

PROCURE INDIA

A Monthly Newsletter Dedicated to International Trade & Commerce



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Editor Note

Welcome to the May 2025 edition of Procure India. As India cements its role as a global trade powerhouse, this issue captures the pulse of a nation on the rise.

Our lead story celebrates the leather and footwear sector's 25% export surge, set to hit USD 6.5 billion by FY26, fueled by agile supply chains and sustainability. We also unpack the Proof of Origin regulatory shift, enhancing transparency in India's FTAs, and the 700% growth in inland waterways, revolutionizing logistics.

India's green exports, now at USD 25 billion, shine in our Advantage India feature, while cargo insurance emerges as trade's silent shield. The ready-made garment industry, led by Arvind Limited, weaves innovation into a USD 110 billion success story. I Was A Sari inspires with its sustainable fashion revolution, empowering women globally.

Join us at the International Travel & Tech Expo and India Med Expo in May to connect and innovate. India's trade journey is bold and unstoppable—thank you for being part of it.

From the Desk of CEO

Dear Readers,

As I pen this note for the May 2025 edition of **Procure India**, I am struck by the dynamism with which India is asserting itself in the evolving architecture of global trade. We are no longer just participants, we are architects of change. In a world where the only constant is disruption, India's ascent is not reactionary, it is deliberate, strategic, and future-forward.

The prevailing global market conditions, punctuated by geopolitical shifts, volatile tariffs, and the growing mandate for sustainability, demand more than agility; they demand audacity. From where I sit, the message is clear: **India is not merely responding to global headwinds; it is redefining the route map.**

Consider the 10% tariff hike by the United States. While many economies recalibrate in caution, India is transforming pressure into possibility. **Our leather and footwear exports, already up by 25% to USD 5.7 billion, are poised to cross USD 6.5 billion by FY26.** This momentum is no accident, it's the result of smart policy, sharper supply chains, and a mindset that sees in every disruption an opportunity to lead.

Policy innovation is meeting executional excellence. The rollout of the **new Proof of Origin framework in March 2025 is not just a compliance measure, it is a statement of integrity.** At a time when origin fraud is clouding global trade, India is choosing transparency, and in doing so, strengthening the credibility of its FTAs.

Simultaneously, **the silent revolution in logistics continues. A 700% rise in inland waterways cargo movement over the past decade isn't just a statistic, it's a reimagining of how goods flow in and out of the country.** Lower costs, reduced emissions, and faster delivery cycles are now intrinsic to our export narrative.

Sustainability is no longer a footnote in India's trade strategy, it's the headline. **From solar modules to organic textiles, India's green exports have touched USD 25 billion, underlining our potential to become a global sustainability hub.** Our exporters are not just selling products; they're selling values. And with cargo insurance mechanisms becoming more robust, India's march toward the USD 500 billion trade mark is both bold and protected.

Innovation continues to be the soul of this progress. Look no further than Arvind Limited, whose forward-thinking practices are powering a USD 110 billion ready-made garment industry that balances tradition with ESG benchmarks. Or **I Was A Sari, a brand that exemplifies India's circular economy potential by transforming pre-loved textiles into fashion while empowering thousands of women.**

This edition of **Procure India** distills these undercurrents and inflection points into actionable insights. It is designed not just to inform but to inspire.

I urge all stakeholders, buyers, sellers, policymakers, and thought leaders, to engage deeply at upcoming events like the **International Travel & Tech Expo** and **India Med Expo**. These are not just exhibitions; they are arenas where India's next trade chapters will be written.

**India's moment is here. Let us not just witness it—let us shape it.
With vision and resolve**



Alouk Kumar - CEO, Inductus



Market Trends: An Overview

Decoding the Tariff War: How Trump Reshaped Global Trade Dynamics



On April 2, 2025, the world awoke to a tectonic shift in global commerce as President Donald Trump unleashed his most audacious economic policy yet: a sweeping tariff regime dubbed “Liberation Day.”

With a 10% baseline tariff on all U.S. imports, a staggering 145% levy on Chinese goods, and 25% duties targeting Canada and Mexico, Trump’s second-term trade strategy has sent shockwaves through markets, supply chains, and diplomatic corridors. Promising to restore American manufacturing and curb trade imbalances, this tariff war has redefined global trade dynamics, but at what cost? In true Economic Times fashion, we unpack the strategy, the fallout, and the road ahead with precision and insight.

◆ Retaliation and Geopolitical Chess

Trading partners didn’t sit idle. China slapped 125% tariffs on U.S. exports and curbed rare earth supplies, hitting America’s tech and defense sectors. Canada targeted \$20 billion in U.S. goods (with plans for \$85 billion more), while Mexico, 80% dependent on U.S. trade, readied surgical retaliatory duties.

The EU, wielding €26 billion in tariffs on U.S. bourbon, motorcycles, and chemicals, urged a united front against China instead of transatlantic spats. Retaliation is politically calibrated. Canada’s duties hit U.S. agricultural exports, squeezing swing states like Iowa. China’s tariffs target Trump’s rural base, a tactic honed in 2018–2019.

This tit-for-tat spiral risks a “deglobalized” trade order, with the U.S. losing market share to nimbler rivals like Mexico and Vietnam.



◆ The Blueprint: Tariffs as Economic Leverage

Trump's tariff playbook is rooted in a conviction that trade barriers can revive domestic industries and assert U.S. economic dominance. His first term (2017–2021) saw tariffs on \$380 billion of Chinese imports, steel, and aluminum, which a 2023 U.S.

International Trade Commission report credited with boosting U.S. production while keeping consumer price hikes modest. Emboldened, Trump 2.0 has gone bigger, leveraging the International Emergency Economic Powers Act (IEEPA) to impose:

- **10% Universal Tariff:** Covering \$3.2 trillion in annual U.S. imports.
- **China-Specific Tariffs:** Escalating to 145% on \$500 billion in goods, targeting electronics, textiles, and more.
- **North American Tariffs:** 25% on Canada and Mexico, tied to fentanyl smuggling and migration concerns, with exemptions for USMCA-compliant trade.
- **Reciprocal Tariffs:** Rates like 20% (EU), 46% (Vietnam), and 32% (Taiwan), mirroring perceived foreign trade barriers.

The effective U.S. tariff rate has surged from 2.5% to an estimated 27%, a level unseen since the Smoot-Hawley Tariff Act of 1930. Trump's stated goals? Slash the \$971 billion U.S. trade deficit, bring manufacturing jobs home, and pressure allies on security and trade concessions.

◆ Market Mayhem and Economic Ripples

The announcement of "Liberation Day" triggered a global market bloodbath, with \$2 trillion in stock market value evaporating in days. A surprise 90-day tariff pause on April 9 (excluding China) sparked a record rally, but volatility remains a hallmark. The economic toll is multifaceted:

- **Consumer Hit:** Tariffs are projected to add \$1,300 annually to U.S. household costs. A \$1,200 iPhone could retail for \$2,300 if manufacturers pass on costs.
- **Supply Chain Crunch:** Chinese cargo shipments to the U.S. plummeted 60%, threatening shortages in retail, logistics, and trucking.
- **GDP Drag:** Economic models forecast a 1% U.S. GDP reduction and a 1.2% drop in after-tax income over a decade, factoring in retaliation.
- **Job Paradox:** While manufacturing may gain 200,000 jobs (per Moody's), losses in retail and logistics could offset gains.

Small businesses, reliant on imported inputs, face a grim outlook, with 60% of surveyed U.S. retailers anticipating price hikes or layoffs.

