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M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWSLETTER OF
THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION

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Vice Chairman:
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ASSOCIATION NEWS

1. The imposition of 25 %tariff along with an additional penalty of 25 % by the United States is likely to affect severely our exports of Textile & Apparel (T&A) to US, which is around Rs. 3,546 crore and is about 26% of total T&A exports from the State. The new US tariff rate for India set at 50 %, placed it at a significant disadvantage against our major competitors like Bangladesh and Vietnam, which are in lower tariff brackets of 20%. Indonesia and Cambodia have an even lower rate of 19 %. This development has created considerable uncertainty among US buyers, who are currently unclear about the final tariff structure that will be applicable. Many importers have adopted a cautious approach and are holding back on placing new orders. There is increasing pressure on Indian companies from customers to share the cost with discounts ranging between 5 % and 25 % on goods. Further, several US buyers have advised our exporters to suspend shipments even against confirmed export orders until further clarity emerges, which has caused significant financial losses to the exporters from the State, who are working on wafer-thin margins and may affect the production pipeline and employment within the textile and apparel sector. Even diversification to other markets will not be easy, as China has already moved in a big way in markets such as EU.

2. A Joint Meeting of the Representatives of The Madhya Pradesh Textile Mills Association (MPTMA) (about 20 persons) and the Madhyanchal Cotton Ginners and Traders Association (around 45 persons) was held, whereat samples of Contamination in cotton were displayed for the information of Ginners. The following Power Point Presentations were made:

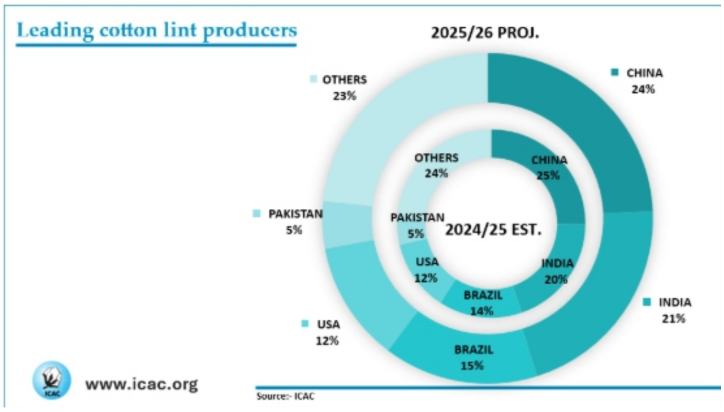
- On Cotton Contamination observed at blow-room, spinning, weaving, processing and finished product stage by Shri N K Koushik of Pratibha Syntex.
- Presentation of working of Cotton Contamination Detection Equipment to be installed in Ginning Plants by Shri Chandra Shekhar Bharthy of Nestling Technologies India (Pvt) Ltd., Coimbatore.
- Availability of various concessions and subsidies from Department of M S M E of the State by Shri Ashwin Halwalne.

Shri Shreyaskar Chaudhary, our Chairman in his address emphasized about contamination free global cotton demand, supply and incentive available. For proposal by 25 Ginners to install Cotton Contamination Detection Equipment, the MPTMA will facilitate meeting with State Government for suitable subsidy and for reduction of Mandi Taxon cotton. Ginners Association to decide for this in their meeting.

3. On 29th July, 2025 a Representation was submitted to the Secretary, Ministry of Textiles for immediate intervention in protecting exports of organic textiles from Madhya Pradesh. The APEDA vide its Circular dated 18th July, 2025 has advised additional checks for certification of organic cotton production, which have imposed geographical restrictions on Certification Bodies. The three designated Certifying Bodies for Madhya Pradesh (MPSOCA, CGCERT and CGOCERT) have insufficient audit resources to manage the forthcoming harvest and as such, we have requested to revoke the geographical restrictions and allow all Certifying Bodies and enough options for cotton grower groups for competitive fees and services.

RAW MATERIALS

1. As per International Cotton Advisory Committee (ICAC) press release dated 1st August, 2025 in 2025-26 cotton season, India will continue to have the most area under cotton- 38 % of World total. China will account for 24 % of global cotton production and will be top consumer at 8.2 million tons (32% of global total). Bangladesh will be top importer with 19 % of projected World total and Brazil top exporter with 32 % of total shipments.



