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M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWSLETTER OF
THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION

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ASSOCIATION NEWS

1. The Association submitted a Representation to the Additional Chief Secretary to the Chief Minister on 31st July, 2026, regarding exemption from provisions of Fire Safety Certificate under National Building Code, 2016. Detailed provisions with regard to Fire Safety already exist in the Factory laws read with Madhya Pradesh Factories Rules, 1962. Obtaining Fire Safety Certificate under National Building Code will increase the work pressure and costs on the industrial units. Fees have to be paid under factory related Rules and also National Building Code. This is also against the principles of 'Ease of Doing Business' of the Government and will discourage the industry and affect employment avenues. The Government of Gujarat has already exempted industrial units from the provisions of National Building Code in this respect.

2. The Chairman of the Association had a Meeting with Chief Secretary of the State on 5th August, 2026 and submitted a detailed Representation requesting the Government to adopt **long-term strategic initiatives and immediate reforms** to make Madhya Pradesh a **globally competitive Textile & Apparel destination,** driving investment, exports, employment, and rural prosperity, which included:

A. Seven transformational long term initiatives proposed:

- Plug & Play parks with incentives (50% investment assistance, Rs. 6,000/month per employee, 7% interest subsidy).
- Modernize traditional textile hubs (Chanderi, Maheshwar, Bagh, etc.) with design, branding, and export support.
- PPP projects on 500+ acre land parcels for sustainable agriculture and tourism.
- Promote regenerative, carbon-neutral cotton aligned with Kasturi Cotton.
- Encourage recycled and regenerative fibers (bamboo, hemp, silk, polyester, etc.)
- Centres of Excellence for AI, smart manufacturing, and skill development.
- Support MP industries in global expansion, technology acquisition, and exports.

B – Immediate Policy & Governance Reforms:

- Single Window Clearances via MPIDC, Monthly SLEC & CCIP meetings, Rationalized consent fees for air/water (based on Net Block), Exemption from duplicate fire certification, Flexible shifts & four-day work week.
- Flat power tariff of Rs. 6/unit, Reliable power supply, Worker housing with VGF support, Fire brigade upgrade in Pithampur, ESIC hospitals in clusters, Better public transport for workers, Eliminate double taxation.
- Kasturi Cotton Mission with farmer support, drone subsidy, bio-char initiative, Framework for sustainable cotton farming.
- Extend Export Promotion Policy-2025 benefits to all exporters, 2% incentive on incremental turnover.
- Safe, affordable girls' hostels near clusters, Strengthened last-mile public transport.

3. On 1st August, 2026 an MOU was signed between Shri B S Rajpal, Managing Director, Manjeet Cotton Pvt. Ltd. (our Member) and Executive Director, Cotton Textile Export Promotion Council (TEXPROCIL) for production of 30,000 bales of Long Staple Cotton and 10,000 bales of Extra Long Staple Cotton in the presence of Hon'ble Union Minister of Textiles, Shri Giriraj Singh. Congratulations.

RAW MATERIALS

1. The International Cotton Advisory Committee has released the 2026 World Cotton Trade Report on 28th July, 2026 which provides analysis of global cotton trade patterns, key trading relationships, import and export trends, and the geopolitical and policy developments shaping cotton trade flows. Among the major trends addressed in the report:

- Global cotton trade is estimated at 9.4 million tons in 2025-26, a 2 % increase over previous season and projected to reach 10.3 million tons by 2028-29.
- Brazil remained the world's largest cotton lint exporter in 2025-26, supported by record production, etc. and reduced availability of U.S. cotton in international markets.
- U.S. exports declined in 2025-26 but are projected to increase by 3% in 2026-27.
- China's imports are expected to recover strongly in 2025-26 after falling sharply in the previous season.
- Bangladesh remains one of the world's leading cotton importers.
- Vietnam continues to expand its role as a major cotton importer.
- India's cotton imports and consumption patterns are being shaped by policy changes, tariff measures, and expanding domestic textile demand.

In the 2026-27 season, global cotton production is projected to decline by 2% to 25.8 million tons, while consumption is expected to remain relatively robust at 25.5 million tons. Global cotton trade is entering a period in which supply constraints, inventory levels, policy decisions, and consumption trends will play an increasingly important role, while production challenges and geopolitical uncertainty remain significant, the medium-term outlook points to continued growth in trade as markets respond to stable consumption and shifting sourcing relationships.

Disruptions affecting shipments through the Strait of Hormuz are identified as one particularly important logistical concern.

