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World Cotton Day 2026

Today is World Cotton Day. This day is celebrated annually on October 7 to highlight the global economic, social, and environmental importance of cotton. The theme for this year is Cotton for Good: Building Prosperity Through Trade, Transformation and Partnership. Sharing a video message, Union Textiles Minister Giriraj Singh extended greetings to everyone associated with this sector.

He said that this day honours farmers who cultivate cotton in the fields, thereby enabling employment for workers across the entire value chain, whether in spinning mills, ginneries, textile manufacturing units, or garment factories. He informed that 60 lakh farmers in the country are engaged in cotton cultivation. He underlined that countless small enterprises are linked to the handloom industries that not only operate domestically but also export their products.

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Kasturi Cotton Certification Reaches 2.13 Lakh Bales

Nearly 2.13 lakh bales of Indian-grown cotton were certified under the Kasturi Cotton Bharat programme during the 2025-26 cotton marketing season.

Certified volumes have increased sharply from 47,100 bales in 2023-24. More than 10 lakh bales have now been brought under the Kasturi Cotton Bharat blockchain, creating a traceable digital trail from cotton to finished products.

The initiative, launched in 2020, is aimed at providing buyers with greater assurance on the origin and quality of Indian cotton. Its blockchain-based certification is gaining relevance as textile buyers in markets including the U.S. and Europe increasingly seek greater transparency and verifiable sourcing across supply chains.

Kasturi Cotton Bharat currently has 124 active registered users, including 33 textile mills. By 2031-32, around 132 lakh bales out of an estimated 498 lakh bales of total cotton production are projected to qualify as Kasturi Cotton.

For exporters, the certification is also creating commercial opportunities. B. Shanmugavadivel, Managing Director of SBT Apparels, noted that the company has procured 3,000 bales of long-staple Kasturi Cotton from the Cotton Corporation of India for manufacturing export garments.

According to Shanmugavadivel, Kasturi Cotton offers better quality than regular cotton, while its traceability credentials are increasingly valued by overseas buyers. Garments made using the cotton are consequently seeing stronger acceptance in export markets. Kulin Lalbhai, Vice Chairman of Arvind Limited, said traceability has become an important part of the global textile supply chain as buyers seek greater confidence in the products they source.

He added that the Kasturi Cotton initiative has helped make traceability more accessible across the industry.

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RBI raises FY27 inflation projection to 5.2% amid higher crude oil prices

The Reserve Bank of India (RBI) on Wednesday (October 7, 2026) marginally raised inflation projection to 5.2% for FY27 from earlier forecast of 5%, Governor Sanjay Malhotra said.

RBI Governor Sanjay Malhotra, while speaking at the Monetary Policy Committee (MPC) meeting, said, "Considering all factors, CPI inflation for this year is projected to be 5.2%, with Q2 at 4.9, Q3 at 6 and Q4 at 5.7 per cent, with the risks being evenly balanced. CPI inflation for the first quarter of the next year was projected at 5.6%."

Consumer inflation accelerated in August to 4.82% from a year earlier, above the Reserve Bank of India's 4% medium-term target for a third consecutive month. Higher prices of fuel and food are now biting the economy with nearly half of the consumer basket seeing inflation above 4%. Inflation is expected to peak around 5.9% in the third quarter, with deficient monsoon conditions and crude oil prices around \$100 a barrel adding to the risks.

The RBI raised its benchmark repo rate by 25 basis points to 5.5% for the first time in nearly four years.

In his statement, RBI Governor, Sanjay Malhotra said, "After a detailed assessment of the evolving macroeconomic and financial conditions, developments and the outlook, the MPC voted unanimously to increase the policy repo rate by 25 basis points."

Following the repo rate increase, the standing deposit facility (SDF) rate stands at 5.25%, while the marginal standing facility (MSF) rate and Bank Rate are at 5.75%. The MPC stance was changed to a calibrated tightening by a majority.”

