GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 3862
ANSWERED ON 27/03/2026

IMPACT OF IRAN–ISRAEL WAR ON EXPORTS

3862. DR. M. DHANAPAL:

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

(a) whether Government has examined the vulnerability of export-oriented sectors to disruptions in shipping lanes arising from the ongoing Iran–Israel conflict and the wider West Asia crisis impacting maritime trade routes such as the Strait of Hormuz;
(b) if so, the details of sectoral risk assessments undertaken by Government covering Micro, Small and Medium Enterprises (MSMEs) and export-intensive industries affected by shipping disruptions linked to the Iran–Israel war; and
(c) the policy measures proposed to be taken by Government to protect Indian exporters from prolonged trade route disruptions arising from the Iran–Israel conflict and associated maritime instability?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) to (c) The Government is closely monitoring the evolving geopolitical situation in West Asia and its impact on India's trade and logistics ecosystem. Stakeholders across sectors, including agricultural products, textiles, chemical and fertilizers, petroleum products, and engineering goods have reported disruptions in maritime and air cargo routes, increased freight costs due to rerouting and war-risk surcharges, congestion at ports, and delays arising from longer transit times.

Department of Commerce convened stakeholder consultations on 2nd March, 2026 and an Inter-Ministerial Group (IMG) on Supply Chain Resilience has been created as a central coordination mechanism with participation of concerned Ministries and agencies. The IMG is regularly reviewing the situation, maintaining continuous coordination with stakeholders, to address emerging issues.

With a view to facilitate trade, Ministry has extended export obligation timelines by three months (till 31 August 2026); supported airlifting of essential agricultural cargo to the Gulf facilitated through the Agricultural and Processed Food Products Export Development Authority (APEDA).

DGFT has restored RODTEP rates (which were slashed to 50 % in February) since 23rd March 2026 and a financial support scheme to support the export in the region has been launched since 19th March 2026 under Export Promotion Mission with the Export Credit Guarantee Corporation (ECGC) as implementing agency.

Ministry is monitoring the evolving situation and taking required steps in consultation with all stakeholders and the trading community

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