

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 5243
ANSWERED ON 24/03/2026

DIGITAL TRADE

5243. MS SAYANI GHOSH:
SHRI M K RAGHAVAN:

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

- (a) whether any India–US trade negotiations or agreements currently under discussion include provisions relating to digital trade, including cross-border data flows, e-commerce, cloud services, or digital services regulation;
- (b) if so, the specific areas proposed to be covered under such digital trade provisions and the stage of negotiations at present;
- (c) whether any commitments are being considered that may affect India’s existing or proposed policies on data localisation, data protection, digital taxation, competition regulation, or source-code disclosure;
- (d) whether the Government has carried out any impact assessment on who is likely to benefit from such digital trade provisions, including domestic start-ups, MSMEs, Indian IT firms, consumers, and foreign technology companies, if so, the details thereof;
- (e) whether the Government has examined the implications of such provisions on national security, data sovereignty, regulatory autonomy, and domestic digital innovation;
- (f) whether any study has been conducted by the Government regarding the potential impact of the India-US trade agreement on employment generation in India, if so the details thereof;
- (g) the details of proposed tariff reduction or eliminations under discussion in the India-US trade negotiations, sector-wise; and
- (h) whether issues relating to digital trade, data localisation, e-commerce regulations and intellectual property rights are part of the negotiations and the Government position thereon?

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 (h) (i) India and the United States (U.S.) announced a trade deal on February 02, 2026. A Joint Statement for the same was released on February 07, 2026. On February 07, 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, India and U.S. commit to address discriminatory or burdensome practices and other barriers to digital trade and to set a clear pathway to achieve robust, ambitious, and mutually beneficial digital trade rules

as part of the Bilateral Trade Agreement. It will strengthen India's digital infrastructure by ensuring access to advanced semiconductor chips, server components, and critical technologies needed for data centres and the Digital India initiative, enabling scalable, high-performance computing. Moreover, FTAs are negotiated with partner countries with the objective of expanding bilateral trade by enhancing market access and leveraging trade complementarities to promote trade and investment. Such agreements aim to create enhanced export opportunities, generate benefits for industry including domestic start-ups, MSMEs, Indian IT firms, consumers, and foreign technology companies and support employment generation.

As per the terms of the framework for 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. Subject to the conclusion of the Interim Agreement, 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.

As per the terms of the framework for the Interim Agreement, India to receive concessions for products where tariffs have been imposed pursuant to Section 232 investigations:

- a. The U.S. will remove the additional tariffs on certain aircraft and aircraft parts of India imposed under U.S. Section 232 proclamations on steel, aluminium and copper, and their derivatives.
- b. The U.S. will provide preferential tariff rate quota for Indian automotive parts facing additional tariff imposed under Section 232 proclamation, consistent with the U.S. national security requirements.
- c. The U.S. will also provide negotiated outcomes with respect to generic drugs and pharmaceutical ingredients from India, subject to the findings of Section 232 investigation of pharmaceuticals and pharmaceutical products.

As per the terms of the framework for the Interim Agreement items such as certain minerals, hydrocarbons, certain paper items, tea and coffee, spices, bakery products, certain fruits, certain processed foods, are expected to attract 0% tariff subject to U.S. policy for exemptions of certain items.

The agreement will provide opportunities to Indian farmers and fishermen to enhance their exports in their areas of strength, such as marine products, basmati rice, spices, tea and coffee, oilseeds, and certain fruits. It will also provide preferential access to a big market for agroforestry-linked products such as vegetable saps, waxes, nuts, plating material, coconut, poppy seeds, vegetables and certain roots, along with processed fruit products such as juices, pulp and jams.

Further information regarding the interim trade deal is also available at the following weblink: <https://www.commerce.gov.in/wp-content/uploads/2026/03/FTAs-achievement.pdf>

(ii) Pursuant to U.S. Supreme Court judgement dated February 20, 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 thereafter for their implications and remains engaged with the U.S. Government.
