

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 4014
ANSWERED ON 17/03/2026

IMPACT OF US TARIFF ON ECONOMY

4014. SHRI KALYAN BANERJEE:

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

- (a) the details of India-USA trade deal and commitment made with US and the details of sectors which are likely to be benefitted from this deal;
- (b) the details of India-US interim trade agreement tariff was proposed before the agreement by US Government for the reductions;
- (c) the details of zero duty items announced by US Government for the benefit of exporters, farmers and MSMEs thereof;
- (d) the details of items, those to be bought for 500 billion dollars that India has committed to purchase from US within 5 years, sector-wise;
- (e) whether any of Indo-China, Indo-Russia, Indo-Iraq, Indo-Saudi Arabia and the Indo United Arab Emirates (UAE) trade deals will affect the Indian economy, if so, the details thereof; and
- (f) the proposals of the Government to collect/arrange this committed additional 500 billion dollars under the present economy of the country, likely to impact the Indian economy in future?

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) to (c) (i) India and the United States (U.S.) announced a trade deal on 2nd February 2026. A Joint Statement for the same was released on 7th February 2026. On 7th February 2026, 25% additional ad valorem tariffs imposed by the U.S. on certain India's exports citing India's imports of Russian oil were removed. Subject to the conclusion of the Interim Agreement, the U.S. will provide preferential market access to Indian goods, including textile and apparel, leather and footwear, plastic and rubber, organic chemicals, home décor, artisanal products, certain machinery, etc. Further, the U.S. will reduce additional tariff on India to 0% on a wide range of products, such as gems and diamonds, aircraft parts, generic pharmaceuticals, certain machinery and parts, vegetable saps, certain instruments and apparatus, certain plastic and rubber, certain auto parts, etc. The agreement will boost MSME exports in marine products, processed food, textiles, leather, and handicrafts by providing preferential market access. India has fully protected its sensitive agricultural sectors through a carefully designed Exclusion Category, ensuring no tariff concessions on key agricultural products. Further information regarding the Interim Trade Deal is also

available at the following web-link:- <https://www.commerce.gov.in/wp-content/uploads/2026/03/FTAs-achievement.pdf>

(ii) Pursuant to the U.S. Supreme Court judgement dated 20th February 2026 invalidating reciprocal tariffs, the reciprocal tariffs are no longer in force. The U.S. Government has issued Executive Orders imposing 10% tariffs on certain products from all countries. The Government is studying all the developments and remains engaged with the US Government.

(d) & (f) India is one of the fastest growing economies with rising demand for cost competitive, reliable and diversified sources for energy products, high technology items to propel its domestic manufacturing, exports, innovation and integration with global supply chains. Accordingly, India intends to purchase energy products, aircraft and aircraft parts, Information and Communication technology (ICT) products, coking coal and other products worth \$500 billion from the U.S. over the next 5 years.

(e) India signed the Comprehensive Economic Partnership Agreement (CEPA) with the United Arab Emirates on 18 February 2022, which entered into force on 1 May 2022. China became a member of the Asia-Pacific Trade Agreement (APTA) with effect from 1 January 2002, of which India is a founding member. Further, Iraq and India are members of the Global System of Trade Preferences (GSTP), which was signed on 13 April 1988 and entered into force on 19 April 1989. India currently does not have any trade agreement with Russia or Saudi Arabia; however, Russia is a member of the Eurasian Economic Union (EAEU), with which India is presently negotiating a trade agreement. Trade agreements are entered into with the concerned trading partner countries primarily with the aim to increase the bilateral trade through enlarging the scope of preferential market access and build on the trade complementarities for increasing trade and investment, thereby providing enhanced export potential, creating benefits for industry as well as farmers and creating job opportunities.