2. As per USDA Report dated 12th August, 2025 for 2025-26 (August–July) In the 2025/26 World cotton balance sheet, production, consumption, trade, and beginning and ending stocks are all lowered compared to last month. World production is forecast 1.8 million bales lower because of reductions for the United States, Sudan, Uzbekistan and Mali that more than offset a larger crop in China. The forecast for World consumption is reduced over 100,000 bales as lower mill use in India, Bangladesh, and Turkey more than offset an increase for China. World trade is reduced 1.1 million bales with projected exports lowered for the United States, Sudan, Mali, and small changes elsewhere. Beginning stocks for 2025-26 are reduced over 1.7 million bales, largely reflecting higher 2024-25 consumption in China and Brazil. With lower beginning stocks and production, ending stocks for 2025-26 reduced by over 3.4 million bales. The-summarized position is as under:

Million 480-Pound Bales

World	2023 -24	2024-25	2025-26
Opening Stock	75.83	73.36	75.06
Production	112.56	119.15	116.62
Consumption	114.95	117.95	117.99
Export/Import	44.34	42.43	43.59
Closing Stock	73.36	75.05	73.91

3. As per USDA, FAS Mumbai, India's cotton production for 2025-26 cotton season is estimated at 24.5 million 480 lb. bales/31.4 million 170-kilogram (kgs) bales/5.4 million metric tons (MMT) from 11.2 million hectares of planted area. This is lower as farmers across central India have preferred to plant competing crops such as paddy, maize, and groundnut due to higher profitability. According to 1st August sowing progress report of the Ministry of Agriculture and Farmers Welfare (MOAFW), in 2025-26 cotton sowing has reached 9.86 million hectares, down 3% from last year. The reduction in the planted area is expected to offset by increased yields resulting from favorable monsoon conditions; with Post estimating yields at 476 kgs. per hectare. The position of cotton production estimates for India is as under:

Million 480-Pound Bales

India	2023-24	2024-25	2025-26
Opening Stock	10.82	9.60	10.25
Production	25.70	24.50	24.50
Import	0.89	3.0	2.50
Consumption	25.50	25.50	25.70
Export/Import	2.31	1.35	1.50
Closing Stock	9.60	10.25	10.05
Harvested Area '000 Hectare	12.69	11.50	11.20

4. India's two textile industry organisations differ over the country's cotton production for the current season (2024-25), which is nearing its end. The ginners' dominated organisation, Cotton Association of India (CAI), in its latest estimate, has kept cotton production unchanged at 311.40 lakh bales of 170 kg. However, the spinners' dominant South Indian Mills Association (SIMA) is relying on the Committee on Cotton Production and Consumption (COCPC)'s estimated crop size of 343.47 lakh bales. SIMA Chairman Shri Ravi Sam stated that the underestimation of crop size has affected the cotton market, increasing the cotton price by Rs. 3,000 per candy of 356 kgs. within a few days. He pointed out that the cotton arrival, according to the Cotton Corporation of India, has already exceeded 318 lakh bales for the 2024-25 season

5. India's cotton imports will be a record 40 lakh bales of 170 kgs. each for the current 2024-25 crop year ending September, more than double the previous year's 15.20 lakh bales. Lower international prices coupled with higher demand from mills for contaminant-free cotton has resulted in a surge in imports.

6. Cotton Corporation of India (CCI) on 28th August, 2025 reduced its floor price by Rs. 600 per candy (356 kg) after the Government announced the extension of the duty-free imports till the year-end. This month, it is third time that CCI has reduced its prices over the past 10 days.

POWER

The MP Power Management Company has advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS)@ 0.97% on energy charges only for one month commencing from 24th August, 2025.

MANPOWER

1. The State Government has introduced in the Assembly a Bill to amend various labour laws:

- The limit for license and registration under Contract Labour (Regulation and Abolition) Act increased from 20 to 50 workers.
- Under the Factories Act for power assisted manufacturing companies the number of workers limit for registration raised from 10 to 20.
- Under Section 22 of the Industrial Disputes Act "Industrial Establishments" have been included.