◆ Strategic Wins and Hidden Costs

Trump's tariffs aim for strategic wins:

- **Manufacturing Revival:** Steel and auto sectors saw job gains in 2018–2020, and 2025 tariffs could add \$50 billion to U.S. output.
- **Geopolitical Leverage:** Tariffs pressure Mexico and Canada on migration and drug trafficking, while challenging China's trade dominance.
- **Supply Chain Security:** Reducing reliance on Chinese semiconductors and pharmaceuticals bolsters national resilience.

Yet, the costs are steep. The Center for American Progress warns of U.S. firms being “frozen out” of global markets. Policy U-turns—like the April 9 pause—have spooked investors, with the S&P 500's volatility index spiking 30%.

The World Trade Organization, already critical of Trump's first-term tariffs, faces new complaints from China, signaling legal headwinds. Most critically, allies like the EU and Japan are pivoting to alternative trade networks, with Mexico's auto exports and French aerospace gaining ground.

◆ Rewiring Global Trade

The tariff war is reshaping trade flows:

- **U.S.-China Decoupling:** Bilateral trade, already down 15% since 2018, faces further contraction. China's global trade share rose 4% since 2016, while the U.S.'s fell 2%.
- **Regional Fallout:** Canada and Mexico, with 70% of GDP tied to U.S. trade, face GDP risks of 8–16%.
- **Supply Chain Shifts:** Firms like Apple and Tesla are diversifying to India and Southeast Asia, raising costs but reducing U.S. exposure.
- **Currency Plays:** A weaker Chinese yuan (down 5%) and Mexican peso (down 7%) cushion export losses, blunting tariff impacts.

A University of Cambridge study predicts trade networks “rewiring” to bypass the U.S., with Asia and Europe forging tighter links. This could erode America's role as the global trade hub, a shift one analyst called “a slow-motion economic realignment.”

◆ Navigating the New Normal

With the 10% baseline tariff and China-specific duties locked in, businesses must adapt:

- **Diversify Sourcing:** Shift to suppliers in India, Vietnam, or USMCA partners to skirt tariffs.
- **Price Strategically:** Absorb costs where possible or pass them on selectively to preserve margins.
- **Exploit Exemptions:** USMCA compliance can shield North American trade from 25% duties.

Treasury Secretary Scott Bessent's ongoing talks with trading partners aim to replace tariffs with trade concessions, but timelines are murky. A prolonged tariff regime could cement a fragmented global economy, with the U.S. at risk of ceding influence to China's Belt and Road networks.



The Big Picture: Triumph or Trap?

Trump's tariff war is a high-stakes bet on American exceptionalism. If successful, it could revitalize U.S. industry, secure supply chains, and force fairer trade terms. But the risks, economic pain, allied estrangement, and a diminished global role loom large.

As one trade expert put it, *"Trump's tariffs are a sledgehammer where a scalpel was needed."* With global trade at an inflection point, the world watches to see if America's gambit pays off or backfires.

In this era of economic brinkmanship, one thing is clear: the rules of global trade have been rewritten, and the fallout will shape markets and geopolitics for years to come.

The Critics' Case: A High-Stakes Gamble

Skeptics argue Trump's tariffs are a miscalculation:

- **Inflation Trap:** Rising input costs could fuel 4–5% inflation, squeezing the Federal Reserve.
- **Allied Alienation:** Unilateral tariffs strain NATO and USMCA ties, weakening collective leverage against China.
- **Execution Flaws:** The administration's limited pre-tariff talks with China and lack of contingency plans amplify risks.

The New York Times flagged "strategic drift," noting Trump's team underestimated retaliation and supply chain chaos.

Economists warn that sustained tariffs could shrink global GDP by 2%, with the U.S. bearing outsized losses.



India's Leather and Footwear Exports **Achieve 25% Growth, Projected to Exceed USD 6.5 Billion by FY26**

In a testament to India's growing dominance in global trade, leather and footwear exports witnessed an impressive 25% year-on-year surge in FY2024-25, touching a formidable USD 5.7 billion. Riding high on robust global demand and strong order books, the sector is now expected to breach the USD 6.5 billion mark in FY2025-26, significantly outpacing the Department of Commerce's target.

Despite formidable headwinds—including global inflationary pressures and a 10% hike in import tariffs by the United States—Indian exporters have managed to retain their competitive edge. Strategic discounting, agile supply chains, and resilient buyer relationships helped maintain continuity in orders and avoid cancellations.



According to the Council for Leather Exports (CLE), the US, UK, and other developed markets continue to be key growth drivers. "We are witnessing renewed interest from global brands as India positions itself as a reliable and sustainable sourcing destination," said a senior CLE official.

◆ **A Strategic Sector with Economic Depth**

The leather and footwear industry is one of India's most labor-intensive sectors, employing over 4.2 million people across the value chain. With a total industry turnover of USD 19 billion, the sector holds significant promise—not just as an export engine but also as a pillar of domestic economic development.

The roadmap ahead is ambitious. The CLE has projected a doubling of the sector's turnover to USD 39 billion by 2030. This includes USD 25 billion from domestic sales and USD 13.7 billion from exports, aided by increasing global appetite for value-driven, sustainably sourced products.



Policy Tailwinds and Global Partnerships

The government's policy support is playing a catalytic role. The Union Budget 2025 introduced a Focused Product Scheme under which key raw materials like Wet Blue and crust leather have been granted full customs duty exemptions. The initiative is poised to generate an additional 2.2 million jobs and further incentivize value-added manufacturing.

Industry insiders also hint at growing foreign investor interest, particularly from Chinese firms looking to partner with Indian manufacturers amid shifting geopolitical dynamics and the China+1 sourcing strategy.

Further, India is pushing for a “zero-for-zero” duty arrangement with the US in ongoing bilateral trade discussions—a move that could open the floodgates for increased export volumes to one of India's largest markets.



The Road Ahead: Competitive, Sustainable, Scalable

To capitalize on the current momentum, stakeholders stress the need for enhanced investment in infrastructure, design innovation, and sustainability compliance. The industry is also actively engaging in skill development and digitization to meet global standards and customer expectations.

“With rising global scrutiny on traceability and environmental footprint, Indian exporters must now align with international best practices not just in production, but also in ESG compliance,” noted an industry analyst.

India's leather and footwear sector has never been better positioned to lead a new wave of export growth. As markets diversify and the global supply chain reorients, India's blend of scale, skill, and sustainability could make it the next global manufacturing hub for premium leather goods and footwear.



Regulatory Updates

New Era in Imports: India Adopts 'Proof of Origin' to Streamline FTA Benefits

In a **decisive** regulatory shift aimed at tightening compliance and curbing misuse of trade agreements, the Indian government has amended the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020. Effective March 18, 2025, the term Certificate of Origin (CoO) has been officially replaced with Proof of Origin (PoO) across all applicable FTAs.

This move, subtle in language yet significant in its implications, marks a paradigm shift in how India governs the authenticity of imports claiming preferential duty treatment under its network of bilateral and multilateral trade agreements.



◆ Why the Change?

India's Free Trade Agreements, while instrumental in promoting global commerce, have also seen rising instances of origin misuse—where goods are rerouted or repackaged to falsely qualify for concessional tariffs. By transitioning to the more comprehensive term Proof of Origin, the Central Board of Indirect Taxes and Customs (CBIC) has broadened the scope for verification beyond the traditionally issued CoO documents.

“This change empowers customs authorities with a wider lens to assess origin claims and helps align India’s trade practices with globally accepted standards like the EU’s REX system and the USMCA self-certification model,” said a senior trade official at the Ministry of Commerce.



What Does 'Proof of Origin' Mean?

