



M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWSLETTER OF THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION


Chairman:
Shri Shreyaskar Chaudhary;

Vice Chairman:
Shri Siddharth Agrawal;

Dy. Chairmen:
Shri Subhash Jain
Shri Tarun Baldua

ASSOCIATION NEWS

1. An online meeting of Fair Labour Association and Representatives of Member Mills was held on 20th June, 2025 to discuss how the State cotton sector can collectively respond to increasing demands from global buyers for supply chain transparency and ethical practices.

2. Our Past Chairman Shri Shiv Kumar Chaudhary (2008-2012) left for heavenly abode on 17th June, 2025. He was a legendary leader. His contributions to the development of the Textile Industry in the State will always be remembered with great reverence. Our heartfelt condolences to the family. May his soul rest in eternal peace.
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RAW MATERIALS

1. The International Cotton Advisory Committee (ICAC) has maintained a steady global outlook for the 2025-26 cotton season on 2nd June, 2025, projecting production at 26 million tons and consumption at 25.7 million tons. Trade volumes are expected to rebound reaching approximately 9.7 million tons a 2 % increase from the previous season driven by higher carryover stocks and anticipated mill demand.

The ICAC's regional production forecasts show upward revisions for Brazil, the United States, and West Africa. However, these gains are likely to be offset by a slight reduction in China's output. Despite the decrease, China is still expected to lead global production with 6.3 million tonnes in 2025-26, following a record yield of 2,257 kgs/ha in the current season.

While supply remains stable, global cotton consumption continues to face pressure due to growing concerns over tariffs, regulatory uncertainty, and increasing competition from alternative fibres. The cotton trade outlook, though positive, may be influenced by geopolitical trade tensions and evolving tariff structures.

Price forecasts place the average A Index for 2024-25 at 81 cents per pound. For the upcoming 2025-26 season, preliminary estimates suggest a wide price range between 56 and 95 cents per pound, with a midpoint forecast of 73 cents. These projections are based on current market fundamentals.

2. Global cotton production in 2025-26 is projected at 117.0 million bales, nearly 2.5 % (2.9 million bales) below the previous year but 1.6 million bales above the 5-year average by USDA in its report dated 12th June, 2025. For 2025-26, cotton production prospects for the major-producing countries are
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mixed with the majority of countries showing decreases. Production in Brazil and Pakistan are projected to increase slightly but are more than offset by declines from China, Australia, India, and the United States. World 2025-26 cotton harvested area is forecast at 30.2 million hectares (74.6 million acres), down slightly from 2024-25 and more than 1 million hectares below the 5-year average. The 2025-26 global cotton yield is forecast at 843 kilograms (kgs.) per hectare (752 pounds per acre), 2 % below last year's record high. World cotton production is concentrated among a few countries, with the top 4 countries accounting for 73 % of total expected production in 2025-26, similar to 2024-25. China and India are forecast to remain the leading global cotton producers in 2025-26, accounting for 26 % and 20%, respectively. China is forecast to produce 30.0 million bales in 2025-26, 2 million bales (6%) below the previous year. China's national yield is expected to decline, while harvested area is 2 % higher at 2.95 million hectares in 2025-26. China's yield is projected at 2,214 kgs. per hectare, an 8 % (188 kgs. per hectare) decrease from 2024-25's record. Production in India is forecast at 23.5 million bales, 2 % (500,000 bales) below 2024-25, with lower harvested area and a relatively unchanged yield. Higher alternative crop expectations are projected to reduce India's 2025-26 cotton area by approximately 2.5 % to 11.2 million hectares, while the yield is forecast to increase marginally to 457 kgs. per hectare.

Global cotton mill use is projected to increase 1 % (1.2 million bales) in 2025-26 to 117.8 million bales, the highest in 5 years. Lower world cotton fiber prices and the need to replenish yarn and fabric inventories are expected to support the higher mill use forecast for 2025-26. Global economic growth projections for calendar years 2025 and 2026 are anticipated to promote consumer demand for cotton apparel products although the growth is expected to be limited by the continued competition from synthetic fibers. Based on the 2025-26 projection, world cotton mill use is forecast to improve for the third consecutive year. Each major country's cotton mill use is projected to rise in 2025-26 from its year-ago level, with China and Pakistan the exceptions. China and India remain the leading cotton-consuming countries and together are forecast to account for approximately 53 .5 % of the global total.

