GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 678
ANSWERED ON 24/07/2026

STRATEGY TO TACKLE THE IMPORT TARIFF IMPOSED BY USA

678. SHRI R. GIRIRAJAN

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

(a) whether the Union Government has conducted any discussion, deliberation and meetings with Ministers and Secretaries from various State Governments to chalk out strategy to tackle the import tariff imposed by USA, if so, the details thereof and if not, the reasons therefor;
(b) the efforts taken by the Union Government to provide a level playing field for exporters to export their products to USA as before;
(c) whether Government has any agenda to help and facilitate the exporters to USA with financial support to continue their export business without any problem?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

a) The Government remains in continuous consultation with relevant stakeholders, including farmers, agricultural exporters, industry bodies, ministries/departments and export promotion councils on issues related to import tariffs imposed by the United States (U.S.). The Government has also taken into account inputs received from the State Governments on issues related to import tariffs imposed by the U.S., with a view to safeguarding India's trade interests.

b) & c) Government is working with the U.S. government for a bilateral trade agreement. The India–U.S. Bilateral Trade Agreement (BTA) negotiations were launched following the India–U.S. Leaders' Meeting in February 2025, where both countries adopted the "Mission 500" objective of expanding bilateral trade to USD 500 billion by 2030.

Negotiations continued through multiple rounds and India and the United States (U.S.) announced framework for an interim trade deal on February 02, 2026. A Joint Statement for the same was released on February 07, 2026. On February 07, 25% additional ad-valorem tariffs imposed by the U.S. on certain India's exports citing India's imports of Russian oil were removed.

Pursuant to U.S. Supreme Court judgement dated February 20, 2026 invalidating reciprocal tariffs, the reciprocal tariffs are no longer in force. However, the U.S. Government has issued Executive Orders imposing 10% tariffs on certain products from all countries under section 122 of US Trade Act 1974.

The Government is studying all the developments and remains engaged with the U.S. Government in the framework of negotiations for a bilateral trade agreement (BTA) which includes recent meetings of negotiating team of both sides in Washington, D.C. (20–22 April), New Delhi (1–4 June), and the recent visit of the U.S. Trade Representative to New Delhi (22–24 June).

The efforts taken by the Union Government to help and facilitate exporters to USA are given below:

1. Diversification of Trade

The Government aims for promotion of Export Diversification and has signed Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) with key trading partners. Government is working with all stakeholders to enable our exporters to better utilize the benefits of India's FTAs with major markets such as Japan, Korea, UAE, Australia etc. and effectively utilize the opportunities that have been created with the recently concluded FTAs such as with the EFTA countries, UK, Oman and New Zealand. The Government has also recently concluded negotiations on an FTA with the European Union.

2. Export Promotion and Support Measures

The Government continues to work with stakeholders (Exporters and Industry) to mitigate the impact of the U.S. tariff measures on Indian exports through a comprehensive multi-pronged strategy encompassing intensive engagement with the U.S. Government for a mutually beneficial India-U.S. Bilateral Trade Agreement, immediate relief through Trade relief measures of RBI, Credit Guarantee Scheme for Exporters, enhancement of domestic demand through next generation GST reforms, Export Promotion measures such as the new Export Promotion Mission which provide support and assistance to our exporters.

Details of some of the aforementioned measures are as follows:

2.1 Export Promotion Mission (EPM)

The Export Promotion Mission aims to not just support Indian exporters meet the current challenges but also enhance their competitiveness in the global market. The Mission will provide a comprehensive, flexible, and digitally driven framework for export promotion, 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:

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i. NIRYAT PROTSAHAN – affordable trade finance focuses on improving access to 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.

ii. NIRYAT DISHA – 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.

Under EPM, priority support will be extended to sectors impacted by recent global tariff escalations, such as textiles, leather, gems & jewellery, engineering goods, and marine products. The interventions will help sustain export orders, protect jobs, and support diversification into new geographies.

2.2 Credit Guarantee Scheme for Exporters has also been approved to provide 100% credit guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for extending additional collateral free credit facilities up to Rs.20,000 crore to eligible exporters, including MSMEs. The Scheme is expected to enhance the global competitiveness of Indian exporters and support diversification into new and emerging markets. Enabling collateral-free credit access will strengthen liquidity, ensure smooth business operations, and reinforce India's progress towards achieving the USD 1 trillion export target.

2.3 Trade Relief Measures: The Reserve Bank of India (RBI) has also initiated trade relief measures for eligible affected exporters including provision for debt repayment moratorium and extension of tenure for export credit.

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