2. On 30th July the State Government has introduced another Bill to amend sections 54, 55, 56, 59 and 65 of the Factories Act to allow flexi working hours. A worker will be allowed to work for 4, 5 or 6 days with limit of working 48 hours in a week. The quarterly limit of overtime hours is also to increase from 125 hours to 140 hours.

LEGAL & TAXATION

Giving temporary relief to the textile and garment industry amid concerns over revenue loss from higher US tariffs, the Finance Ministry on 18th August, 2025 removed the 11 % duty on raw cotton imports for a period of 42 days from 19th August to 30th September, 2025, which is now extended till 31st December, 2025. The exemption is in response to persistent demands from the textile industry, which has been urging the Government to eliminate import duties on cotton due to rising domestic prices and supply constraints.

EXPORT & IMPORT

1. According to the quick estimates data released by the Ministry of Commerce & Industry on 14th August, 2025:

- Exports of cotton yarn/fabrics/made-ups, handloom products etc. from India increased by 5.17 % in July, 2025 over July, 2024.
- During April-July, 2025, cotton yarn/fabrics/made-ups, handloom products registered a negative growth of 0.17 %.
- During July, 2025, Textiles Exports registered a growth of 5.84 % over the July, 2024, while Apparel Exports registered a growth of 4.75 % during the same time period.
- Cumulative Exports of Textiles and Apparel during July, 2025 have registered a growth of 5.37 % over July, 2024.
- During April-July, 2025 Textiles Exports registered a growth of 0.77% over the same period of previous year, while Apparel Exports registered a growth of 7.87% during the same period.
- Overall T&A registered a growth of 3.87 % during April-July, 2025. The information relating to textile and apparel exports during the period April-July, 2025 as compared to exports in same period of the previous year is as under:

Value in US$ Million

Exports	Apr.-July 2024-25	Apr.-July 2025-26	% Change
Cotton Yarn, Fabrics, Made-ups & Handloom Products	3,887.15	3,880.64	(-)0.17
MMF Yarn, Fabrics, Made-ups, etc.	1,571.04	1,588.84	1.13

Jute Products	108.92	126.11	15.78
Carpets	486.49	503.88	3.57
Handicrafts, etc	546.91	551.96	0.92
Textiles	**6,600.51**	**6,651.43**	**0.77**
Apparel	**5,127.70**	**5,531.19**	**7.87**
Textiles & Apparel	**11.,728.21**	**12,182.62**	**3.87**
All Commodities	1,44,764.62	1,49,204.92	3.07
%Share of T & C	**8.10**	**8.17**	

2. During July, 2025 imports of Cotton Raw & Waste increased by 39.43 % to $ 120.31 million, whereas textile yarn, fabric and made-ups imports increased by 11.86 % to $ 233.21 million. The details of imports in April-July, 2025 as compared to the same period of previous year are as under:

Value in US$ Million

Imports	Apr.-July 2024-25	Apr.-July 2025-26	% Change
Cotton Raw & Waste	238.30	388.22	60.81
Textile Yarn, Fabrics, Made-ups, etc.	765.50	853.08	11.44

3. According to a circular issued by the DGFT on 31st July, the previous requirement for exporters to obtain a Transaction Certificate (TC) from a Government-accredited body is no longer applicable to organic textile products. The decision effectively removes Para 4 of a previous policy circular, eliminating the need to submit this certificate "at the time of export."

4. The export obligation period against import of certain chemicals, which are subjected to mandatory QCOs by DCPC under Advance Authorisation has been extended from 6 months to 18 months by DGFT on 28th August, 2025.

5. A 50% additional tariff on exports to the US market might cause a $5 billion hit to India's textile and apparel exports on an annual basis. That means exports of these items to the US market will reduce by half, if these levels of tariffs persist. The additional tariff will apply over and above the most favoured nation (MFN) rates, and takes the applied rate to, say, 60.3% in the case of woven apparel.

In 2024-25, India's exports of textiles, made-ups, knitted and woven garments to the US markets stood at about $10 billion. The move has eroded India's competitiveness against key rivals like Bangladesh, Vietnam, and Sri Lanka, which face only a 20% tariff. The apparel sector will also suffer heavily. Knitted apparel exports worth $2.7 billion will face a 63.9 % tariff, while woven apparel worth the same value will attract 60.3 % duty. Made-ups, including bed linen and towels, will face a 59 % duty on $3 billion worth of exports.