Million 480 Pound Bales

	2023 -24	2024 -25	2025 - 26
Opening Stock	75.90	73.74	77.29
Production	112.96	119.93	116.99
Import/Export	44.59	42.61	44.79
Consumption	114.80	116.55	117.76
Closing Stock	73.74	77.29	76.80



India's Cotton Balance Sheet has been drawn as under:

Million 480 Pound Bales

	2023 -24	2024 -25	2025 -26
Opening Stock	10.82	9.30	9.70
Production	25.40	24.00	23.50
Imports	0.89	2.80	3.00
Consumption	25.50	25.00	25.50
Exports	2.31	1.40	1.00
Closing Stock	9.30	9.70	9.70

3. The Cotton Association of India (CAI) on 18th June, 2025 arrived at the total cotton pressings/crop estimate for the ongoing 2024-25 season at 301.15 lakh bales of 170 kgs. each. CAI has assessed the position of production and consumption for the season as under:

Lakh Bales of 170 Kgs. each

	2023-24	2024-25	Change
Opening Stock	28.90	30.19	1.29
Cotton Pressing	327.45	301.15	-26.30
Import	15.20	39.00	23.80
Total Supply	371.55	370.34	-1.21
MSME consumption	96.00	92.00	-4.00
Non MSME Consump	201.00	197.00	-4.00
Non Textile Consump.	16.00	16.00	-
Export	28.36	17.00	-11.36
Total Demand	341.36	322.00	-19.36
Closing Stock	30.19	48.34	18.15

4. The Centre has begun the groundwork for launching a National Cotton Productivity Mission, with discussion underway to chart out a strategy focused on crop diversification, yield improvement, introduction of new seed varieties, and promoting mechanized farming. These measures are aimed at revitalizing India's cotton economy amid inconsistent yields. India's cotton output dropped from about 33.7 million bales in 2022-23 to 32.5 million bales in 2023-24 and an estimated 30.7 million bales in 2024-25, according to the Agriculture Ministry data. (One bale is 170 kg of cotton). Also, India's cotton yield, at around 465 kg per hectare in 2024-25, remains far below China's average of over 2,170 kgs/ha. As part of the five-year mission to improve India's cotton productivity, the Textiles Ministry, in coordination with the Agriculture and Farmers' Welfare Ministry, has started consultations with agricultural experts, farmer groups, and state Governments to devise a comprehensive strategy.

5. Shri Siddharth Rajagopal, Executive Director, TEXPROCIL stated on 6th June, 2025 that the Government is targeting 10% of Indian cotton production to be tested and certified as Kasturi cotton in five years. It will also support this through the mini mission on cotton. In the 2024-2025 cotton season, 1.12 lakh bales of cotton will be certified as Kasturi cotton of this, majority is with the Cotton Corporation of India.

6. According to the Cotton Association of India (CAI), higher imports by the world's second-largest producer of the fibre could support global prices, which fell to their lowest in more than four years after top consumer China levied duties on imports from the United States. India could import 3 million bales in the current marketing year ending on 30th September, up from 1.52 million bales imported a year ago. Cotton Exports to fall to 1.7 million bales from 2.84 million bales a year ago

7. The Cotton Corporation of India (CCI) has bought almost 100 lakh bales of cotton at Minimum Support Price (MSP) from farmers in the current cotton season, which began in October 2024. CCI has sold 35 lakh bales in the domestic market already. Representatives of the industry cited that international cotton prices are nearly 8% lower than Indian domestic prices, indicating that cotton can be imported even with an 11% duty and benefit manufacturers in the short term with only a marginal cost higher than if it were sourced domestically.

8. At the CAI Meeting held on 18th June, 2025, stakeholders representing the entire cotton trade and textile industry emphasized that increasing the Minimum Support Price (MSP) for cotton every year is causing problems. For the kharif 2025 season, cotton MSP increased to ₹7,710 per quintal for medium staple cotton, up from ₹7,121 last year. For long staple, the MSP

increased to Rs. 8,110 from Rs. 7,521. Market prices have been bearish, impacted by weak demand and weak trend in global prices. "Higher MSPs not only distort market dynamism and hinder the natural price discovery process but also increase production cost for textile mills, leading to potentially higher prices for consumers and also adversely impacts the competitiveness of Indian cotton production in the global market. As this poses threat to the survival of entire value chain, stakeholders exhorted the need for finding an equitable solution for the continue providing remunerative prices to the farmers but without compromising the competitiveness of the trade and industry.

POWER

1. M P Power Management Company has advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ 2.36 % on energy charges only for one month commencing from 24th June, 2025.