Unlike a **Certificate of Origin**, which is usually issued by a government-authorized agency of the exporting country, Proof of Origin can include:

- Self-declarations by approved exporters
- Digital documentation as per the specific FTA's requirements
- Any other form of origin evidence permitted by the trade agreement

The **amendment** enables Indian customs to demand supplementary documents, perform deeper assessments, and verify origin claims independently, thus minimizing scope for fraudulent declarations.

Implications for Businesses

For Importers: Importers now bear a greater responsibility in substantiating origin claims. Failure to produce valid PoO documents or respond satisfactorily to queries may result in denial of FTA benefits, recovery of duties, and potential penalties.

For Exporters: Exporters from FTA partner countries must become familiar with India's updated requirements and provide PoO documents that satisfy both their home regulations and India's customs expectations. This may necessitate investments in digital compliance systems and closer coordination with importers in India.

Boosting Trust and Transparency in Trade

India's shift to Proof of Origin is not merely an administrative update; it reflects a broader strategy to build a more transparent, efficient, and fair trading ecosystem. With over a dozen FTAs in operation—including pacts with ASEAN, Japan, South Korea, and the UAE—the integrity of these agreements is critical to ensuring long-term trade sustainability.

Moreover, this aligns with India's push to make customs processes more technology-driven and data-centric. The government is expected to introduce a digitized portal for origin verification, reducing physical paperwork and enhancing traceability.

Way Forward: A Strategic Compliance Culture

Stakeholders must now pivot from a documentation-first approach to a compliance-by-design framework. Legal teams, supply chain managers, and trade professionals need to proactively train staff, audit processes, and engage with regulators to ensure seamless adherence to the new PoO regime.

The shift also serves as a signal to India's trading partners: while India welcomes liberalized trade, it demands accountability, traceability, and good-faith practices in return.

India's transition to Proof of Origin is a forward-looking reform that strengthens the foundations of its trade policy. As the country sharpens its edge as a global trade hub, regulatory clarity and robust enforcement will remain central to unlocking the full potential of its FTAs.

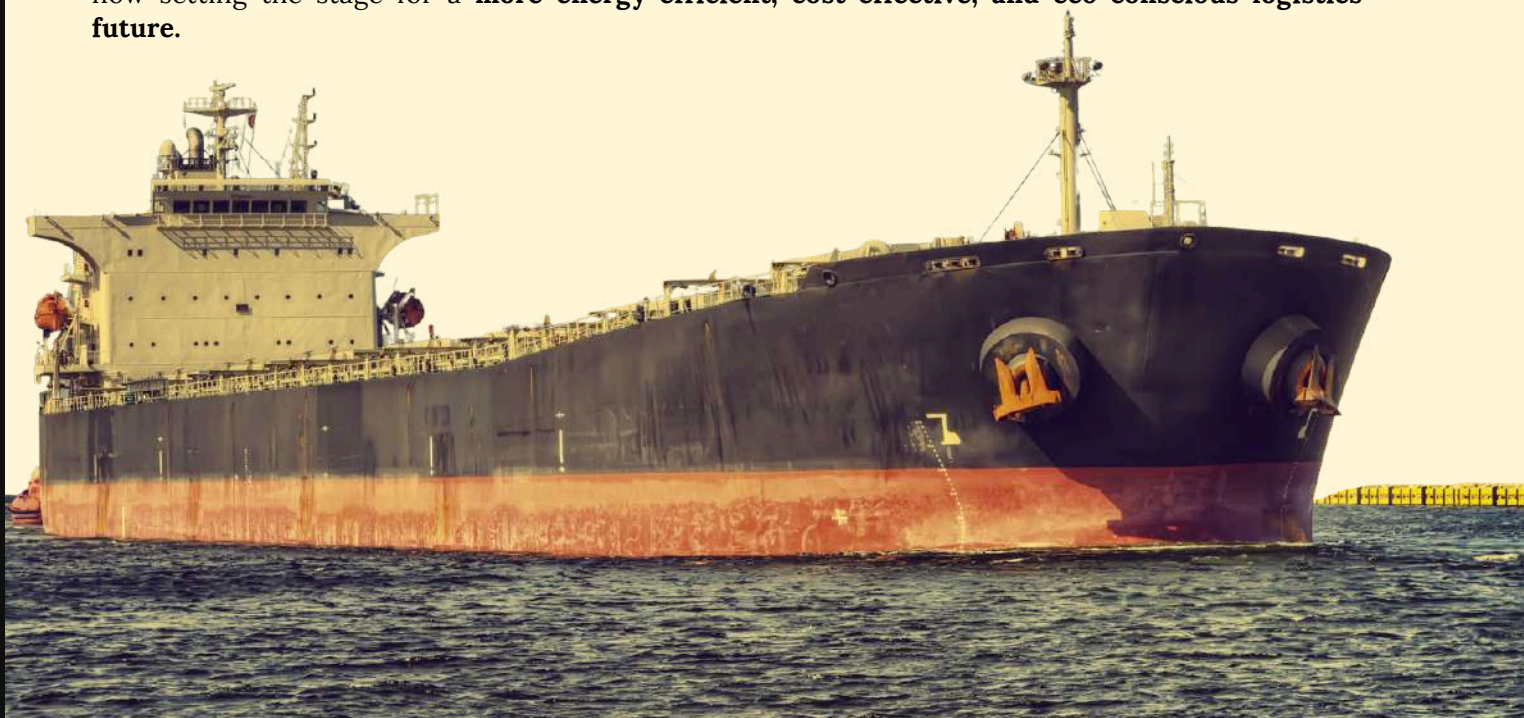


Logistics Spotlight: Shipping & Freight

India's Inland Waterways Surge: **700% Growth in a Decade**

In a defining moment for India's multimodal logistics infrastructure, inland waterways have emerged as a formidable force, clocking a record **133.03 million tonnes (MT)** of cargo movement in FY24. This marks a **5% year-on-year growth** from 126.15 MT in FY23, and a staggering **635% increase** compared to just 18.07 MT a decade ago in FY14.

Once overlooked in favour of road and rail transport, India's inland water transport (IWT) sector is now setting the stage for a **more energy-efficient, cost-effective, and eco-conscious logistics future.**



◆ Strategic Shift: From Policy Vision to Cargo Reality

The transformation hasn't been incidental. It's the result of **sustained policy push, strategic investments, and infrastructure modernization.**

Over ₹6,000 crore has been invested in developing inland waterways over the past ten years—nearly quadruple the ₹1,620 crore spent in the previous 28 years.

During this period, operational National Waterways (NWs) have expanded from 5 to 26, significantly broadening India's multimodal connectivity footprint.

Union Minister Sarbananda Sonowal aptly called this a “watershed moment,” underlining that the government's vision of **Maritime India Vision 2030** and **Amrit Kaal Vision 2047** is on track to deliver 200 MT of inland cargo by 2030 and 500 MT by 2047.



◆ The Geography of Growth: Maharashtra and Gujarat in the Lead

The **lion's share** of cargo movement came from the **western states**:

- **Maharashtra** led the charge, handling 68.66 MT (52% of total cargo) via NW-10 (Amba River) and NW-91 (Shastri River).
- **Gujarat** followed with 31.46 MT (24%) through NW-100 (Tapi River).

Complementary growth has also been seen on major arteries such as NW-1 (Ganga), NW-2 (Brahmaputra), NW-3 (West Coast Canal), and NW-4 (Krishna-Godavari).

◆ 'Jal Vahak' Scheme: Fueling Long-Haul Efficiency

To **promote** modal shift to waterways, the government has launched the '**Jal Vahak**' scheme, incentivizing long-haul cargo movement on NW-1, NW-2, and NW-16.

