

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 3869
ANSWERED ON 27/03/2026

STRATEGY TO PROTECT EXPORTERS FROM TARIFF DISADVANTAGES

3869. SHRI RAGHAV CHADHA:

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

- (a) whether Government has any strategy in place to protect Indian exporters from tariff disadvantages in international trade, if so, the details thereof;
- (b) details of the estimated number of jobs at risk due to the trade shift, sector- wise;
- (c) whether Government proposes to negotiate tariff parity agreements, if so, the details thereof; and
- (d) the support proposed by Government to be provided to MSME textile clusters affected in this regard, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) to (d) The Government closely monitors export performance and the impact of global economic developments on India's international trade, including the imposition of tariffs by countries, and continuously assesses their implications for Indian exporters.

The Government's multi-pronged trade policies are specifically designed to foster robust job creation across all export-oriented sectors. By continuously enhancing the global competitiveness of domestic industries, the Government ensures sustained employment generation and drives long-term economic growth. Detailed sectoral performance of India's global merchandise exports can be viewed at the following link: https://tradedat.commerce.gov.in/ftspcc/export_commodity_wise.

To secure a level playing field and achieve the objectives of tariff parity for Indian exporters in global markets, the Government actively negotiates Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs). Notably, the India- UK Comprehensive Economic and Trade Agreement (CETA), signed on July 24, 2025, provides duty-free access for more than 99% of Indian exports, significantly lowering costs and expanding market reach. Furthermore, the India-EU FTA, concluded on January 27, 2026, provides preferential access to more than 99% of India's exports by trade value, with immediate duty elimination on key labour- intensive sectors, flexible Product Specific Rules (PSRs), and self-certification of origin, thereby reducing compliance costs and improving competitiveness in global value chains.

Furthermore, to support MSME textile clusters and bolster their competitiveness, the Government provides the following targeted interventions:

(i) Export Promotion Mission: The Export Promotion Mission (EPM) approved by Cabinet on 12.11.2025 is a flagship initiative announced in the Union Budget 2025–26 to strengthen India’s export competitiveness, particularly for MSMEs, first-time exporters, and labour-intensive sectors with a total outlay of Rs.25,060 crore for FY 2025–26 to FY 2030–31. EPM marks a strategic shift from multiple fragmented schemes to a single, outcome-based, and adaptive mechanism that can respond swiftly to global trade challenges and evolving exporter needs. The Mission will operate through two integrated sub-schemes:

- **NIRYAT PROTSAHAN**, which focuses on improving access to affordable trade finance for MSMEs through a range of instruments such as interest subvention, export factoring, collateral guarantees, credit cards for e-commerce exporters, and credit enhancement support for diversification into new markets.
- **NIRYAT DISHA**, which focuses on non-financial enablers that enhance market readiness and competitiveness, including export quality and compliance support, assistance for international branding, packaging, and participation in trade fairs, export warehousing and logistics, inland transport reimbursements, and trade intelligence and capacity-building initiatives.

(ii) RELIEF (Resilience & Logistics Intervention for Export Facilitation): In view of the evolving geopolitical situation in West Asia and its impact on maritime logistics across the Gulf region, the Government has approved a time-bound and targeted intervention called RELIEF – Resilience & Logistics Intervention for Export Facilitation under the Export Promotion Mission (EPM). The intervention is aimed at supporting Indian exporters and bolstering MSME resilience amidst extraordinary freight escalation, heightened insurance premia and war-related export risks arising from disruptions in the Gulf and wider West Asia maritime corridor.

(iii) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks: These offer the opportunity to create an Integrated Textile Value Chain right from spinning, weaving, processing and printing to garment manufacturing, accessories makers at one location reducing logistics and transactional cost. In addition, PM MITRA Parks offer world class infrastructure at affordable cost and attractive water and power charge.

(iv) Textile Cluster Development Scheme (TCDS): This umbrella scheme supports the establishment of common infrastructure and facilities across textile clusters nationwide, reducing costs and improving efficiency.

(v) Rebate of State and Central Taxes and Levies (RoSCTL): The Government is implementing the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for Apparel/Garments and Made-ups in order to enhance competitiveness by adopting the principle of zero-rated exports. Further, textiles products not covered under the RoSCTL scheme are covered under Remissions of Duties and Taxes on Exported Products (RoDTEP) scheme.

(vi) Production Linked Incentive (PLI) Scheme: Focused on MMF fabrics, apparel, and technical textiles, this scheme supports large-scale manufacturing and enhances the competitiveness of the entire value chain, benefiting MSMEs in these segments.

(vii) Facilitating Global Market Access: The Government provides financial support to various Export Promotion Councils and Trade Bodies to organise and participate in trade fairs, exhibitions, buyer-seller meets, etc., at national and international levels to boost exports.

(viii) SAMARTH: A demand-driven skilling program to provide the textile sector with a trained workforce, addressing the skill needs of MSME clusters.

(ix) Additionally, the **Export Credit Guarantee Corporation of India (ECGC)** has recently introduced several measures to support MSME exporters including:

- ECGC increased its cover for banks to 90% (up from 70%) under its Whole Turnover-Export Credit Insurance for Banks (WT-ECIB) for export credit loans up to ₹80 crore, and without any incremental cost for export credit loans up to ₹50 crore, significantly reducing interest rates for small exporters. This shall encourage banks to continue lending despite global volatility.
- Collateral-Free Cover of 90% under WT-ECIB to Micro and Small Enterprises (MSE) exporters, for export credit working capital limits up to ₹10 crore, without any additional premium, was introduced to support liberal and collateral-free export credit lending by banks, in respect of exporter-borrowers who are not in a position to offer any collateral or third-party guarantee.
- Embracing the digital pathway, ECGC revamped its ERP and Client portal systems in 2024, transforming all its paper-based procedures and major services, such as, policy issuance, claim submission, approvals, etc. onto a digital platform to facilitate ease of doing business through faceless and paperless services and quicker service delivery to the customers. A Common Facilitation Centre has also been established to assist with insurance-related queries.