India has joined major countries in raising its repo rates as higher oil prices weigh on currencies triggered by the West Asian war. The U.S. Federal Reserve raised its policy rate by 25 basis points in September, while U.S. 10-year Treasury yields have remained elevated at around 5.3%.

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Commerce Ministry sets up FTA utilisation cell to to help businesses tap trade pacts

The Department of Commerce has set up an FTA Utilisation Cell to explain the benefits and opportunities available under Free Trade Agreements (FTAs) and help Indian businesses make greater use of them, Commerce Secretary Rajesh Agarwal said on Wednesday.

The cell will work closely with industry associations, Export Promotion Councils and state governments to help businesses utilise FTAs, identify new market opportunities and benefit from the market access created through the agreements.

Agarwal said, “The focus will be on working with all EPCs to improve FTA utilisation and ensure that Indian businesses derive maximum benefit from the market access created through these agreements.”

Speaking at the second India-EFTA Prosperity Summit, organised to mark the first anniversary of the India-EFTA Trade and Economic Partnership Agreement (TEPA), Agarwal said trade agreements must translate into measurable outcomes.

He said India has now concluded trade agreements covering 32 countries, including the four EFTA nations, the 27-member European Union and the United Kingdom.

The Commerce Secretary said the India-UK trade agreement came into force on July 15, while the agreement with the European Union is expected to become operational next year.

More than 99 per cent of India's trade value with EFTA countries now enters at zero tariff, Agarwal said. However, he stressed that the greater benefit of FTAs lies in providing businesses with certainty rather than merely reducing tariffs.

He said greater tariff certainty would allow businesses to plan investments and build supply chains with greater confidence, while also giving them a wider choice of partners with greater reliability and lower risk.

Agarwal described the 32 countries covered by India's trade agreements as high-income and high-consumption markets where demand for quality products is high. He noted that several Indian exporters already receive significantly higher prices in these markets compared to other destinations.

He said agriculture presents a significant opportunity, particularly as European markets import agricultural products worth trillions of dollars. While tariffs have not been eliminated for every agricultural product, several product lines where India has strengths have received zero-duty or preferential access.

The Commerce Secretary said Indian exports to the bloc currently account for only a small share of its approximately USD 500 billion import basket. He urged every Export Promotion Council to prepare market-specific strategies to bridge this gap.

Agarwal also asked every EPC to prepare a five-year action plan for each trade agreement, covering non-tariff barriers, quality standards and potential anchor companies in each market.

He acknowledged concerns among senior stakeholders over whether FTAs would deliver the expected results, particularly as earlier agreements had not always resulted in significantly faster export growth to partner countries compared with other markets.

Agarwal said the answer lies in complementarity between economies with different strengths.

"The answer lies in complementarity, as these economies have different strengths. The utilisation cell is meant to turn that potential into real outcomes," he said.

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India and US trade deal still has a few stubborn cards to play: Fitch unit

Read more at : https://m.economictimes.com/news/economy/foreign-trade/india-and-us-trade-deal-still-have-a-few-stubborn-cards-to-play-fitch-unit/amp_articleshow/134755005.cms

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India-EU free trade pact to boost German investment

The India-EU Free Trade Agreement is expected to give a fresh impetus to India-Europe trade and accelerate German investment in India, said Jan Noether, director general of the Indo-German Chamber of Commerce, at the inaugural edition of the Indo-German Engineering Summit 2026 held in Bengaluru on Tuesday.

Speaking on the sidelines of the summit, Noether said the FTA would pave the way for a deeper business relationship between India and Europe, but stressed that increased trade would need to be accompanied by greater investment.

“The FTA opens the door for a more intense business relationship. However, that has to be followed by investments in India. German companies have to improve their foothold in India in order to be long-term competitive. India is a very competitive market. The world meets in India,” he said.

The summit, organised by the Indo-German Chamber of Commerce under the theme “Co-Innovate. Co-Engineer. Co>Create”, brought together German and Indian business leaders, engineering experts, technology companies, startups and industry stakeholders.