2. As per USDA press release dated 12th August, 2026, Global cotton production in 2026-27 is projected at 117.6 million bales, approximately 4 % (4.3 million bales) below the previous year but marginally above the 5-year average of 116.8 million bales. For 2026-27, cotton production prospects for all major-producing countries are projected to decrease except for a slight increase from India. The countries that are projected to lead the global decline in 2026-27 are China, Australia, Brazil, the United States, and Pakistan. World 2026-27 cotton harvested area is forecast at 29.6 million hectares (73.2 million acres), about 4 % below the 5-year average. The 2026-27 global cotton yield is forecast at 865 kilograms (kg) per hectare (772 pounds per acre), down from last year's record of 904 kg.

Global cotton mill use in 2026-27 is forecast at 122.9 million bales, nearly 2 % above the 2025-26 estimate and the highest since the Corona virus (COVID-19)-related rebound in 2020-21. In 2026-27, global cotton mill use is expected to rise for the fourth consecutive year, with most major cotton-spinning countries—led by China, India, and Pakistan—expected to increase their mill use of cotton from 2025-26. China and India remain the leading cotton-consuming countries and together are forecast to account for 34 % and 22 %, respectively, of the global total.

Million 480 Pound Bales

World	2024 -25	2025 -26	2026 -27
Opening Stock	73.55	74.80	74.80
Production	119.53	121.97	117.63
Consumption	119.11	120.89	122.92
Export / Import	42.43	45.56	43.82
Closing Stock	74.80	74.80	69.69

3. As per USDA report dated 12th August, 2026, India is forecast to be the only major cotton producing country to increase its production in 2026-27. At 24.0 million bales, up 1% (200,000 bales) from last year, the production increase is the result of a rebound in area harvested that more than offsets a decline in yield. India's harvested area is estimated at 11.5 million hectares in 2026-27, an increase of 300,000 hectares (3 %) from last year. The national yield (454 kg per hectare) is expected to decline 2% (9 kg per hectare) from 2025-26 to its lowest in 3 years. India's cotton mill use is projected at 26.5 million bales (up 2 % or 500,000 bales) in 2026-27 and is forecast 5 % above the 5-year average.

4. Cotton sowing in India reached 108.80 lakh hectares as of 28th August, 2026, down 0.43 lakh hectares during the corresponding period last year.

5. Shri Lalit Kumar Gupta, Chairman and Managing Director of Cotton Corporation of India (CCI) on 21st August, 2026 speaking at the Bi-Annual Cotton Conference organised by the Indian Cotton Federation stated that India has the scale as it is one of the top five cotton producers. But, its production does not meet the consumption needs. “Our objective should be clear – to be a globally competitive producer.” For this productivity is important. Under the Mission on Cotton, about five lakh hectares are targeted in the first year to increase productivity. In a high density planting tried on 25,000 hectares, the yield achieved is 15 quintal of seed cotton per acre. CCI procured 105 lakh bales of cotton from the market this cotton season and has sold 94 lakh bales.

POWER

The M P Power Management Company has advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ 4.59 % on energy charges only for one month commencing from 24th August, 2026.

MANPOWER

1. The State Government notified on 10th August, 2025 “The Madhya Pradesh Code on Empowering Work spaces (Shram Shakti Sanhita), 2026”. The date of applicability of the same would be notified separately.

2. The Ministry of Labour & Employment has Notified on 25th August, 2026 that every employee whose monthly wage exceeds Rs. 7,000 p.m., Bonus payable to him must be calculated Rs. 7,000 p.m. or the minimum wage fixed by the Central Government, whichever is higher and every employee drawing wages not exceeding Rs. 21,000 p.m. shall be paid Bonus. This Notification shall be deemed to have come in to force from 21st November, 2025.

LEGAL & TAXATION

1. The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2026, was passed by the Parliament on 7th August, 2026.The amendments in the MSMED Act have been done to strengthen the legal framework governing the development of MSME sector, improving the ease of doing business, creating an enabling business environment through de-criminalization, providing institutional mechanism for promotion of MSMEs and addressing delayed payment issues faced by the Micro and Small Enterprises.

2. In the matter of Bhandari Scrap Traders vs Union of India– Supreme Court of India, (SLP (C) Nos. 23931, 24088 & 24103 of 2026) decided on 24th July 2026, Hon'ble Supreme Court upheld constitutional validity of Section 16(2) (c) of the CGST Act; ITC can be denied, where supplier fails to deposit tax, with recipient entitled to re-avail credit upon subsequent payment by supplier.

3. The Central Board of Indirect Taxes & Customs issued a Circular No. 36/2026-Customs on 20th August, 2026 regarding procedure to be followed in respect of return of export cargo from international waters due to closure of the Strait of Hormuz.