LEGAL & TAXATION

1. The Allahabad High Court, in the case of *R. T. Infotech v. Additional Commissioner Grade 2*, clearly held that a buyer cannot be denied Input Tax Credit (ITC) just because the supplier didn't pay the tax to the Government. The Court said that this goes against the intention of Section 16 of the CGST Act, especially when the buyer has done everything right — like making full payment, receiving the goods, and keeping proper tax invoices. The Court added that it's unfair to punish the buyer for something they have no control over, such as whether the supplier files their GST returns or deposits the tax. This ruling supports the idea that honest taxpayers should not suffer due to mistakes or defaults by others.



2. On 3rd June, 2025, the Government amended some provisions in the Special Economic Zones (SEZ) Rules, 2006, in the hope of attracting more investments and providing greater flexibility in the operations.

3. The Ministry of Heavy Industries has extended the implementation of the Quality Control Order (QCO) on textile machinery to September, 2026. The QCO was earlier scheduled to be enforced from August, 2025, but various industry stakeholders, including textile manufacturers, had raised concerns.

EXPORT & IMPORT

1. The Central Government released the information relating to exports for the month of May, 2025 on 16th June, 2025. The textile and apparel (T&A) exports rose by 5.36 % to \$6,180.55 million during the first two months of the current fiscal 2025-26. The information relating to textile and apparel exports during the period April – May, 2025 is as under:



Value in US\$ Million

Exports	Apr-May 2024	Apr-May 2025	% Change
Cotton Yarn, Fabrics, & Made-ups & Handloom Products	1,956.87	1,929.74	-1.39
MM Yarn, Fabrics, Made-ups, etc.	782.21	793.27	1.41
Jute Products	55.91	59.89	7.12
Carpets	241.93	246.93	2.07
Handicrafts, etc.	273.65	267.85	(-)2.12
Textiles	3,310.57	3,297.68	(-)0.39
Apparel	2,555.82	2,882.87	12.80
Textiles & Apparel	5,866.39	6,180.55	5.36
All Commodities	74,894.86	77,192.05	3.07
% Share of T & C	7.83	8.01	



- During May, 2025, Textiles exports registered a de-growth of -2.71% while Apparel exports registered a growth of 11.35% during the same time period.
- Cumulative Exports of Textiles and Apparel during May, 2025 have registered a growth of 3.47% over May, 2024.
- During Apr-May, 2025, Textiles exports registered a de-growth of 0.39% over the previous period, while Apparel exports registered a growth of 12.80% during the same time.
- Cumulative Exports of Textiles and Apparel during April-May, 2025 have registered a growth of 5.36% as compared to April – May, 2024.

2. The import of raw cotton and waste decreased by 133.14 %, whereas import of Textile yarn, fabrics, made-ups increased by 18.68% in May, 2025 as compared to the same month of the previous year. The details of imports in April -May, 2025 as compared to the same months of the previous year are under:

Value in US\$ Million

Imports	Apr.- May, 2024	Apr.-May, 2025	% Change
Cotton Raw & Waste	81.79	189.18	131.10
TextileYarn, Fabrics, Made-ups, etc.	347.97	413.81	18.92

3. As per Commerce Ministry data, India's export of cotton yarn increased from \$10.94 billion in 2022-23 to \$11.68 billion in 2023-24 and \$12.04 billion in 2024-25. Major export destinations for Indian cotton yarn are the US, Bangladesh, Sri Lanka, the UK, the UAE, Germany, China, and Egypt. But cotton imports too have been rising sharply—from about US\$ 1.46 million bales in 2022-23 to US\$ 1.52 million in 2023-24 and US\$ 2.15 million during October- March 2024-25, as per Textiles Ministry data.

4. Exports of Indian Man-made Fibre (MMF) Textiles have reached US\$ 6 Billion during 2024-25 as against exports of US\$ 5.7 Bn. during 2023-24. The overall exports of Technical Textiles from India reached US\$ 3,356.5 million during 2024-25 as against exports of US\$ 2,986.6 million during 2023-24.

5. The month wise imports of Textile & Apparel by USA from Bangladesh, China, India and Vietnam during the period January- April, 2025 have been as under:

Value in US \$ Billion

Country	Jan.	Feb.	Mar .	Apr.	Total
Bangladesh:					
2024	0.56	0.66	0.59	0.57	2.38
2025	0.82	0.72	0.74	0.78	3.06
% Change	46.4	8.9	25.5	37.2	28.6
China:					
2024	2.17	1.83	1.51	1.53	7.04
2025	2.43	1.89	1.40	1.35	7.07
% Change	11.8	2.9	-7.1	-11.4	0.40
India:					
2024	0.67	0.75	0.89	0.89	3.20
2025	0.87	0.88	1.03	0.94	3.71
% Change	28.3	17.6	15.9	5.3	15.9
Vietnam:					
2024	1.30	1.26	1.14	1.09	4.79
2025	1.56	1.29	1.37	1.35	5.58
% Change	20.0	2.3	20.3	24.5	16.4

From the above table, it would be observed that exports from India to USA have slowed down during April, 2025, whereas exports from Bangladesh have significantly increased.