With a 35% incentive, the scheme aims to transition 800 million tonne-kilometers of cargo from road and rail to riverine routes by 2027. This is expected to ease logistics costs and decongest India's heavily burdened highways and rail corridors.

14 New National Waterways Cleared

This complements recent technological upgrades such as:

- Night navigation systems
- Modern terminals with Ro-Ro facilities
- Digitized traffic control and cargo monitoring

◆ Why This Matters: Environmental and Economic Impact

The **cost** of transporting goods via waterways is 60–70% lower than road and rail. It also results in **significantly lower carbon emissions**, making it a key pillar of India's climate strategy and its transition to **net-zero emissions by 2070**.

By maximizing the use of India's 20,000+ km of navigable rivers and canals, the inland waterways sector is now **integral to the country's logistics cost rationalization strategy**, which aims to reduce logistics expenses from 14% of GDP to single digits.

◆ The Wake of a Silent Revolution

India's inland waterways are no longer a relic of the past—they are the future of logistics. As public and private players align with government reforms and sustainability imperatives, the sector is poised to become the backbone of a **green, efficient, and globally competitive supply chain ecosystem**.

This is not just a record year for cargo—it is the beginning of a **logistics renaissance**, powered by rivers and resilience.

US-INDIA Trade Relations

How India-U.S. trade relations are shaping global supply chain dynamics in the new global order, and what does the future look like?

Alouk Kumar - CEO, Inductus

In an era defined by geopolitical shifts and economic uncertainties, the trade relationship between India and the United States has emerged as a cornerstone of the new global order.



This partnership, forged amid trade tensions, supply chain disruptions, and a quest for strategic autonomy, is poised to significantly influence global supply chain dynamics. As the world adapts to these changes, the collaboration between these two democracies offers a glimpse into the future of international trade.

The economic ties between India and the United States have deepened in recent years, with bilateral trade growing steadily. In 2022-23, trade in goods and services between the two nations reached significant levels, with the U.S. ranking among India's top trading partners. Key sectors driving this relationship include information technology, pharmaceuticals, textiles, and machinery. India's strength in IT and software services has been a major contributor, while U.S. demand for Indian goods continues to rise.

Recent developments underscore this momentum. In April 2025, India and the U.S. finalised the terms of reference for a proposed Bilateral Trade Agreement (BTA), covering 19 chapters addressing tariffs, goods, non-tariff barriers, and regulatory issues. This step reflects a shared commitment to reducing trade barriers and enhancing market access, laying the groundwork for a more robust trade partnership.

The United States and India could forge a vital strategic partnership, particularly as a counterbalance to China's dominance in the Indo-Pacific region. This alignment is evident in initiatives like the U.S.-India Initiative on Critical and Emerging Technology, launched to foster collaboration in semiconductors, space, and artificial intelligence—sectors critical to future supply chains. By strengthening ties with India, the U.S. aims to diversify its supply chains and reduce reliance on China, especially for critical minerals and high-tech components.





India's vast reserves of rare earth elements and lithium further enhance its strategic value. A U.S.-India deal on critical minerals not only bolsters U.S. supply chain resilience but also provides India with access to advanced technologies and the U.S. market. This partnership is a deliberate move to challenge China's control over critical resources, ensuring a stable supply for both nations.

The future of India-U.S. trade relations holds immense promise. If current trends persist, bilateral trade could see substantial growth by 2030, driven by deeper collaboration in technology, manufacturing, and services. Projections indicate India's economy will become the third largest globally by fiscal 2030-31, with nominal GDP nearing \$7 trillion. This economic rise will amplify India's role in global trade, offering U.S. firms new opportunities to tap into its market.

A successful BTA could accelerate this trajectory, fostering a predictable trading environment and encouraging investment. As global firms seek alternatives to China, India's manufacturing base could capture a larger share of supply chain activities. However, risks such as geopolitical tensions, policy uncertainty, and economic fluctuations could complicate this outlook.

The India-U.S. trade relationship transcends bilateral economics, embodying a strategic alliance with global implications. As both nations navigate the new global order, their collaboration in critical sectors and commitment to supply chain diversification will shape the future of international trade. While challenges persist, the opportunities for innovation and growth are vast, positioning this partnership as a linchpin in the evolving global supply chain landscape.





◆ Indo-US: Bilateral Trade: Strategic Frameworks

To fuel the growth, India and the U.S. have launched multiple strategic frameworks. In 2023, the two sides inaugurated the iCET (Initiative on Critical and Emerging Technology) – a high-level US-India tech partnership covering space, semiconductors, 5G/telecom, AI, quantum, biotech and clean energy.

A June 2024 iCET meeting in New Delhi emphasized co-production, joint R&D and allied networks: it welcomed a new US-India-Japan tech dialogue and deeper cooperation through the Quad. A White House fact sheet notes that since iCET's launch, "significant strides" have been made across all of those sectors.

Other recent pacts include a U.S.-India-South Korea trilateral technology dialogue (first meeting March 2024), and an expanded QUAD agenda on critical tech. In September 2024, Quad leaders agreed on a Semiconductor Supply Chain Contingency Network to coordinate chip resources among the US, India, Japan and Australia.

They also pledged a joint Quad Clean Energy initiative – aligning standards and investments to build "high-quality, diversified clean energy supply chains" (for batteries, solar panels and hydrogen). For example, Australia has committed AU\$50 million to a Quad fund for solar-electrolyser-battery projects in the Indo-Pacific. The Quad Investors Network (QUIN) is also mobilising private capital into "critical minerals, renewable energy, cybersecurity and aerospace" startups across member countries

◆ Major recent policy moves include:

- **Forward-MFN pledge:** India offered the US a rare "forward most-favoured-nation" clause in talks, ensuring Washington receives any future tariff benefits India extends to others.
- **Tariff concessions:** India says it can cut duties to 0-5% on many U.S. farm and industrial goods, covering roughly 90% of tariff lines immediately. New Delhi is seeking U.S. guarantees for its labour-intensive sectors (textiles, toys, furniture) and preferential treatment for Indian pharma/engineering exports, aiming to "become a trusted partner in the supply chains of major U.S. companies".
- **Mission 500 & BTA:** At their Feb 2025 summit, leaders set a "Mission 500" goal to **double trade to \$500bn by 2030**. They launched negotiations on a comprehensive bilateral trade agreement (target: first tranche by Fall 2025) to deepen goods and services ties, cut tariffs and non-tariff barriers, and integrate supply chains.

These moves demonstrate an unusually ambitious trade agenda. As an Indian trade official put it, India is "more eager" than any other partner to reach a deal with the U.S., hoping to finalise text quickly. The United States, for its part, has welcomed India's tariff cuts on U.S. products (from bourbon to high-tech items) and promised to expand purchases of Indian goods.

ADVANTAGE INDIA

India's Green Export Revolution: Harnessing Sustainability to Meet Global Demand for Eco-Friendly Solutions

In a decisive shift toward environmentally responsible trade, India is fast emerging as a **global hub for green exports**, riding on the back of a robust policy push, changing consumer demand, and alignment with international sustainability norms. From renewable energy products to organic textiles and biodegradable packaging, India's export basket is being reshaped by a **new-age industrial ethos rooted in climate consciousness and ESG compliance**.



◆ Green Shoots: Eco-Conscious Exports See Sharp Uptick

Data from the Ministry of Commerce reveals that India's **sustainable and green exports** crossed the \$25 billion mark in FY24, marking a 22% year-on-year rise.