6. International apparel buyers are canceling or suspending orders, thanks to Trump's 50 % tariff threat. How would India deliver decent returns to farmers on their cotton crop, if demand swoons in its biggest overseas market for shirts, trousers and T-shirts? Our Hon'ble Prime Minister wants his fellow citizens to buy things made with the "sweat of our people." But with a belligerent Washington threatening to upend a vast swathe of local factory jobs, there will be less money at home to buy domestically produced goods. Losing access to the US consumer may hurt India's farm economy more than slashing its 39 % average tariff on imported produce.

7. According to CRISIL, on home textiles and carpets, the US's new tariffs will cause sharp revenue and profit declines as the discretionary nature of these products limits the ability of retailers to pass through the additional costs to consumers. The US accounts for about 60% of India's home textile exports and 50% of carpet shipments. The ready-made garments sector, which derives 10-15% of its revenue from exports to the US, risks losing its competitiveness against manufacturers in China and Vietnam.

STATE OF INDUSTRY

1. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on 28th August, 2025, India's industrial production growth improved to 3.5 % in July, 2025. IIP for the manufacture of textiles was down by 1.4 % in July, 2025 as compared to July, 2024. IIP for wearing apparel was up by 3.2 % in July, 2025 as compared to same month of last year.

The details of IIP for the period April-July, 2025-26 as compared to those of same period of 2024-25 are as under:

Items	For the Month		Cumulative		Growth
	July 2024	July 2025	Apr-July 2024-25	Apr-July 2024-25	Apr-July 2025-26
General	149.8	155.0	150.9	154.4	2.3%
Textiles	109.1	107.6	106.9	106.2	(-)0.7%
Weaving Apparel	111.7	115.3	115.8	120.9	4.4%

2. NITI Aayog has constituted a Working Group on Circular Economy in Textile Waste to recommend measures for sustainable and environmentally sound management of textile waste in the country. The Working Group comprises key stakeholders from relevant Ministries, industry, academia, and municipal body. CITI is also a part of this working group.The Terms of Reference (TORs) of the Working Group are as follows:

- Distinction between End-of-life textile waste and used textile waste (textile waste that could be reused)
- Quantify the pre-consumer and post-consumer textile waste (used textile and end of life textile waste) – current and future
- Status of recycling/utilization of textile waste, potential for scaling up with current/future jobs and investments
- Mechanism for collection and recycling/processing of both pre-consumer as well as post-consumer textile waste
- Techno-economic feasibility of recycling/utilization of different types (fibers) of textile wastes

During the meeting, the task of preparing the report was assigned to M / s Grant Thornton, who will undertake the necessary study for its development.

3. In view of the requests from the industry stakeholders, Ministry of Textiles has decided to reopen the Production Linked Incentive (PLI) scheme portal for inviting fresh applications from interested companies under the PLI Scheme for Textiles for MMF Apparel, MMF Fabrics and products of technical textiles The application portal will remain open till 30th September, 2025..

4. Shri Giriraj Singh, Union Minister of Textiles, along with the Minister of State for Textiles and the Secretary, Ministry of Textiles, on 13th August, 2025 chaired a high-level meeting with leading stakeholders from the textiles and apparel industry to review the evolving global trade situation, including the recent announcement of reciprocal tariffs by the United States and to chart a confident, future-oriented strategy for the sector. The Union Minister underscored the need to diversify the export basket, enhance product competitiveness, and tap into new and under-served markets. India has signed **15 Free Trade Agreements (FTAs)** with partner countries whose combined textile import demand stands at **USD 198.9 billion.** The Minister urged exporters to actively explore the European Union market, which collectively imports textiles worth **USD 268.8 billion** more than twice the size of the US market. India is actively engaged in FTA negotiations with EU. The Minister highlighted that this moment presents an opportunity to deepen Atmanirbharta (self -reliance) by:

- Boosting domestic value addition;
- Advancing sustainable manufacturing practices;
- Strengthening India's global brand as supplier of high quality textiles;

The Union Minister announced the constitution of **four committees**, comprising industry representatives, to submit time-bound recommendations on:

- Diversification into new markets;
- Fiscal and ease of doing business measures;
- Structural reforms in the textile value chain;
- Enhancing cost competitiveness and innovation.