6. DGFT issued Trade Notice No. 5/2025 dated 13th June 2025 regarding the rollout of the 'Source from India' feature on the Trade

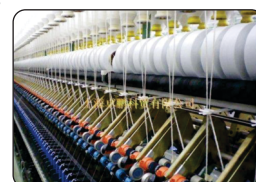
Connect e-Platform www.trade.gov.in for all Status Holder exporters. It serves as a central hub for international trade-related information and services. It connects exporters with various stakeholders including Indian Missions Abroad, EPCs, EXIM Bank, Department of Commerce, DGFT, etc.

7. DGFT vide its notification no 20/2025-26 dated 23rd June 2025 has removed the restriction of 180 days on EO period in respect of goods that are covered under QCO issued by Ministry of Textiles. These goods will now be governed by Para 4.40 of the Handbook of Procedures, wherein the EO period under Advance Authorization is 18 months from the date of issue of the Authorization.

8. DGFT issued a Notification on 27th June, 2025 imposing port restrictions on Nine categories of goods including flax, jute, and textile fibers, which can only be imported through NhavaSheva Seaport and are prohibited from entering through land ports on the India-Bangladesh border.

STATE OF INDUSTRY

1. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on 28th June, 2025, India's industrial output (General Index) surged 1.2% in May, 2025. The Index for Manufacture of Textiles, which was 107.0 in May, 2024 decreased to 104.1 in May, 2025 showing an decrease of 2.7 %. The Wearing Apparel Index increased to 126.6 in May, 2025 from 123.6 in May, 2024 recording a growth of 2.4%. The details of IIP are as under:



Items			Cumulative		Growth
	May, 2024	May, 2025	Apr-May 2024-25	Apr-May 2025-26	Apr-May 2024-25
General	154.7	156.6	151.4	154.2	1.8
Textiles	107.0	104.1	106.2	104.9	-1.2%
Wearing Apparel	123.6	126.6	114.4	120.4	5.2%

2. After assessing the current and evolving macroeconomic situation, the Reserve Bank of India's Monetary Policy Committee (MPC) decided on 6th June, 2025 to reduce the Policy Repo Rate by 50 basis points (bps) to 5.50 % with immediate effect. This decision is in consonance with the objective of achieving the medium-term target for Consumer Price Index (CPI) inflation of 4 % within a band of +/- 2%, while supporting growth.

3. The Secretary, Ministry of Textiles, Smt. Neelam Shami Rao, presided over the fourth meeting of the ESG Task Force on 3rd June, 2025, to co-create a vision for the Indian Textiles & Apparel Industry. In her keynote address, Smt. Rao stated that sustainability is an experiential reality, evident in textile clusters like Tiruppur, Surat, and Panipat, where efforts such as waste water recycling, renewable energy adoption and textile waste management are already underway. While the industry has made commendable progress, she stressed the need to scale these measures nationally through a collaborative and cooperative approach. She underlined that sustainability is no longer a choice, but a defining imperative for the future of India's textile sector.

4. India's textile and apparel sector showed mixed results in financial year 2024-25, with growth momentum visible in sales but profit metrics showing a more restrained pace. Insights from the latest Wazir Textile Index (WTI) and Wazir Apparel Index (WAI) for June, 2025 reflect the industry's post-pandemic recalibration, grappling with input cost pressures and demand realignments.

5. At a meeting of the Textile & Apparel Industry stakeholders was held in Coimbatore on 6th June, 2025 to discuss the challenges faced by the textile and apparel exporters. They discussed the reasons for the nil growth in textile and apparel exports for almost a decade. The exports are stagnant at \$37

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billion — \$42 billion in value. The volume of exports has shrunk, which is a matter of concern. The exports should grow at 17% CAGR to achieve the target of \$100 billion by 2030. The industry needs to invest \$100 billion to achieve overall market size of \$350 billion, including the \$100 billion exports (10% of global textile and apparel trade). Since the return on investment is not viable, the industry is not ready to invest in expansion projects and build capacities. The meeting discussed about structural issues, including raw material prices and high labour costs, that are a major hurdle apart from cost of capital, power tariff, and relatively higher lead time to deliver orders. The fundamental issue is raw material prices and there should be no restriction on imports and exports. As an immediate measure, the import duty on cotton should be removed. According to the stakeholders, for every Rs. 1 crore investment, the sector generates 60 direct jobs. It has achieved global scale in segments such as spinning, home textiles, technical textiles, and denim. For the industry to leverage the strengths, tap opportunities in the international market and register growth, the basic challenges need to be addressed.