4. The Madhya Pradesh Government Notified on 20th August, 2026, “The Madhya Pradesh Ease of Doing Business Act, 2026”. This Act provides for facilitating establishment, expansion and operation of enterprises providing time bound and transparent regulatory clearance through Single Window System.

EXPORT & IMPORT

1. The Ministry of Commerce released information relating to exports for July, 2026 on 13th August, 2026. Apparel exports drag India's textile and clothing exports despite growth in textile shipments.

- During July, 2026, Indian Textiles exports registered a growth of 5.94% over July, 2025, while Apparel exports registered a significant de-growth of 4.48 % during the same time period.
- Cumulative Exports of Textiles and Apparel during July, 2026 have registered a growth of 1.44 % over July, 2025.
- During April-July, 2026, Indian Textiles exports registered a growth of 5.38 % over the previous period, while Apparel exports registered a de-growth of 10.52 % during the same time.
- Cumulative Exports of Textiles and Apparel during April-July, 2026 registered a de-growth of1.84 % as compared to April-July, 2025.

The details of textile and apparel exports during the months of April-July, 2026 as compared to exports in April-July, 2025 are as under:

Value in US$ Million

Exports	**April-July, 2025-26**	**April-July, 2026-27**	**Change %**
Cotton Yarn, Fabrics, Made-ups & HandloomProducts	3,880.67	4,072.23	4.94
MMF Yarn,Fabrics, Made-ups, etc.	1,589.05	1,603.44	0.91
Jute Products	126.12	108.71	(-)13.80
Carpets	503.83	505.17	0.27
Handicrafts, etc	551.71	719.88	30.48
Textiles	**6 651.38**	**7,009.43**	**5.38**
Apparel	**5,531.09**	**4,949.28**	**(-)10.52**
Textiles & Apparel	**12,182.47**	**11,958.71**	**(-)1.84**
All Commodities	1,48,475.19	1,73,780.25	17.04
% Share of T & C	**8.21**	**6.88**	

2. Imports of cotton (raw and waste) increased by 46.01 % in July, 2026 compared to July, 2025. Imports of Textile yarn, Fabric, Made-ups also increased by 1.64 % in July, 2026. The details of imports in April-July, 2026 as compared to the same months of previous year are as under:

Value in US$ Million

Imports	April-July, 2025-26	April-July, 2026-27	Change %
Cotton Raw & Waste	383.22	588.75	53.63
Textile Yarn, Fabrics, Made-ups, etc.	853.14	844.66	(-)0.99

3. The Directorate General of Foreign Trade (DGFT) issued Notification No. 27/2026-27 on 5th August, 2026 for the Inventory-based Cross-border E Commerce Facilitation Framework under the Foreign Trade Policy (FTP) 2023 and operational guidelines under the Handbook of Procedures (HBP), with immediate effect.

4. DGFT vide Trade Notice No. 15/2026-27 dated 5th August 2026 removed the requirement for exporters to submit physical duty payment challans when applying for Export Obligation Discharge Certificates (EODC) under the Advance Authorisation (AA) and Export Promotion Capital Goods (EPCG) schemes. For voluntary duty payments made on or after 1st August, 2026, exporters will no longer need to submit physical challans with applications for closure of authorizations.

5. DGFT vide Trade Notice No. 17/2026-27 dated 7th August, 2026 issued operational modalities for Institutional Transition of Implementing Agency from the Reserve Bank of India (RBI) to the Export-Import Bank of India (EXIM Bank) for the Interest Subvention Support for Pre- and Post-Shipment Export Credit under Export Promotion Mission (EPM)–Niryat Prothsahan.

6. DGFT eased rules governing rupee-based export transactions, allowing Indian exporters greater flexibility to invoice overseas sales and receive payments in rupees or foreign currencies, while giving eligible rupee receipts the same treatment as foreign-currency earnings for trade-policy benefits vide Notification No. 30/2026-27 dated 20th August, 2026.

7. DGFT issued a Trade Notice No. 24/2026-27 dated 31st August, 2026 regarding Automated issuance of Free Sale and Commerce Certificates (FSC).

8. The elimination of 12 % duty disadvantage under the India-UK Free Trade Agreement positions domestic textile and apparel exporters to capture up to $1 billion in incremental shipments. Currently holding a 6.9 % share of the UK's textile import market - where India shipped $2.2 billion in financial year 2025-26 - domestic manufacturers stand to expand their footprint to 10 %.

