research and innovation.

"I would like to see, besides the trade side, I'd like to see our political dialogue and

collaboration grow, but also the people-to-people exchanges," she said.

She added that the existing research and innovation partnership between the two countries would provide a strong foundation for future cooperation.

On her priorities for the next four years, Menander said she was focused on understanding India and the India-Sweden partnership better and ensuring that the Swedish Embassy could make a positive contribution to the relationship.

The ambassador, who previously served as Sweden's envoy in Riyadh, said her experience in Saudi Arabia had reinforced her understanding of Sweden's strengths in innovation and its social model.

"Sweden is at the forefront of innovation globally, and that means that we quite often punch above our weight," she said, adding that Sweden's "transparent social model" was also of interest to countries such as India.

Highlighting the recently concluded **India-EU Free Trade Agreement**, Menander said the pact would open a new chapter in the economic relationship and create greater opportunities for Swedish companies.

"I see that the free trade agreement will bring simplification. I think the opportunities are already there, the know-how on both sides. But I think having simpler routines, no or less tariffs, will make our collaboration grow in the economic field," she said.

She added that greater economic flows could subsequently lead to increased investments and job creation.

Asked how she would contribute towards achieving the target of doubling bilateral economic exchange by 2030, Menander said she was "very optimistic".

She identified technology and innovation, green transition, AI, connectivity, mining, healthcare and life sciences as areas with significant potential.

"We have so many opportunities in tech innovation, green transition, but it needs to be translated to concrete opportunities in AI, connectivity, in mining, healthcare, life sciences,

and so on," she said.

Menander also said attracting more Swedish companies to India would be among her priorities.

"We need existing companies or collaborations to grow, but we also need new companies to come in, and they're already looking at India," she said.

Speaking about the Make in India and Make with Sweden initiatives, Menander said Sweden wanted to build partnerships based on the complementary strengths of both countries.

The envoy said she had already seen Swedish business delegations exploring manufacturing and emerging areas such as AI.

"I would like to see us build on our different strengths," she said.

Menander also highlighted growing people-to-people connections between India and Sweden, including increasing Indian students and professionals travelling to Sweden.

"What we have seen over the past few years is that we see a growing Indian community in Sweden, people travelling for study and for work-and that helps us bring both countries together," she said. She added that she expected these exchanges to grow further.

India and Sweden enjoy longstanding close relations based on common values; strong business, investment and R&D linkages; and similar approaches to meet global challenges of peace & security and development.

Regular political engagement, intensifying business ties, cooperation on global challenges and multilateral issues define the strong India Sweden partnership. Innovation, Technology, Investment and R&D collaborations provide the bedrock of this modern relationship.

[Home](#)

Labour ministry to launch Labour Codes awareness campaign: Mansukh Mandaviya

Read more at : https://m.economictimes.com/news/economy/policy/labour-ministry-to-launch-labour-codes-awareness-campaign-mansukh-mandaviya/amp_articleshow/134545134.cms

[Home](#)

GLOBAL

US, China advance trade ties with \$30 bn tariff-treatment framework

The United States and China have operationalised bilateral trade and investment mechanisms aimed at addressing tariff treatment, market access and supply-chain issues, developments relevant to importers, exporters, retail buyers and sourcing teams with exposure to China-linked product flows.

The trade mechanism covers non-sensitive goods moving in both directions, including a range of textile, apparel and home-textile products on the US import side. A parallel investment channel is intended to address investment opportunities, investment-related impediments and other commercially significant issues.

According to a White House fact sheet, the two countries operationalised the US-China Board of Trade and the US-China Board of Investment during Chinese President Xi Jinping's reciprocal state visit to the United States. The two boards were originally chartered during the May 2026 summit in Beijing.

The working procedures for the US-China Board of Trade state that its mission is to optimise bilateral trade. The two sides have agreed to consider mutually agreed lists of imported goods worth roughly \$30 billion on each side, with a view to providing reduced tariff treatment to those goods on a reciprocal basis, consistent with their respective domestic laws and processes.

The Board of Trade will be overseen by US Treasury Secretary Scott Bessent and US Trade Representative Jamieson Greer on the US side, and Chinese Vice Premier He Lifeng on the Chinese side. The deputies to the principals will lead the development of

proposals, while the principals will meet as necessary. The deputies are required to meet at least quarterly.

