

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 4914
ANSWERED ON 01/04/2025

US TRADE POLICY

4914. SHRI SASIKANTH SENTHIL:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details of the steps taken by the Government to evaluate the impact of the recently imposed U.S. tariffs on imports from Mexico, Canada, and China on India's trade relations with these countries;
- (b) the manner in which the Government plan to handle potential retaliatory tariffs from these countries that could affect Indian exports;
- (c) the steps taken by the Government to address any economic disruptions caused by increased tariffs and challenges due to US trade policies; and
- (d) whether the Government looking into other trade policies or agreements to protect the industries from global trade tensions and if so, the details thereof?

ANSWER

वाणिज्य और उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) & (b) On February 1, 2025, USA issued executive orders imposing a 25% tariff on all goods imported from Mexico and Canada with a reduced 10% tariff specifically for Canadian energy exports, including electricity, natural gas, and oil. The tariffs were enforced on March 4, 2025. The tariff rate on Chinese goods was increased from 10% to 20% on March 4, 2025. Government of India is closely monitoring the impact of these tariff announcements and that of the potential retaliatory tariffs by Mexico, China and Canada on Indian trade. The industry is being encouraged to identify new opportunities arising out of the impact of tariffs on the existing supply chains. Parallely, the imports are being monitored for appropriate safeguard measures under WTO rules, if increased imports including from Mexico, China, and Canada cause or threaten serious injury to domestic industry.

(c) & (d) The Government of India continues to engage with the Government of United States to achieve enhancement and broadening of bilateral trade ties in a mutually beneficial and fair manner. Both nations released a joint statement on February 13, 2025, reaffirming their commitment to deepening economic ties. Both countries have committed to negotiate first tranche of a mutually beneficial, multi-sector Bilateral Trade Agreement by Fall, 2025 under which the countries would focus on increasing market access, reducing tariff and non-tariff barriers, enhancing supply chain integration and resolving key trade issues bilaterally.