9. According to the latest trade data released from the Office of Textiles and Apparel (OTEXA), India's textile and apparel (T&A) exports to the US fell sharply during the first half (H1) of 2026, with shipment value declining by about $1.25 billion, or 23.3 %, from the corresponding period of 2025. US textile and apparel imports from India dropped to around $4.10 billion during January-June, 2026 from $5.35 billion a year earlier. The steep decline came against the backdrop of tariff-related uncertainty that affected Indian suppliers during part of the order-placement cycle for goods arriving in the US in H1 2026.

10. As per International Cotton Advisory Committee World textile exports increased from approximately $560 billion in 2006 to $914 billion in 2025. Knit garment exports nearly doubled over the period, rising from $145.2 billion to $289.1 billion, while woven garment exports increased from $158.5 billion to $257.7 billion. China remains the world's dominant textile and garment exporter, but Bangladesh and Vietnam have emerged as major global suppliers. Bangladesh rose from 14th place among textile exporters in 2006 to second in 2025, while Vietnam climbed from 21st to third. Together with China, the three countries accounted for approximately 44% of world textile exports in 2025. The United States remains the world's largest textile importer, but its share of global imports fell from 18.9% in 2006 to 13.7% in 2025. A wider range of markets in Europe and Asia have gained importance, creating an increasingly multi-destination global textile market.

STATE OF INDUSTRY

1. The Ministry of Statistics and Programme Implementation (MoSPI) released the All India Index of Industrial Production (IIP) for July, 2026 with base year 2022–23 on 28th August, 2026. The IIP growth rate for the month of July, 2026 is 7.3 % as compared to July, 2025:

Items	For the Month		Cumulative		Growth
	July, 2025	July, 2026	Apr.-July 2025-26	Apr.-July 2026-27	Apr- July 2026%
All India (Mfg.)	118.7	127.4	115.3	123.4	7.0
Textiles	130.4	135.5	122.0	136.0	11.5
Wearing Apparel	96.5	95.9	100.1	94.9	- 5.2

2. According to a report by 360 ONE Capital, cotton spinning had one of its better quarters in the last 2-2.5 years, supported by healthy demand, high utilisation and materially improved yarn spreads. India's earlier disadvantage on cotton prices compared with international markets has also narrowed, while capacity closures and limited additions have improved the industry's demand-supply balance. Indian yarn exports rose from around 95-97 million kg per month to around 110 million kg, largely led by China, with demand expected to sustain. Demand sustainability and the ability to absorb higher cotton costs will remain crucial.

3. India Ratings and Research (Ind-Ra) believes the UK-India Free Trade Agreement (FTA) offers a strong medium-to-long-term growth opportunity for India's textile industry, potentially opening up almost $1 billion in incremental export opportunities. Though this will enhance export competitiveness and market share in the United Kingdom, the extent of the benefits will depend on how effectively Indian textile companies expand capacity, manage costs, meet compliance requirements and maintain financial discipline. India's share of the UK textile import market is only about 6.9%, indicating significant headroom for growth. As a result, the FTA should benefit Indian exporters more than UK suppliers, supporting export expansion without materially impacting domestic manufacturers.

4. As per Crisil Ratings India's cotton yarn sector is projected to recover during financial year 2026-27, with improved business conditions on the back of rising global demand, easing trade-related disruptions and expanding export opportunities. Industry revenues are expected to increase by 9-11% in 2026-27, according to assessment of 70 spinning companies. The projected growth is expected to be supported by a 6-8% increase in yarn realisations along with a 2-4% rise in sales volumes. Export revenues are projected to grow by 12%-14%, increasing exports' contribution to total industry revenue to around 31% from 28% in the previous fiscal. A significant rise in shipments to China, the world's second-largest cotton yarn market, is expected to support this trend.

5. According to Dr. Gurudas Aras, India's position should be assessed relative to competing exporters rather than by looking at the tariff in isolation. According to the analysis, India shares the same 10% additional US tariff with major textile exporters such as Bangladesh, Cambodia, Pakistan and Indonesia, while China continues to face a substantially higher overall U.S. tariff burden, allowing India to retain an advantage across several product categories. However, Bangladesh, Cambodia, Indonesia and Malaysia continue to benefit from tariff-rate quota arrangements linked to the use of U.S.-origin cotton and fibre—an advantage India does not enjoy. These preferential sourcing arrangements strengthen the competitiveness of these countries despite their being subject to the same additional tariff.

6. Parliamentary panel urged stronger policy and financial support for textiles. Recommendations include:

- Diversification into technical textiles, man-made fibres (MMF), sustainable textiles, and high-value apparel.
- Faster rollout of PM MITRA Parks, PLI Scheme, and Samarth Scheme.
- Strengthening support available under the Remission of Duties and Taxes on Exported Products (RoDTEP), Rebate of State and Central Taxes and Levies (RoSCTL), Interest Equalisation Scheme and other export promotion measures.

