

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO.1644
ANSWERED ON 13/02/2026

EXPORTS TARGET AND EFFECTIVENESS OF FREE TRADE AGREEMENTS

1644. SHRI RANDEEP SINGH SURJEWAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government notes that India is likely to miss the USD 1 trillion export target for financial year 2026, despite signing multiple Free Trade Agreements (FTAs);
- (b) the reasons as to why FTAs have not translated into anticipated export gains, particularly in key markets;
- (c) the assessment of export performance, sector-wise and destination-wise, including the impact of tariffs and non-tariff barriers; and
- (d) the strategic adjustments or corrective measures Government proposes to ensure that India remains competitive globally and achieves its export aspirations?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY

(SHRI JITIN PRASADA)

(a) India's export performance remained strong despite global uncertainties. Total merchandise and services exports reached a record US\$ 825.3 billion in 2024–25, up 6.1% from the previous year, the highest ever annual export. This momentum carried into FY26, with exports hitting new highs in each of the first three quarters: Q1 (US\$ 209.0 billion), Q2 (US\$ 209.5 billion), and Q3 (US\$ 221.8 billion). Together, exports during April–December 2025 stood at US\$ 640.3 billion, a 5.3% increase over the same period in 2024. This triple milestone highlights India's robust and resilient export growth trajectory, further reinforced by enhanced market access through strategic FTAs.

(b) India's exports posted robust growth in April–December 2025–26, with merchandise exports rising strongly across key markets. Notable gains were recorded in the USA (9.7%), China (36.6%), UAE (7.3%), Spain (52.4%), Hong Kong (25.8%), Germany (9.4%), Vietnam (15.2%), Kenya (26.4%), Egypt (22.1%), and Sri Lanka (9.4%). This broad-based performance underscores India's diversified and resilient export momentum, reinforced by expanding FTAs, digital trade facilitation, and proactive negotiations that strengthen partnerships, broaden market access, and deepen integration into global value chains.

(c) India's export growth remains well diversified and resilient in FY26 (April–December 2025), driven by strong services (8.7%) and non-petroleum merchandise (5.5%). In merchandise export, electronics led with an impressive 35.1% growth, supported by engineering goods (3.9%), pharmaceuticals (6.4%), marine products (15.5%), meat, dairy & poultry (25.7%), coffee (17.3%), tea (14.2%), and cereals (41.0%). Export expansion was

broad-based across destinations despite global uncertainties, underscoring India's ability to strengthen its global footprint even amid tariffs and external headwinds. This performance highlights the effectiveness of India's trade strategy, reinforced by FTAs, digital trade facilitation, and proactive negotiations. With these strengths, India is consolidating its role as a dynamic player in global value chains, and exports are poised for sustained growth despite persisting global uncertainties.

(d) India's exports remain competitive despite global uncertainties, as shown by trade data for April–December 2025–26. Strategic diversification into high-growth markets and sectors such as electronics, pharmaceuticals, and services has helped counter protectionist measures and supply chain disruptions. The Foreign Trade Policy (FTP) 2023 is applicable uniformly across the country and the policy is dynamic and responsive to emerging trade scenarios. The Government's continued efforts—through FTAs, digital trade platforms, and incentive schemes—empower exporters to capture new opportunities and sustain competitiveness. Exporters can avail benefits under various schemes as mentioned below:

- i. **Export Promotion Mission (EPM):** The Government has approved the EPM with a budgetary outlay of Rs. 25,060 crores (FY 2025–26 to FY 2030–31). It operates through Niryat Protsahan (focusing on trade finance and credit enhancement) and Niryat Disha (focusing on export logistics, warehousing, and market access), specifically targeting MSME competitiveness.
- ii. **Credit Support:** To ensure adequate and affordable credit, the Export Credit Guarantee Corporation (ECGC) has increased its insurance cover for banks to 90% (up from 70%) under the Whole Turnover-Export Credit Insurance for Banks (WT-ECIB) for loans up to ₹80 crore. A Collateral-Free Cover has also been introduced for Micro and Small Enterprises (MSEs) for working capital limits up to ₹10 crore.
- iii. **Trade Connect e-Platform:** The Government has launched the Trade Connect e-Platform to provide trade-related information to Indian exporters. It serves as a single-window portal connecting Indian Missions Abroad, Export Promotion Councils, and the Department of Commerce to facilitate market access for new and existing exporters.

To stabilise and strengthen India's export performance in 2026, the Government has undertaken comprehensive measures as highlighted above with a major focus on market diversification and enhancing competitiveness. A key pillar of this strategy is leveraging Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs). The Government is actively working with all stakeholders to enable exporters to better utilize the benefits of existing agreements and effectively seize opportunities created by recently concluded FTAs, such as with EFTA countries, the United Kingdom and the European Union. This resilience reflects India's adaptive trade strategy and positioning the country favourably within evolving global trade dynamics.
