

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 3240
ANSWERED ON 20/03/2026

LOSS OF COMPETITIVENESS IN EXPORTS

3240. SHRI PRAMOD TIWARI

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

- (a) whether a number of factors like high US tariffs, costlier raw materials, shortage of testing facilities etc. are leading to loss of competitiveness of exports;
- (b) if so, the details thereof including the dip in exports recorded during the past six months; and
- (c) the steps taken/ proposed to be taken relating to foreign trade policy and procedural simplifications to boost trade?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) Despite persistent global uncertainty and significant disruptions affecting trade flows, supply chains, commodity prices and market confidence, India's export performance in FY 2025–26 has remained broad-based and notably resilient. During Apr-Jan of FY 2025-26, India's total exports, merchandise and services, marked an increase of USD 36 billion (growth of 5.26%) from USD 679.02 billion in FY 2024-25 (Apr-Jan) to USD 714.73 billion in FY 2025-26 (Apr-Jan). In fact, India's exports have demonstrated significant competitive gains with several key sectors achieving strong performance in FY 2025–26 (Apr-Jan) over FY 2024–25 (Apr-Jan).

- Engineering goods contributed significantly to export growth with exports rising from USD 96.8 bn to USD 101.1 bn, increase of USD 4.4 bn (growth of 4.5%)
- Electronics Goods emerged as the single largest driver rising from USD 30.21 bn to USD 39.4 bn, up by USD 9.17 bn over the same period registering a growth of 30.4%.
- The exports of Drugs & Pharmaceuticals increased from USD 24.3 bn to USD 25.7 bn with an increase of USD 1.4 bn (growth of 5.8%)
- Further, Labour-intensive Agriculture and allied sectors continued to demonstrate robust export performance. Marine products remained a standout performer, with exports rising from USD 6.2 billion in Apr-Jan 2025 to USD 7.2 billion in Apr-Jan 2026, recording 15.3% growth. Furthermore, Coffee (growth of 18.9%), Tea (growth of 12.6%), other cereals (growth of 47.1%) and fresh fruits and vegetables (growth of 3.9%) registered strong exports momentum.
- India's services export has emerged as growth driver. During April-January 2025-26, services exports amounted to USD 348.41 billion as compared to USD 320.28 billion registering an impressive growth of 8.28%.
- In terms of market, during April-January 2026, India recorded positive merchandise export growth in 147 out of 232 countries of destinations, indicating clear strength in competitiveness in key markets.

Even amidst challenging global environment, the steady growth of overall exports reinforced by strong performance in key commodities and services highlights India's expanding export competitiveness and resilient export capability.

(b) India's total exports (merchandise and services) demonstrated strong growth momentum and resilience in the past six months (Aug-Jan) FY 2025–26, with exports rising by 5.29% from USD 413.13 billion in Aug–Jan 2024–25 to USD 435.01 billion in Aug–Jan 2025–26. This expansion indicates sustained external demand reflecting competitiveness of India's product in global market.

Notably, India registered its highest-ever total (merchandise and services) exports in all first three quarters of FY 2025–26, with export values reaching USD 209.0 billion in Q1, USD 209.6 billion in Q2, and USD 215.7 billion in Q3, resulting in the strongest cumulative Q1–Q3 performance recorded to date.

India's export performance during August–January FY 2025–26 was marked by several strong months that lifted overall growth momentum including November (12.68%), September (9.28%), December (7.10%), January (5.09%) and August (4.37%). Together, these peak months anchored the cumulative performance, helping total exports rise from USD 413.13 billion to USD 435.01 billion across the six-month period

(c) The Government has implemented a comprehensive export-promotion reform to improve ease of doing trade, reduce transaction costs, and enable exporter competitiveness. The approach combines a dynamic Foreign Trade Policy (FTP 2023) with remission-based incentives, targeted financing and risk cover, trade-linked infrastructure, and a digital backbone for real-time trade facilitation.

The Foreign Trade Policy (dynamic FTP 2023) rests on four core pillars that together guide India's trade facilitation architecture. The first focuses on trade facilitation, aimed at reducing transaction costs and enabling smoother cross-border movement of goods. The second centres on export promotion, including the continuation of flagship schemes such as RoDTEP and RoSCTL. RoDTEP, operational since 1 January 2021, rebates embedded, un-rebated taxes across 10,642 tariff lines (including steel, pharma and chemicals) through a fully digital, WTO-compatible mechanism. The third pillar emphasises partnerships with States, operationalised through initiatives like the Districts as Export Hubs (DEH) programme to deepen localised export capacity. The fourth pillar advances a comprehensive suite of digital and e-governance initiatives, ensuring faster processing, enhanced transparency and greater efficiency across the entire trade ecosystem.

To ease finance and strengthen capabilities especially for MSMEs, Export Promotion Mission has been launched with two pillars: Niryat Protsahan (expanding access to affordable trade finance, including interest support) and Niryat Disha (quality, branding, logistics and market access). ECGC complements this architecture by covering over 20% of merchandise exports, enhancing MSME bank-credit cover and ensuring timely claim support in periods of stress; together lowering cost of capital and enabling entry into new markets.

To address physical bottlenecks, the Trade Infrastructure for Export Scheme (TIES), is implemented to provides financial assistance for testing labs, land customs stations, cold chains, warehousing/logistics hubs and border haats. Exporters benefit from improved first- and last-mile connectivity, higher compliance readiness, and reduced time-to-market.

A robust digital trade layer has been put in place to support exporters end-to-end: 24×7 Export Inspection Council interfaces, a Common Digital Platform for Certificates of Origin, Trade Connect (single-window guidance) and the Trade Intelligence & Analytics portal for granular level details of market insights. These tools enable paperless processing, real-time intelligence, and faster pass-through of benefits, materially lowering transaction costs and democratising access for all stakeholders.

Collectively, these measures create evidence based, technology-enabled, streamlined trade environment, easier access to trade facilitation, seamless trade finance that supports scale, quality, and market access, positioning Indian exporters to sustain strong growth momentum and compete effectively across global markets.