- Relief programs for MSMEs affected by US tariffs, warehousing hubs in the US, and faster customs corridors in India.
- Special focus on supporting carpet and handloom exporters with branding, GI promotion, and design innovation.

7. NITI Aayog released on 13th August, 2026 its Report "Roadmap to Make India a Global Textile Giant". It reaffirmed India's potential to emerge as a global powerhouse in textiles. Achieving the ambitious target of $100 billion in textile exports by FY 2030 will require a significant strategic shift. The Report has identified the following priorities:

- Improve raw material competitiveness by addressing MMF feedstock constraints, improving cotton productivity and quality, and rationalising duties.
- Promote scale through infrastructure support for upgradation, MSMEs, larger technology weaving and processing capacities,
- Expand market access through deeper trade integration and targeted FTAs.
- Enhance productivity through workforce skilling, labour welfare measures, and technology adoption.

8. The International Textile Manufacturers Federation (ITMF) has published the results of its 39th Global Textile Industry Survey (GTIS), conducted from 14th to 22nd July, 2026. Worldwide, 10% of participants rated their business situation as good, 53% as satisfactory and 37% as bad — a balance of 26pp, down from -17pp in May, but still well above the 2023 lows. Order intake dropped to -27pp from -9pp in May. The average order backlog eased to 2.3 months and global capacity utilization slipped to 71%. Weak demand and geopolitics remain the industry's leading concerns for 56% and 46% of the respondent, respectively, while raw material prices, energy costs and tariffs have all receded — tariffs to just 10%, down from a peak of 40% in September, 2025. Order cancellations fell to 2% globally, and the inventory index improved despite still being under average, with stocks accumulating downstream at brands and retailers while upstream segments stay lean.

9. Madhya Pradesh received investment proposals worth Rs. 8,635 crore across various sectors during the Investment Dialogue held in Ahmedabad, Gujarat on 12th August, 2026, which included two proposals for investment in Textile Sector:

Name	Investment	Employment
Raghav Woven LLP	Rs. 250 crore	400
Shraddha Spun Pvt. Ltd.	160 crore	600

TEXTILES IN PARLIAMENT

Some of the important information given in the Parliament in reply to various questions raised by Members is as under:

1. As on date, a total of 170 companies have been approved for participation under the PLI Scheme for Textiles, which include MMF Apparel 43 companies, MMF Fabric 38 companies and Technical Textiles 89 companies. Further, 225 products have been notified in MMF Apparel, MMF Fabrics and Technical Textiles segments in the scheme.

2. The grants provided to start-ups under NTTM are aimed at promoting innovation, commercialization of indigenous technologies, and the development of value-added technical textile products. The anticipated economic impact of these grants is fundamentally driven by robust collaborations between the supported start-ups and established industry partners. By fostering strong synergies between innovators and industry stakeholders for prototype development, field trials, and market launches, the scheme ensures market-ready commercialization. Under NTTM, a total of 31 start-ups have been approved at a total cost of Rs 15.40 crore, of which Rs 13.65 crore is the Government of India share.

3. The Mission for Cotton Productivity (KAPAS KANTI) was approved by the Government on 5th May, 2026 with an overall outlay of Rs. 5,659.22 crore for a period of five years (2026-27 to 2030-31). Of this, Component-I(A) implemented by the Department of Agricultural Research and Education (DARE) has an outlay of Rs. 555.05 crore and Component-I(B) implemented by the Department of Agriculture and Farmers Welfare (DA&FW) has an outlay of Rs. 3,804.17 crore. Components-II and III, implemented by the Cotton Corporation of India and the National Jute Board under the administrative control of the Ministry of Textiles, have approved outlays of Rs. 1,000 crore and Rs. 300 crore, respectively.

4. India's exports of textiles and apparel, including handicrafts, registered a Compound Annual Growth Rate (CAGR) of about 4.5% during the period from 2019–20 to 2025–26, increasing from Rs. 2,49,250 crore in 2019–20 to Rs. 3,25,339 crore in 2025–26. The year-wise details of exports of textiles and ready-made garments including handicrafts from 2021-22 to 2025-26 are mentioned below:

Value Rs. in Crore

Year	2021-22	2022-23	2023-24	2024-25	2025-26
India	33130	294289	297004	319573	325339
M P	15711	10798	11510	11749	11752

Madhya Pradesh stood at Rank 9th in top ten States exporting textiles and readymade garments in 2025-26.

For Address

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