Noether said Germany’s Mittelstand, or mid-sized companies, had a significant opportunity to expand in India and help strengthen local manufacturing and supply chains.

“We still have to import quite a few components and materials in order to get our industrial setup positioned. German Mittelstand companies can contribute to closing these gaps and create a lot of opportunities when it comes to building sustainable supply chains in India,” he said.

Tamil Nadu textile industry urged to invest under Production Linked Incentive scheme

The Tamil Nadu textile and apparel industry should leverage the Production Linked Incentive (PLI) scheme for technical textiles and manmade fibre sector for which the Union government has allocated ₹11,000 crore, said Union Textile Minister Giriraj Singh in Tiruppur on Sunday.

Speaking at a meeting organised by the Tiruppur Exporters Association (TEA), he said the Centre has relaxed the norms for the PLI scheme to encourage investments in technical textiles and MMF sectors.

“As for the new schemes planned by the Ministry, some have gone to the Cabinet, and others will follow—they are designed to be pro-industry. We have factored in everything—machinery, employment, and other aspects. I hope that the State and the Centre will work together,” he said.

The Minister also urged the industry to look at investing in States where there is labour availability.

When Prime Minister Narendra Modi took office in 2014, silk production stood at 26,000 tonnes annually. It is 43,000 tonnes now and by 2030 it will be 60,000 tonnes. India should export more silk-based garments that are blended with other fibres, he added.

A. Sakthivel, chairman of the Apparel Export Promotion Council, said that the Textile Ministry is introducing new initiatives every two months and all the seven PM MITRA parks were now operational.

According to K.M. Subramanian, president of the TEA, the government should look at early implementation of the Textile Expansion and Employment Scheme (TEEM) and extend benefits under the Rebate of State and Central Taxes and Levies for three more years.

Later, the Minister interacted with textile machinery manufacturers and had a meeting with officials of the South India Textile Research Association (SITRA) in Coimbatore.

Responding to the demand to extend benefits under the TEEM scheme for the spinning and cotton ginning machines, he asked the industry for details so that the Ministry can study it.

The industry in Tamil Nadu should look at tripling exports, he said and called for investments to make indigenous machinery for knitting, weaving, and processing sectors.

The Minister also inaugurated a GM Testing Laboratory for cotton and cotton-derived materials at SITRA. The laboratory will meet the growing need for traceability, quality assurance, and compliance in the global cotton trade. It will help exporters meet requirements of organic standards such as GOTS and OCS, which mandate qualitative GM cotton screening.

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Thailand-EU free trade pact talks at final stage

Read more at :

<https://www.bangkokpost.com/business/general/3333255/thailandeu-free-trade-pact-talks-at-final-stage>

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Cotton remains vital to a changing global textile industry

World Cotton Day 2026 is being observed on October 7, highlighting the continued importance of cotton to global agriculture, textile production, international trade and the livelihoods of millions of people.

The United Nations officially designated October 7 as World Cotton Day through a resolution adopted by the UN General Assembly on August 30, 2021.

The initiative was originally proposed by four major African cotton-producing countries—Benin, Burkina Faso, Chad and Mali, collectively known as the Cotton-4.

The day aims to raise global awareness of cotton's contribution to economic development and highlight the challenges faced by farmers, producers, processors and workers across the cotton value chain.

The Food and Agriculture Organization of the United Nations (FAO), International Trade Centre, UN Conference on Trade and Development and International Cotton Advisory Committee supported the initiative before its formal adoption by the UN.

Cotton remains one of the world's most important natural fibers and a key raw material for the global textile and apparel industry. Around 80% of cotton is used for clothing, while another 15% is used for home textiles and other household products, according to FAO data.

Beyond its role as a textile fiber, cotton is an important source of income for millions of farming households. Around 24 million producers are involved in cotton cultivation globally, while the wider sector supports more than 100 million families through farming, processing, manufacturing and trade.