This surge spans across categories like:

- Organic agro products
- Solar modules and clean energy equipment
- Sustainable textile and garment exports
- Recycled and eco-friendly packaging
- Electric vehicle components and green chemicals

Europe and North America, where **ESG mandates and green procurement policies are tightening**, remain India's biggest green trade partners.

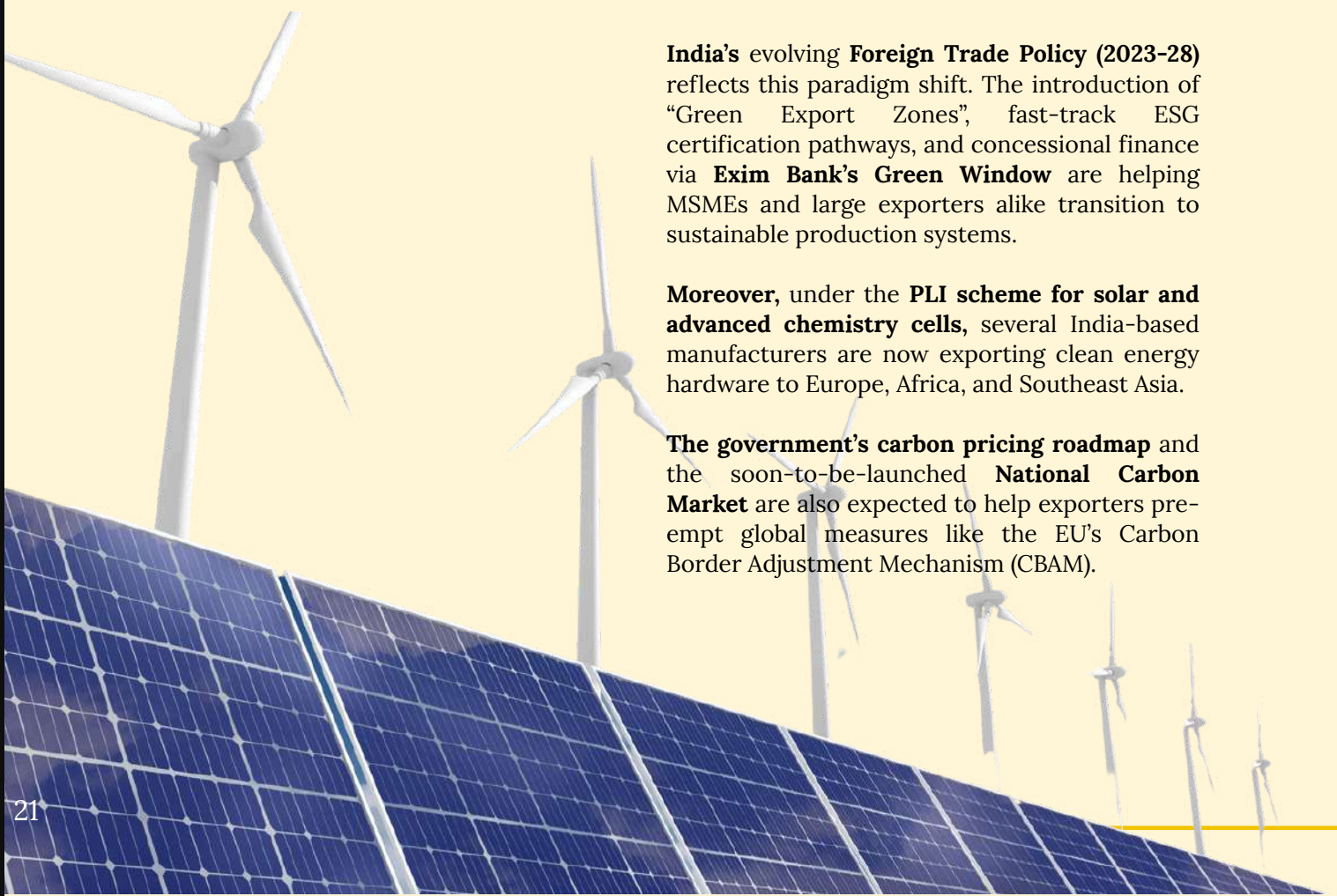


◆ Policy Interventions: A Quiet, Strategic Transformation

India's evolving **Foreign Trade Policy (2023-28)** reflects this paradigm shift. The introduction of "Green Export Zones", fast-track ESG certification pathways, and concessional finance via **Exim Bank's Green Window** are helping MSMEs and large exporters alike transition to sustainable production systems.

Moreover, under the **PLI scheme for solar and advanced chemistry cells**, several India-based manufacturers are now exporting clean energy hardware to Europe, Africa, and Southeast Asia.

The government's **carbon pricing roadmap** and the soon-to-be-launched **National Carbon Market** are also expected to help exporters preempt global measures like the EU's Carbon Border Adjustment Mechanism (CBAM).



The Private Sector Push

Across India, a new generation of green-focused enterprises is reshaping how the world sees “**Made in India**”:

- ZunRoof and ONergy Solar are exporting decentralized solar tech to emerging markets.
- ReshaMandi is integrating natural fibre supply chains with blockchain-backed traceability.
- Ecoware and Chuk are becoming global names in compostable packaging.
- Raymond and Arvind are investing in zero-liquid-discharge plants and eco-dyeing techniques to meet green textile norms.

Many of these firms are already compliant with **GOTS**, **OEKO-TEX**, **FSC**, and other global green standards, giving them a competitive edge in markets where sustainability is becoming non-negotiable.

Despite the momentum, several structural challenges persist:

- High costs and limited local access to internationally recognized green certifications
- Gaps in green logistics infrastructure and multimodal connectivity
- Need for upskilling in carbon accounting, LCA (life cycle assessment), and ESG reporting

Industry bodies are urging for **public-private partnerships** to scale green tech, and for a **national registry of ESG-compliant suppliers** to support global buyers.

India's commitment to net-zero by 2070, its strategic positioning in global value chains, and its youthful, tech-savvy manufacturing base make it a strong contender in the emerging green economy. With global trade increasingly being shaped by carbon labels, sustainable sourcing mandates, and eco-diplomacy, India's green export pivot is not just policy-smart—it's geopolitically timely.

“Green exports are no longer niche—they’re strategic. India has a window to lead in the decade of sustainable trade,” noted Rahul Chopra, Trade Analyst at the World Economic Forum.

As the world moves toward climate-aligned capitalism, India's exporters must now go beyond "compliance" and embrace **green innovation as a core business driver**.

In the words of economist Joseph Stiglitz, "The economies that lead in green technologies will be the ones that shape the future." India, it seems, is charting that future—one sustainable shipment at a time.



Know your Business



Cargo Insurance Decoded: Why It's the Silent Shield of Global Trade

Where a single container travels across borders, oceans, and time zones, cargo insurance remains one of the most crucial yet underappreciated components of the supply chain. Often referred to as the “silent shield” of global commerce, cargo insurance is now gaining renewed attention amid rising risks of geopolitical disruptions, climate volatility, piracy, and logistical uncertainty.

With India's merchandise exports poised to cross \$500 billion in FY26, and its imports climbing steadily, the spotlight is turning to how well exporters and importers are securing their cargo, not just in transit, but in trust.



◆ The Big Picture: Trade is Growing, So Are the Risks

From the **Red Sea crisis** and **Suez Canal blockages** to unexpected floods in South China or port strikes in Europe, the vulnerabilities of international trade routes are no longer theoretical. According to the **Allianz Safety & Shipping Review 2024**, cargo-related incidents accounted for **over \$2.2 billion in insured losses** globally last year — a 17% increase over 2022.

