

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO.2879
ANSWERED ON 10/03/2026

IMPACT OF US-BANGLADESH TRADE AGREEMENT

2879. SHRI SRIBHARAT MATHUKUMILLI:

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

- (a) whether the Government is aware of the recent U.S.–Bangladesh arrangements providing preferential or zero-tariff access in certain cases;
- (b) whether the Government has studied the potential impact of Bangladesh shifting to U.S.-sourced cotton and textile inputs, under its recent trade arrangement with the United States, on India's cotton farmers, spinning mills and yarn exporters and if so, the details and key findings thereof;
- (c) whether the Government has held any negotiations or discussions with the United States to secure similar or equivalent market access for Indian textile and garment exporters and if so, the details and current status thereof; and
- (d) whether the Government proposes to waive off or reduce the import duty on U.S. Cotton to enable Indian garment exporters to avail similar preferential access to the U.S. market and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) Government is aware of the US-Bangladesh Agreement on Reciprocal Trade signed on 9 February 2026.

(b) India holds largest share in Bangladesh's cotton yarn imports and retains a structural advantage due to Bangladesh's limited domestic spinning capacity. However, Bangladesh's imports of raw cotton from the United States is likely to be insufficient to substitute for the large volumes of yarn currently sourced from India.

The recent trade agreement between Bangladesh and the United States may marginally increase demand for U.S. cotton, any competitive pressure is likely to be absorbed primarily by other suppliers. India's cotton trade with Bangladesh may continue to benefit considering the geographical proximity, lower freight costs, shorter transit times, established supply chains, and long-standing industry linkages, which provide resilience to the bilateral trade relationship.

(c) & (d) India and the United States announced a trade deal on 2nd February 2026. A Joint Statement for the same was released on February 07 2026. The 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 US Supreme Court judgement dated 20th February 2026 invalidating reciprocal tariffs, these tariffs are no longer in force. The US Government has issued Executive Orders imposing 10% tariffs on all countries on certain products. The Government is studying all the developments thereafter for their implications and remains engaged with the US Government.