US import list includes textile and apparel-related goods

The US import list for Chinese goods includes a significant number of textile, apparel and home-furnishing products.

Among the listed products are electric blankets; wool and fine-animal-hair blankets and travelling rugs; printed and unprinted bed linen; knitted and crocheted table linen; flax tablecloths and napkins; other flax table linen; toilet and kitchen linen; textile curtains, drapes, interior blinds and valances; wool and fine-animal-hair wall hangings; jute wall hangings; furnishing articles made from vegetable fibres; and certified hand-loomed and folklore wool or fine-animal-hair pillow covers.

For US apparel and home-textile sourcing teams, the inclusion of these product categories is significant because any eventual reduced tariff treatment would apply only after the two sides complete their agreed processes and domestic legal procedures. The working procedures describe the current arrangement as a dialogue to consider the listed goods, rather than an immediate blanket tariff reduction.

The Board of Trade may also consider other arrangements for optimising bilateral trade, including working groups such as an agriculture working group. The deputies may also discuss other issues affecting bilateral trade and submit proposals to the principals.

The two countries are continuing to work on US concerns over supply-chain shortages involving rare earths and other critical minerals, with the stated goal of returning shipment levels to appropriate levels.

The White House said China will import at least 10 million metric tons of coal from the US in 2027 and again in 2028. It also said President Donald J Trump urged President Xi to increase production of refined petroleum products to help stabilise global supply.

The two countries have also established the Board of Investment to discuss potential investment opportunities, investment-related impediments and other commercially significant investment issues.

On broader strategic issues, the two leaders discussed fostering peace and prosperity to strengthen confidence among businesses and consumers globally.

Vietnam's EU exports grow 26%, but compliance demands increase

Vietnam's two-way trade with the European Union (EU) reached €52.6 billion (~\$59.8 billion) in the first seven months of 2026, up 23.2 per cent year on year, as exporters continued to expand sales to the bloc despite increasingly stringent market requirements.

Vietnamese exports to the EU rose 26 per cent to €45.6 billion (~\$51.8 billion), while imports increased 6 per cent to €7 billion (~\$8 billion), according to figures cited by the Vietnamese Trade Office in Belgium and the EU.

Manufactured goods accounted for nearly 60 per cent of Vietnam's exports to the bloc. Textiles and garments, wood and wooden products, toys and sporting goods also recorded strong growth, while exports of iron and steel, footwear, coffee, seafood and furniture declined.

However, Vietnamese exporters are facing a more demanding EU market as requirements covering environmental standards, product quality, packaging, e-commerce and traceability continue to expand. The Vietnamese Trade Office has urged businesses to prepare early for regulatory and technical changes, local media reported.

For textile, apparel and other consumer-goods suppliers, upcoming and recently introduced EU measures could increase compliance and documentation requirements. These include the EU Deforestation Regulation, packaging and packaging-waste rules, and measures targeting products made using forced labour.

E-commerce shipments are also facing changes. Since July 1, the EU has removed the duty exemption for parcels valued below €150 (~\$170), introducing a temporary €3 (~\$3.4) charge per item. From November, each product category in a small parcel will also face a €2 (~\$2.3) handling fee, potentially affecting the competitiveness of Vietnamese goods sold directly to EU consumers.

The Trade Office has called for stronger early-warning systems to help businesses monitor EU policy and technical changes. It has also urged companies to strengthen quality control from the production stage, particularly for agricultural and food products.

Vietnam-Belgium trade reached about €2.59 billion (~\$2.94 billion) during January-July, comprising €2.15 billion (~\$2.44 billion) in Vietnamese exports and €443.5 million (~\$504 million) in imports.

The increase in Vietnam-EU trade came despite relatively weak European economic growth. EU GDP rose 0.7 per cent year on year in the second quarter, while Belgium's central bank has forecast GDP growth of around 0.6 per cent for 2026.

The Trade Office has also proposed expanding Vietnam-Belgium cooperation in logistics, seaports, renewable energy, hydrogen, green technology and the circular economy, aligning with Belgium's development priorities.

[Home](#)