In India alone, marine cargo insurance claims rose by 23% in FY24, driven by:

- Port delays and cargo theft
- Weather-related damage
- Documentation errors and liability disputes

Yet, as per industry insiders, nearly 60% of Indian SMEs engaged in exports/imports operate underinsured or with no cargo coverage at all.



Understanding the Shield: What Cargo Insurance Actually Covers

Cargo insurance is designed to protect goods from **physical loss or damage** during transit — whether by sea, air, rail, or road. Policies typically fall under:

- **All-Risk Coverage:** Most comprehensive, covering everything except listed exclusions
- **Named Perils Policy:** Covers only specific risks like fire, collision, theft, etc.
- **Warehouse-to-Warehouse Coverage:** Extends protection beyond port-to-port to include inland transit and warehousing

Advanced offerings now include cyber liability for IoT-enabled shipments, climate-triggered clauses, and even parametric insurance models that trigger payouts based on measurable events like temperature deviations or route delays.

Policy Push: Regulatory Reform & MSME Awareness

Recognizing the gaps, the Indian government is working with insurers and export promotion councils to build awareness around **mandatory cargo insurance**, especially for **MSME exporters**. Under the **Niryat Bandhu scheme** and **Districts as Export Hubs (DEH)** initiative, capacity-building workshops now include cargo risk literacy modules.

The Insurance Regulatory and Development Authority of India (IRDAI) is also reviewing product design frameworks to allow **flexible, tech-enabled, and usage-based cargo insurance policies**, particularly for small shipments and startups operating through e-commerce exports.

Technology & Transparency: Digital Marine Insurance is on the Rise

A **new generation** of digital-first marine insurance providers like **Roanuz, CoverGo**, and India's own **Digit Insurance** are making cargo insurance more accessible and real-time. Integration with **blockchain-based trade documentation, AI-led risk profiling, and satellite-based cargo tracking** is transforming marine insurance into a proactive trade enabler rather than a reactive cost.

Platforms like **Bharat BillPay, ICEGATE, and e-BRC filing systems** are also being integrated to automate proof-of-shipment and streamline claim settlements.

The Bottom Line: Insurance as Trade Infrastructure

In the current global climate, marked by disruption and demand volatility, cargo insurance is no longer optional; it's strategic.

As India aims to position itself as a **resilient global supply chain hub**, stakeholders — from small handicraft exporters in Moradabad to automotive OEMs in Pune — must consider cargo insurance not as a financial product, but as **a foundation of trust and continuity** in the international marketplace.

Final Word: Cargo insurance isn't just about hedging losses — it's about building **confidence in trade, reducing disputes, and preserving business reputations across borders**. As India's exports diversify and expand, protecting that promise will require more than logistics — it will require smart, strategic risk coverage at every step of the trade journey.

PRODUCT OF THE MONTH

Ready-Made Garments: **Fashion That Moves Fast**



In the high-stakes world of global fashion, India's ready-made garment (RMG) industry is stitching together a success story that's as bold as it is intricate. With exports clocking \$16.19 billion in FY23, a 1.1% uptick from the prior year, India ranks as the world's sixth-largest textile and apparel exporter. From Mumbai's bustling design studios to Surat's silk looms, the RMG sector is not just dressing the globe, it's redefining fast fashion with a uniquely Indian flair.

◆ **A Global Powerhouse with Local Roots**

India's RMG industry is a \$110 billion behemoth, employing over 13 million people and contributing significantly to GDP. Cotton-based apparel, valued at \$10.58 billion from April 2023 to February 2024, dominates exports, with the United States snapping up 29% of the pie. The UAE, UK, Bangladesh, and Germany follow, drawn to India's ability to deliver quality at scale. Free Trade Agreements, like the one with the UAE, and ongoing talks with the EU, UK, and Australia, are set to turbocharge this growth, positioning India as a preferred sourcing hub amid global supply chain shifts.

What sets India apart? Its unmatched raw material base and manufacturing prowess. Bangalore, the "garments capital," churns out premium cotton and silk, while Surat's synthetic fabrics and Tirupur's knitwear fuel global demand. The industry's versatility—spanning traditional anarkalis to sustainable activewear—caters to diverse markets, from high-street giants like Zara to niche eco-conscious labels.

◆ Sustainability Meets Innovation

In an era where green is the new black, India's RMG sector is stepping up. Manufacturers are embracing zero-waste production, renewable energy, and water-efficient processes. Shahi Exports, a key player, powers 70% of its operations with solar and wind energy, ditching coal entirely. Meanwhile, technology is revolutionizing the shop floor.

Automated assembly lines, AI-driven design, and sewing robots are slashing costs and boosting precision. KPR Mill, for instance, leverages solar-powered facilities to produce eco-friendly apparel, aligning with global demands for ethical fashion.

The government's backing is equally transformative. Schemes like the Rebate of State and Central Taxes and Levies (RoSCTL) and the Production-Linked Incentive (PLI) for textiles are fueling export growth.

The Ministry of Textiles has set an ambitious \$100 billion export target by 2030, and with global brands like GAP, Primark, and Decathlon doubling down on Indian sourcing, the trajectory looks promising.

◆ The Road Ahead

India's RMG industry is at a pivotal juncture. As global sourcing pivots from China and Bangladesh, India's competitive labor costs, skilled workforce, and trade-friendly policies are drawing attention. The sector's ability to marry cultural heritage with modern trends—hand-embroidered sarees alongside recycled cotton tees—resonates with consumers craving authenticity.

Challenges remain: fluctuating raw material prices, logistical bottlenecks, and the need for deeper tech integration. Yet, with government support and industry giants like Arvind leading the charge, India is poised to dominate. The RMG sector isn't just about fashion—it's about economic resilience, cultural pride, and a vision to clothe the world sustainably.

In the fast-moving world of global apparel, India's ready-made garments are not just keeping pace—they're setting it. Watch this space, because Indian fashion is ready to rule.

◆ Arvind Limited: The Titan of Textiles

No conversation about India's RMG industry is complete without **Arvind Limited**, the Ahmedabad-based giant that's synonymous with textile excellence. Founded in 1931, Arvind has grown from a denim trailblazer to a global leader, posting revenues of approximately ₹8,000 crore. It exports cotton, woven goods, and ready-made garments to markets like the US, Hong Kong, and Sri Lanka, supplying retail heavyweights like Tommy Hilfiger, H&M, and Uniqlo.

Arvind's portfolio is staggering—27 brands, including Flying Machine, Arrow, and US Polo, sold across 1,300 standalone stores and 5,000 multi-brand outlets in India. Its denim legacy remains unmatched, producing 100 million meters annually, while its garment division churns out 40 million units yearly. With 42,000 employees and facilities in Punjab, Haryana, and Madhya Pradesh, Arvind is a job-creation engine.

Arvind's ability to blend tradition—think handwoven khadi—with cutting-edge innovation makes it a magnet for international buyers.



CASE STUDIES

I Was A Sari: Transforming Tradition into Global Impact

In the vibrant chaos of Mumbai's textile markets, where saris cascade in a riot of colour and history, a quiet revolution is reshaping the narrative of Indian craftsmanship. I Was A Sari, a social enterprise founded in 2013 by Italian visionary Stefano Funari, is not just repurposing pre-loved saris into chic global fashion—it's rewriting the rules of sustainable business, women's empowerment, and circular economics.

With a model that marries cultural heritage to modern market demands, this enterprise is a case study in how India's traditional strengths can drive global economic impact, a story that resonates with The Inductus Globals' lens on transformative business.



