GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
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INDIA'S EXPORT COMPETITIVENESS AMID GLOBAL TRADE REALIGNMENT

690 SHRI AKHILESH PRASAD SINGH

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

(a) whether Government has reviewed the impact of changing global trade patterns and tariff measures on India's export competitiveness;
(b) the sectors identified as having significant opportunities under the evolving global supply chain;
(c) the measures taken to enhance India's manufacturing competitiveness and diversify export markets; and
(d) whether a strategic roadmap has been prepared to strengthen India's position in global value chains?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY

(SHRI JITIN PRASADA)

(a) The Government continuously reviews global trade developments, including changing trade patterns, tariff measures, geopolitical developments, supply chain realignments, and protectionist policies, and assesses their impact on India's export competitiveness. Despite challenges arising from rising trade barriers, geopolitical uncertainties, and supply chain disruptions, India has demonstrated resilience through export diversification, stronger manufacturing capabilities, and expanded market access. India’s export has demonstrated remarkable resilience and growth momentum over the past decade, with total exports rising from US$ 466 billion in 2013–14 to a record high of US$ 863.1 billion in FY 2025–26, despite a challenging global trade environment. Merchandise exports reached US$ 441.7 billion, while services exports touched US$ 421.3 billion, reflecting the growing strength of both segments.

This performance has been supported by sustained efforts to expand market access, strengthen trade partnerships, integrate Indian industry into global value chains, and create new opportunities for exporters across emerging and developed markets. Despite heightened geopolitical tensions, India’s merchandise exports posted robust growth in April–June 2026, rising 15.92% to US$129.32 billion from US$111.57 billion a year earlier (April-June 2025).

This period marked the highest-ever quarterly merchandise exports, underscoring the resilience and competitiveness of India's export sector.

(b) India is increasingly emerging as a preferred trade and investment destination in the evolving global supply chain landscape, driven by its growing strengths in technology-intensive manufacturing, knowledge-based services, and competitive traditional industries. Significant opportunities have been identified across services, engineering goods, electronics goods, drugs and pharmaceuticals etc., which are witnessing strong export growth and deeper integration into global value chains. Services exports increased from US$ 387.6 billion in FY 2024-25 to US$ 421.3 billion in FY 2025-26, accounting for 48.8% of India's total exports, reflecting the country's growing prominence in digital, IT-enabled, consulting, engineering and R&D services. In merchandise trade, engineering goods (US$ 122.4 billion; 27.7% share), electronic goods (US$ 48.0 billion; 10.9% share), and drugs & pharmaceuticals (US$ 31.1 billion; 7.0% share) have emerged as key growth drivers.

At the same time, India's traditional and labor-intensive sectors continue to drive export growth while also contributing significantly to employment generation Agricultural exports accounted for US$ 53.7 billion (12.2% share), Textile exports accounted for US$ 36.1 billion (8.2% share), while gems and jewellery exports stood at US$ 28.2 billion (6.4% share) in FY 2025-26, underscoring India's competitiveness in established export sectors.

The continued momentum in sunrise sectors is reflected in the first quarter of FY 2026-27 (April–June), with exports of electronic goods growing by 23%, engineering goods by 18%, and drugs & pharmaceuticals by 7% over the corresponding period of the previous year. These trends highlight that India's export growth is being driven by a balanced mix of technology-led sectors and traditional industries, positioning the country as a reliable and diversified partner in global supply chains.

(c) The Government has adopted a comprehensive and multi-pronged strategy to strengthen India's manufacturing competitiveness and diversify its export markets through policy reforms, infrastructure development, trade facilitation measures and enhanced market access initiatives. Efforts to boost domestic manufacturing have been driven through initiatives such as *Make in India*, *Aatmanirbhar Bharat* and the Production Linked Incentive (PLI) Schemes across 14 strategic sectors, alongside National Mission on Manufacturing aimed at increasing domestic manufacturing capability and deepening integration with global value chains.

To support export growth and market diversification, the Foreign Trade Policy (FTP) 2023 focuses on export promotion, ease of doing business, district export development and access to new markets. India has also expanded its network of Free Trade Agreements (FTAs). Export competitiveness has been further enhanced through schemes such as RoDTEP and Export Promotion Mission, etc, In parallel, the Government has undertaken major initiatives to improve trade logistics and reduce transaction costs, including PM Gati Shakti, the National Logistics Policy, customs digitisation, the Single Window Interface for Facilitating Trade (SWIFT), ICEGATE modernisation and paperless customs processes. Measures have also been taken to strengthen quality infrastructure, standards, accreditation and compliance ecosystems, including initiatives such as TRACE to support MSMEs in accessing regulated international markets. Additionally, investments in industrial corridors, plug-and-play manufacturing infrastructure, the semiconductor ecosystem and logistics parks are helping create a globally competitive manufacturing base. These efforts, along with a focused push towards enhancing market access in key markets through new generation FTAs, have contributed to stronger manufacturing performance, export diversification, greater participation in high-value sectors and deeper integration into global production networks.

(d) The Government has articulated a long-term vision under Viksit Bharat@2047 to transform India into a developed economy, with manufacturing-led growth, export expansion and deeper integration into global value chains serving as key pillars of this strategy. The vision seeks to position India as a globally competitive manufacturing and supply-chain hub by enhancing productivity, fostering innovation, strengthening industrial capabilities, creating quality employment opportunities and increasing India's share in global trade and value addition.

Key priorities include improving logistics efficiency, reducing transaction costs, modernising customs with digital processes, strengthening quality infrastructure, and enabling greater MSME participation. Efforts are also directed at diversifying export markets, expanding access through FTAs, and building resilient supply chains in critical sectors. India's approach views self-reliance and global integration as complementary objectives, with domestic capability creation serving as the foundation for deeper participation in global value chains. Recent initiatives have reinforced India's attractiveness as a manufacturing and supply-chain hub. As highlighted in the WTO Global Value Chain Report 2025, India is among the top ten value-adding economies in global exports, and the Government continues to pursue policies aimed at positioning India as a reliable and competitive partner in the evolving global economy.

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