6. A closer look at the apparel segment alone (under HS codes 61 and 62) shows that India's share in global trade is at 3 %—\$15.7 billion out of \$529.3 billion. This share has remained stagnant for the past two decades. Despite these modest numbers, India has set a target of \$40 billion in apparel exports by 2030. If we had sustained the stronger AAGR of 8.5 % (2004-2017), we would reach \$31 billion by 2030. To translate ambition into reality, India needs bold reforms enabling scale:

- First, capital must be made accessible and affordable for scale-focused investments. A structured capital subsidy of 25-30 %, linked to the size of the unit, say, 1,000 machines (as per the draft PLI 2.0 scheme), can provide the initial push to ensure viability and scale. A five to seven-year tax holiday for units would allow investments to mature and become globally competitive. India's cost of capital is averaging 9 % compared to 3-3.5 % in China and 4.5 % in Vietnam. Such incentives are critical for gaining competitiveness.
- Second, India's 52 central labour laws have created rigidities,

discouraging formal hiring and scale. Overtime payments are mandated at two times the hourly wage, compared to the ILO standard of 1.25 times, adding to cost pressures. Labour accounts for around 30 % of garment production costs. A bold idea could be to link MGNREGA funds (say 25-30%) to subsidise labour costs in garment units.

- Third, at least two of the seven PM MITRA parks should be designated as garment-focused hubs, particularly in states like Uttar Pradesh and Madhya Pradesh, where labour costs are lower and worker migration to southern garment hubs is high.

7. The 1st Meeting of Task Force and Stakeholders Consultation on Textiles Exports was held on 10th June, 2025 under the Chairmanship of Commerce Secretary Shri Sunil Barthwal. The discussions during the meeting covered matters and issues pertaining to the entire textile value chain - the upgradation of ESG infrastructure in garment manufacturing units, use of renewable energy, European Union Deforestation Regulation (EUDR), strengthening of e-commerce for export growth and simplifying regulatory framework, labour, cost competitiveness for productivity enhancement, skilling, Branding, suggestions regarding Interest Subvention Schemes, assistance for Certification & Testing, collateral Support for export Credit for MSME Exporters, RoDTEP / RoSCTL / Duty Drawback, PM MITRA Parks, Development of new Jute Diversified Products (JDPs), Separate HS codes for GI Products, productivity enhancement of natural fibres such as jute and matters pertaining to the Export Promotion Mission being set up by Department of Commerce apart from other textiles export related issues. Chairman CITI, Shri Rakesh Mehra, highlighted the critical issue of raw material security and the need for trade facilitation measures.

8. The International Textile Manufacturers Federation (ITMF) released findings from its 32nd Global Textile Industry Survey (GTIS), conducted from 12th to 22nd May, 2025, revealing sharp regional variations across the global textile industry. The survey shows a challenging global business situation with a - 20 percentage point balance, but regional performance differs significantly. Africa emerges as the standout performer with a positive +23 pp balance, followed by South America at +6 pp. In contrast, East Asia faces significant challenges with a -48 pp balance. Looking ahead, the industry shows cautious optimism (+24 pp), with North America leading confidence at +65 pp and Africa at +54 pp, while East Asia remains negative at -18 pp. Global order intake declined for four consecutive months since January, reaching -21 pp in May.

Textile capacity utilization reached 72% in May, 2025. Asian markets continue to lead utilization rates, while upstream segments like spinning significantly outperform downstream operations. Weak demand remains the primary concern for 61% of global participants over the next six months, with trade tensions and operational costs as secondary issues.

9. As per reports, Madhya Pradesh Industrial Development Corporation (MPIDC) is going to setup a dedicated textile and apparel hub- "Ahilya Garment City" in Budhi Barlai Village. In a significant boost to the textile industry, two Indian textile companies plan to set up their facilities here with a combined investment of Rs 584 crore. Both these facilities will help create 12,000 new jobs in the region. The Arvind Group would setup a Garment Park on 12 hectare allocated by MPIDC to produce 60 lakh garments annually in the first phase of its operation. Another prominent garment manufacturer, Noize Jeans plans to set up its own textile and apparel manufacturing unit on 12.5 hectare for different manufacturing activities.

For Address