For many developing economies, cotton exports are also an important source of foreign exchange. As a result, changes in global cotton prices, production and demand can have a direct impact on farmers and national economies.

Global cotton production remains substantial. FAO data indicate that around 26 million tons of cotton were produced worldwide in 2024, while more than 9 million tons entered international trade.

China, India, Brazil, the United States and Pakistan are among the world's largest cotton producers, together accounting for more than three-quarters of global output.

Cotton cultivation is concentrated mainly in subtropical and seasonally dry tropical regions, where production depends heavily on adequate heat and water availability. This makes the sector increasingly exposed to climate-related risks and changing weather patterns.

Despite its continued importance, cotton's share of global fiber consumption has declined significantly over the decades, largely because of the rapid expansion of synthetic fibers, particularly polyester.

Cotton accounted for around 60% of global fiber consumption in the 1960s, but its share has fallen to roughly one-fifth of the market today. Nevertheless, it remains the world's second-most-used fiber after polyester.

Women also play a major role in the cotton value chain. FAO estimates suggest that women account for about 43% of the workforce involved in cotton production, particularly in farming and harvesting activities across parts of Africa and Asia.

World Cotton Day has evolved into an international platform for discussions on the future of the cotton sector. Conferences, exhibitions and industry meetings held around the day focus on productivity, technology, trade, farmer livelihoods and sustainable production.

For the textile industry, the observance also highlights the need to strengthen cotton's competitiveness while addressing environmental and social challenges across its value chain.

As the global fiber market continues to change, World Cotton Day 2026 serves as a reminder that cotton is more than a textile raw material. It remains an important agricultural commodity supporting millions of livelihoods and connecting farmers with the world's fashion and textile industries.

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ITMF Global Textile Industry Survey: The textile industry remains under pressure

The 40th ITMF Global Textile Industry Survey (GTIS), conducted from 21 to 29 September 2026, shows a slight improvement in the global business situation, to -23pp, well above

the November 2023 low of -46pp. Conditions nevertheless remain weak, in what has become a new normal of high uncertainty. Only South Asia (+13pp) and Africa (+9pp) are positive, while Europe (-36pp), South America (-44pp) and North & Central America (-56pp) report the weakest conditions. Along the value chain, the two ends are doing better than the middle. Fibre producers (+17pp) are the only positive segment, while spinners (-33pp) and finishers (-42pp) lag. Textile machinery manufacturers (-35pp) continue to suffer from companies' reluctance to invest.

Business expectations for the next six months improved to +19pp, in sharp contrast to the current situation. However, 46% of participants expect no change, a sign that the optimism rests more on hope than on concrete signals. Africa (+59pp) is by far the most optimistic region, while East Asia (-20pp) and Southeast Asia (-6pp) remain pessimistic. Fibre producers (+67pp) are the most confident segment.

Order intake edged up to -24pp but remains weak, and South America has fallen to a record low of -69pp. Rising costs and inflation make a significant recovery in the coming months unlikely. The global order backlog shortened slightly to 2.3 months, within the range of 2 to 2.5 months it has held since mid-2023, as most companies work on confirmed orders only. Capacity utilisation rose to 71%, above the November 2023 record low of 68% but still well below the levels above 80% seen before late 2022.

Weak demand remains the main concern, cited by 56% of participants. Cost-related concerns are rising, led by high raw material (42%) and energy prices (41%), which have pushed inflation up again since the war in Iran. Concern about geopolitics has eased to 36%, from 46% in July. In response to US tariffs, companies are mainly diversifying into non-US markets (29%), investing in automation and efficiency (23%) or absorbing the higher costs (23%).

Order cancellations remain low at around 2% on average, though they have risen among finishers in three consecutive surveys. Inventories remain lean in most regions, with Southeast Asia at a record low. The Americas are the exception: there, high inventories combined with weak order intake point to a build-up of unsold stock.

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