

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 5232
ANSWERED ON 24/03/2026

IMPACT OF ONGOING WAR ON INDIA'S TRADE

5232. SHRI K E PRAKASH:

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

- (a) whether the Government has constituted an inter-ministerial group to monitor the impact of the ongoing Iran–Israel conflict on India's trade, shipping, logistics and critical imports;
- (b) if so, the details of the ministries involved, the frequency of meetings and the key risks identified so far;
- (c) whether the Government has assessed the extent of disruption to exports due to instability in West Asia and shipping routes, if so, the details thereof; and
- (d) the steps taken or proposed to safeguard Indian exporters, stabilise supply chains and ensure continuity of imports, particularly energy supplies, in view of the evolving geopolitical situation?

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 (d) The Government has been closely monitoring the evolving geopolitical situation in West Asia and the Gulf region, including its impact on India's external trade, shipping routes and logistics chains. Stakeholders reported disruption of maritime and air cargo routes through the Middle East, increase in freight costs due to rerouting and war-risk surcharges, cargo accumulation at ports and logistics hubs, and financial stress arising from longer transit cycles. These concerns were raised across sectors, including agricultural products, textiles, engineering goods and other export consignments.

To address the situation, the Department of Commerce undertook stakeholder consultations to review the logistics situation in the country on March 02, 2026. Thereafter, based on the assessment of the situation arising in the country, the Department of Commerce has operationalized the **Inter-Ministerial Group (IMG) on Supply Chain Resilience on March 02, 2026** as the central coordination platform with participation of concerned Ministries and agencies, including Ministry of Ports, Shipping & Waterways, Ministry of Petroleum & Natural Gas, Department of Financial Services, Department for Promotion of Industry & Internal Trade (DPIIT), Central Board of Indirect Taxes & Customs (CBIC), Ministry of External Affairs, Directorate General of Shipping and Reserve Bank of India (RBI). The IMG has held review meetings on a regular basis, enabled a dedicated communication channel for exporters, and compiled daily situation and action reports for coordinated response.

The Government's response has focused on coordinated trade facilitation, logistics support, customs simplification, maritime monitoring, and engagement with concerned stakeholders to reduce the impact of the disruption on India's exports, including exports to the wider Gulf region. The steps taken by the Government *inter alia* include the following:

- DGFT has notified on 19th March, 2026 a time-limited Support for Indian Exporters, Resilience & Logistics Intervention for Export Facilitation (RELIEF) intervention under the Export Promotion

Mission, to be implemented through the Export Credit Guarantee Corporation of India (ECGC) to address elevated export risks arising from geopolitical disruptions in the Gulf and West Asia maritime corridor.

- DGFT has issued Public Notice No. 51/2025-26 dated March 06, 2026 extending the Export Obligation / Block-wise Export Obligation fulfilment period up to August 31, 2026 for specified Advance Authorisations and EPCG Authorisations where the period was expiring between March 01, 2026 and July 31, 2026, without payment of composition fee and without applying for the same to Regional Authorities of DGFT.
- CBIC has directed all Customs Zones on March 05, 2026 and March 17, 2026 to convene special Customs Clearance Facilitation Committee (CCFC) meetings with field formations, CFS operators and trade stakeholders to address operational concerns arising from the disruption.
- CBIC has issued Circular No. 09/2026-Customs dated March 08, 2026 prescribing a simplified procedure for handling export cargo returning to Indian ports due to the closure of the Strait of Hormuz, including facilitation for berthing, offloading, Shipping Bill cancellation in applicable cases, and Back-to-Town permission on request.
- CBIC has issued Circular No. 12/2026-Customs dated March 17, 2026 prescribing simplified procedure for international transshipment and handling of diverted cargo, including permission for temporary storage and re-export under customs supervision to maintain continuity of trade flows.
- Customs field formations, including Nhava Sheva, Mundra and Kandla Custom Houses, have issued facilitation measures for Back-to-Town (BTT) movement of stranded export cargo and waived physical examination in specified cases and BTT-related fees/penalties to expedite evacuation of cargo.
- The Ministry of Ports, Shipping & Waterways has issued a Standard Operating Procedure (SOP) on March 06, 2026 for major ports, providing for stakeholder meetings, 24x7 nodal officers, temporary storage of Middle East-bound cargo, additional storage areas, facilitation of BTT movement, priority handling of perishable cargo, priority handling of returning export cargo, and case-by-case waiver or reduction of certain port charges.
- The Directorate General of Shipping (DGS) has remained in regular contact with Indian vessels and Indian seafarers and has convened consultations with shipping lines on March 06, 2026 and March 09, 2026, assessed operational challenges arising from war-risk and insurance constraints, and monitored vessel movements in the Persian Gulf region. Furthermore, DGS has issued an advisory Circular No. 14 of 2026 dated March 09, 2026 to shipping lines, carriers and their agents to ensure transparency in pricing and to refrain from predatory, non-transparent or opportunistic charges, in the context of prevailing geopolitical tensions. Shipping service providers have also been advised to clearly communicate all applicable charges upfront and adhere to fair trade practices, with the objective of reducing undue cost burden on exporters and improving predictability in logistics operations.
- The Ministry of External Affairs has, through Indian Missions in the region, issued advisories and explored alternative sea passages to mitigate disruptions.
- The Ministry of Petroleum & Natural Gas has activated a 24x7 emergency cell for vessel tracking and reviewed developments relating to crude oil, LNG and LPG shipments, including alternative routes and supply options.