◆ Numbers That Tell the Story

- **Social Impact:** 100+ women employed, with 80% reporting improved financial independence.
- **Environmental Footprint:** Over 5,000 saris upcycled, saving an estimated 50,000 litres of water compared to new textile production.
- **Economic Reach:** Exports to 12 countries, with 25% year-on-year revenue growth since 2020.
- **Recognition:** Winner of the 2019 Circular Design Challenge Award and Milan's Responsible Disruptive Award, plus a spot on Acumen's 2021 list of 100 Corporate-Ready Social Enterprises.

These metrics underscore a business that's not just viable but exemplary, proving that profitability needn't come at the cost of purpose.



◆ From Surplus to Statement: The Genesis

The sari, India's sartorial soul, is a six-yard canvas of tradition, yet many end up discarded, their stories untold. Funari, who moved to India in 2009, saw potential where others saw waste. In a Mumbai sari dealer's workshop, he envisioned a business that could upcycle these textiles into contemporary apparel and accessories, preserving their cultural essence while creating jobs.

Thus, I Was A Sari was born under 2nd Innings Handicrafts Pvt Ltd, with a mission to fuse eco-ethical fashion with social upliftment. It's a bold pivot in a \$70 billion Indian textile industry increasingly squeezed by fast fashion's environmental toll and global competition.

◆ The Triple Bottom Line: People, Planet, Profit

I Was A Sari operates on the triple bottom line, social, environmental, and financial impact. Its model is deceptively simple yet profoundly effective:

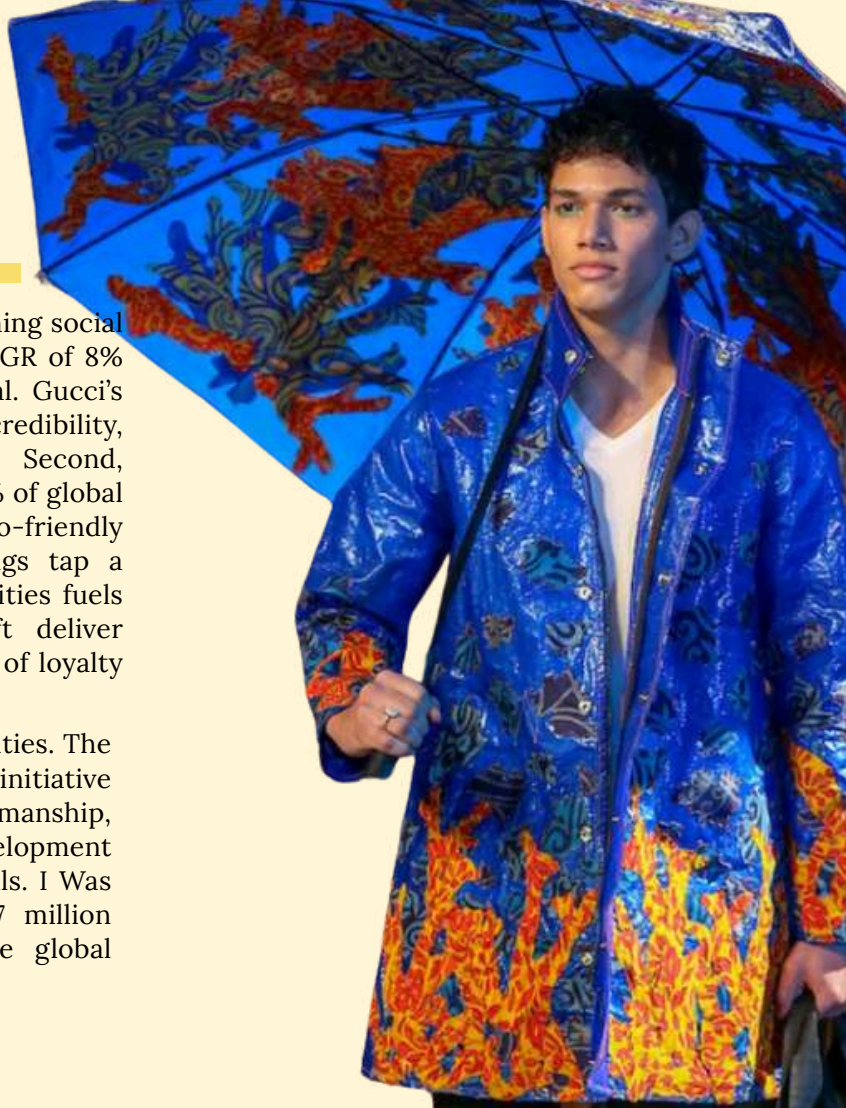
- **Upcycling for Sustainability:** Pre-loved saris are transformed into ready-to-wear clothing, bags, and home decor, each piece handcrafted to ensure uniqueness. This circular approach diverts thousands of kilograms of textile waste from landfills, aligning with India's push for sustainability amid a global textile waste crisis projected to hit 134 million tonnes by 2030.
- **Empowering Women:** Partnering with NGOs like Community Outreach Programme and Animedh Charitable Trust, the enterprise trains women from Mumbai's slums in tailoring, embroidery, and design. Over 100 artisans have gained skills, incomes, and social standing. As one artisan poignantly noted, "Before, I was invisible. Now, I'm respected." This empowerment ripple effects, boosting local economies and reducing gender disparities.
- **Global Market Penetration:** Strategic collaborations, notably with Gucci's Equilibrium and CHIME FOR CHANGE initiatives, have elevated I Was A Sari to international acclaim. Since 2018, Gucci has provided training, recycled fabrics, and access to its Rome Creative Office. The 2020 launch of the "Now I Can" embroidery course on Udemy—free and scalable—has democratized skill-building, potentially reaching thousands. Products now grace shelves in Europe and the US, with e-commerce driving 30% of revenue.
- **Lean Operations, High Impact:** A lean structure outsources production to NGOs, while pro bono designers and legal support from iProbono streamline operations. This agility has enabled I Was A Sari to scale without compromising its social mission, a model that resonates with India's startup ecosystem, where efficiency is king.



◆ A Global Playbook for India Inc.

I Was A Sari offers lessons for India's burgeoning social enterprise sector, projected to grow at a CAGR of 8% through 2030. First, partnerships are pivotal. Gucci's backing provided not just resources but credibility, opening doors to premium markets. Second, sustainability is a competitive edge. With 73% of global consumers willing to pay more for eco-friendly products, I Was A Sari's upcycled offerings tap a lucrative niche. Third, empowering communities fuels resilience—artisans invested in their craft deliver unmatched quality, creating a virtuous cycle of loyalty and excellence.

This model aligns with India's economic priorities. The government's Atmanirbhar Bharat initiative emphasizes self-reliance through local craftsmanship, while the National Handicraft Development Programme seeks to globalize traditional skills. I Was A Sari embodies both, leveraging India's 7 million artisans—second only to China—to capture global value chains.



◆ Challenges and the Road Ahead

Scaling remains a hurdle. Training programs, while impactful, are resource-intensive, and supply chain bottlenecks occasionally disrupt production. Yet, I Was A Sari is doubling down on innovation. Plans include a blockchain-based traceability system to certify each product's sustainability credentials, a move that could set a new standard in ethical fashion. Additionally, expanding the "Now I Can" program to rural India could unlock a new wave of artisans, aligning with the government's rural employment goals.

◆ Why It Matters

In an era where India aims to be a \$5 trillion economy, enterprises like I Was A Sari are microcosms of what's possible. They showcase how Global Capability Centers (GCCs) and social businesses can collaborate to amplify impact—Gucci's involvement is a case in point.

More broadly, I Was A Sari challenges the notion that tradition and modernity are at odds. By transforming saris into global fashion statements, it proves that India's cultural wealth can be a springboard for economic and social progress.

