

Tiruppur Exporters Urged to Stay Positive Amid US Tariff Hike

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TIRUPPUR, INDIA, Chief Economic Adviser (CEA) V. Anantha Nageswaran described the recent U.S. tariff increase as a temporary measure and encouraged Indian exporters to maintain a positive outlook during a visit to Tiruppur, a major textile hub in southern India.

Nageswaran, accompanied by Neelkanth Mishra, chief economist at Axis Bank and member of India's Economic Advisory Council, toured knitwear manufacturing units and engaged with local exporters to assess the impact of global trade developments on the sector.

"The tariff hike is concerning, but it is a temporary measure. Exporters should remain optimistic," Nageswaran said during discussions with industry representatives. He praised Tiruppur's significant contribution to India's overall exports, highlighting the city's role in sustaining the country's trade growth.

Tiruppur Exporters' Association president KM Subramanian reported that knitwear exports from the district reached ₹44,000 crore (approximately \$5.3 billion) in the 2024-25 fiscal

year, representing 68% of India's total textile exports. Subramanian emphasized that the region's export performance remains vital to national economic objectives.

Subramanian also noted that the recently negotiated free trade agreement (FTA) with the United Kingdom is expected to increase sales by around 10%. However, he cautioned that achieving the government's target of ₹1 lakh crore (\$12 billion) in exports by 2030 would require annual growth exceeding 15%, which the temporary U.S. tariff hike could potentially hinder.

Nageswaran and Mishra interacted with exporters to better understand the challenges faced by the textile sector amid shifting international trade policies. The discussions focused on strategies for sustaining export growth, including leveraging new markets, enhancing production efficiency, and adopting innovative manufacturing practices.

Industry officials acknowledged that while temporary trade barriers like the U.S. tariffs could disrupt short-term growth, long-term prospects remain favorable due to increasing global demand for high-quality Indian textiles. The CEA underscored the importance of resilience and adaptability, noting that the Indian economy has successfully navigated similar external shocks in the past.

The visit highlights the government's ongoing efforts to support exporters and maintain momentum in sectors that contribute significantly to foreign exchange earnings. Tiruppur, known as the knitwear capital of India, continues to be a focal point for policy discussions aimed at bolstering the country's international trade footprint.

Exporters expressed optimism that sustained government support, combined with the benefits of upcoming trade agreements, will offset temporary disruptions caused by external tariff measures. "Despite short-term challenges, we are confident in our ability to meet growth targets with continued innovation and strategic planning," said one senior industry representative.

The engagement in Tiruppur reflects a broader initiative by India's economic policymakers to monitor trade-sensitive sectors closely and provide guidance during periods of global uncertainty. Stakeholders emphasized the importance of maintaining a proactive approach to international market developments while safeguarding the interests of domestic producers.