5. In a meeting at the Ministry of Textiles on 12th August, 2025, exporters urged for short-term financial relief and a moratorium on loan repayments to cushion the impact of soaring duties. Textile industry sought support from the Government al least to absorb 20-25 % tariffs hit from the US, so that they can retain the market share as US buyers have stopped placing fresh orders and are asking the Indian exporters to absorb the tariffs.

6. Workforce solutions and HR services provider Genius HR Tech founder, Chairman and Managing Director Shri R P Yadav estimates that 2,00,000 to 3,00,000 jobs are at immediate risk, with textiles alone, which is labour-intensive, potentially losing 1,00,000 jobs, if the tariff regime continues beyond the next six months.

7. As per CRISIL Intelligent, the imposition of higher tariffs by the US will significantly impact the micro, small and medium enterprise sector, which accounts for around 45 per cent of India's exports, while MSMEs in textiles, diamonds and chemicals are likely to be the most hit. In the textiles sector, the ready-made garments expected to lose ground in the US compared with peers like Bangladesh and Vietnam, which face lower tariffs.

8. The Indian textiles and garment industry has urged the Government to provide urgent relief as the additional 25 % punitive tariff imposed by the US will take effect from 27th August, 2025. This will push the total duties on Indian apparel exports to above 50%. Industry representatives warned the move poses an existential challenge, threatening millions of jobs and thousands of factories.

9. Madhya Pradesh Chief Minister Dr. Mohan Yadav on 14th August 2025 held a roundtable with international sourcing heads of leading apparel brands, sealing an MoU with the Brand & Sourcing Leaders' Association (BSL) boost investment in the State's textile sector.

TEXTILES IN PARLIAMENT

The following replies given in the present session of Parliament to questions raised by Members:

- Ministry of Textiles had constituted an Environmental, Social, Governance (ESG) taskforce, a multi-stakeholder platform, with the objective of identifying hotspots in the textiles value chain and relevant stakeholders and interventions needed to minimize the negative impact on the environmental and social front.
- Under SAMARTH as on 24th July, 2025 a total of 4,57,724 beneficiaries have been trained and 3,55,662 have been placed including 88 % women beneficiaries.
- Rs. 2,063 development plan for PM MITRA Park Madhya Pradesh has been approved, while a similar plan for Tamil Nadu worth Rs. 1,194 crore has been approved. In Madhya Pradesh Engineering, Procurement and Construction (EPC) package worth Rs. 773 crore inviting tenders was floated on 3oth June, 2025.
- ICAR-CICR has undertaken a number of collaborative initiatives such as development of practices for organic cotton production, release of seed varieties of naturally coloured cotton for commercial cultivation and augmenting production of organic naturally coloured cotton
- The Ministry of Textiles has announced an ambitious target of achieving Rs. 9 lakh crore in textile and apparel exports by the year 2030. This goal comes amid steady growth in the sector, with exports in 2024–25 recording a 5.2% rise over the previous fiscal year. The exports in last four years have been as under:

Value in USD Mn.

Export	**2022 -23**	**2023 -24**	**2024 -25**	**2025 -26 Apr-Jun**
T & A	34,997	34,072	35,988	8,927
Handicrafts	1,689	1,802	1,767	399
Total	**36,686**	**35,874**	**37,754**	**9,326**

- Out of the total procurement of 100.16 lakh bales under the Minimum Support Price (MSP) operations by Cotton Corporation of India during the 2024–25 cotton season, 71.54 lakh bales have been sold through e-auction as of 4th August, 2025, and unsold stock is 28.62 lakh bales.

Import of cotton during last four years have been as under:

Import of Cotton	**2021 -22**	**2022 -23**	**2023 -24**	**202 4-25 Oct.-May.**
Qty.Bales	21,13,274	14,59,396	15,19,675	27,09,648
Value Rs. Crore	10,354	6,029	5,483	7,830

• As per National Account Statistics, 2025, the average share of textile and apparel industry is approximately 2% of country's GDP and 11% of manufacturing GVA during the last three years. The sector contributes direct employment of more than 45 million. In order to generate employment opportunities in the textile sector, Government implements various schemes/ programmes like Samarth, NHDP, PM-MITRA Scheme, PLI Scheme for textile and others.

For Address

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