◆ The Final Thread

I Was A Sari is more than a brand; it's a blueprint for how India can lead in the global circular economy. As it stitches together sustainability, empowerment, and profitability, it offers a compelling narrative for The Economic Times' readers—investors, policymakers, and entrepreneurs alike.

Visit www.iwasasari.com to witness this revolution, and let's weave a future where tradition fuels transformation.



Upcoming EVENTS

International Travel & Tech Expo 2025

This dynamic event serves as a premier platform for **travel professionals, tour operators, tourism boards, and tech innovators** to **network, collaborate, and explore new business opportunities** in the rapidly evolving global travel industry.

Bringing together key stakeholders from across the globe, the expo will highlight the latest technological advancements shaping travel and tourism, including digital booking tools, AI-driven solutions, smart tourism infrastructure, and immersive travel experiences. With a strong focus on innovation and business growth, the event offers unmatched opportunities for knowledge exchange, partnership building, and market expansion.



Date: May 10 – 11, 2025

Location: India Expo Mart & Centre, Knowledge Park II, Greater Noida

The India Med Expo 2025

The **India Med Expo 2025** is one of the leading exhibitions dedicated to the medical, surgical, hospital, diagnostic, and healthcare sectors in India. **Scheduled to take place from May 23 to 25, 2025, at the India Expo Mart & Centre**, this event brings together a **wide range of healthcare professionals, manufacturers, suppliers, distributors, and industry experts under one roof.**

The expo offers an excellent platform to showcase cutting-edge medical technologies, equipment, and innovations, while facilitating B2B networking, sourcing opportunities, and industry insights. From hospital infrastructure to surgical tools and diagnostic devices, India Med Expo 2025 is a must-attend event for anyone involved in the healthcare and medical industry.

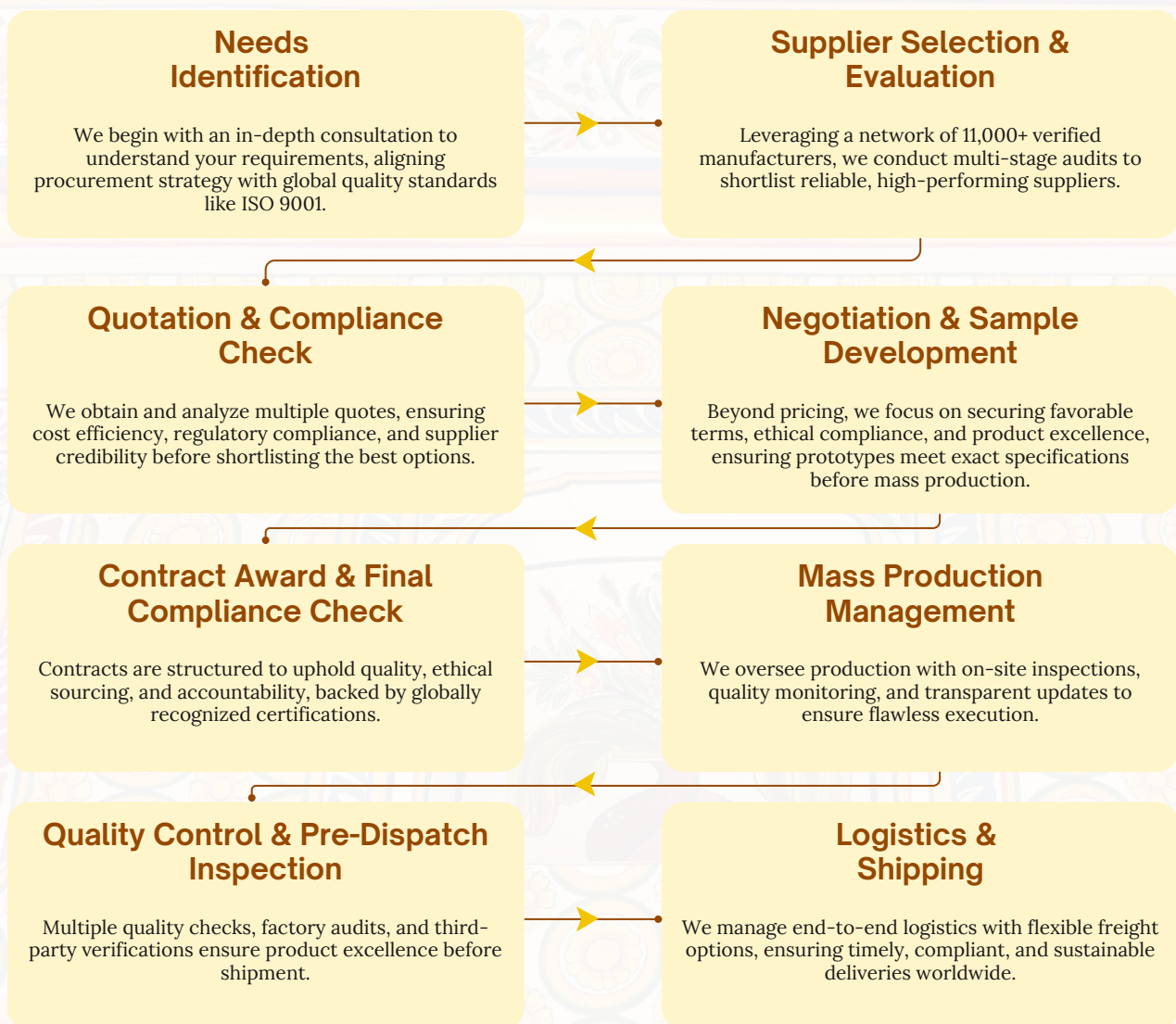


Date: May 23 – 25, 2025

Location: India Expo Mart & Centre, Knowledge Park II, Greater Noida

Our Procurement Process

After extensive research, our team has crafted a tested, structured procurement process that ensures top-quality products, competitive pricing, and seamless imports—backed by global standards. Our eight-step procurement framework ensures quality, compliance, and risk-free sourcing for maximum value.



At **Inductus Global**, we go beyond procurement—we build supply chain excellence with trust, transparency, and a commitment to global standards

For a detailed technical Explanation, [Click Here](#)

Our Services

1 PRODUCT SOURCING

Finding, vetting, and selecting retail vendors for the provision of goods and services.

2 PRODUCT DESIGN & DEVELOPMENT

Our design & Development process elevates your brand and boosts sales with functional, visually appealing products.

3 BUSINESS NEGOTIATION

Negotiation services to create favourable terms and help businesses acquire maximum value and quality.

4 MASS PRODUCTION MANAGEMENT

Focus on quality, time, and resources to ensure constant production line flow, competitiveness, and profitability.

5 PACKAGING MANAGEMENT

Offering tailored solutions to boost efficiency while reducing cost and creating a strong brand presence.

7 QUALITY CONTROL & INSPECTION

Quality control procedures to build investor confidence, reduce risks, and ensure legal compliance.

6 LOGISTICS & SHIPPING ARRANGEMENT

Providing end-to-end shipping solutions and regulating all aspects of packing, labelling, shipping, and documentation.

Proud recipient of **Times Power Icons Award** for being one of the **Leading GCC Enabler of India**

Presented by  **THE TIMES OF INDIA**



Inductus ensures that each model is executed with precision, innovation, and strategic foresight—helping you unlock the full potential of your GCC in India.

Our deep expertise in GCCs, coupled with a strong network of industry partnerships and policy-level advisory, positions us as a trusted partner for driving transformational outcomes.

Certificate of Excellence for Consulting & Advisory Services by **Chicago Open University USA**



TRADE WITH INDIA HAPPINESS

