

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 568
ANSWERED ON 03/02/2026

TARIFF IMPACT ON CARPET MANUFACTURING INDUSTRY

568. SHRI RAHUL GANDHI:

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

- (a) whether the Government is aware of the impact of 50% tariffs imposed by the US on the carpet manufacturing industry, if so, the details of loss of revenue and employment and if not, the reasons therefor;
- (b) whether the Government is aware of the comparative U.S. tariffs on other countries that are major exporters of carpets and if so, the details thereof;
- (c) the details of export incentives for the carpet industry over the past five years and if there has been a decrease, the reasons therefor;
- (d) whether any activities have been undertaken to diversify export destinations for Indian carpets since imposition of U.S. tariffs, if so, the details thereof;
- (e) whether the Government proposes to announce any relief package, subsidies, or financial support to safeguard the livelihoods of weavers and artisans; and
- (f) if so, the details and timelines thereof, if not, the reasons therefor?

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) The Government of India continues to monitor and promote India's exports in the Carpets sector. Details of India's export performance for export of Carpets to the world in the years 2023, 2024 and 2025 for the period April to December are provided below:

Values in USD Million		
April-Dec 2023	April-Dec 2024	April-Dec 2025
1037.93	1149.50	1104.44

Source: DGCIS

- (b) The tariffs in the U.S. are cumulative in nature and comprise the applicable Most-Favoured-Nation (MFN)/ Preferential tariff as well as additional duties imposed under U.S. domestic laws, including measures taken citing national security, national emergency etc and any applicable anti-dumping and countervailing duties. Consequently, the total tariff varies

significantly depending on both the product and the country of origin. Information on these tariffs and duties may be accessed through relevant official U.S. government websites, including:

https://www.usitc.gov/harmonized_tariff_information

<https://www.federalregister.gov/>

<https://www.cbp.gov/trade>

(c) to (f) The carpet industry has been consistently supported through a combination of financial and non-financial export promotion measures, including *inter alia*: Branding and Marketing support, Market Access Initiative Scheme for participation in overseas fairs, Interest equalization Support and Duty Drawback Schemes.

The Government continues to work to mitigate the impact of the US tariff measures on Indian exports through a comprehensive multi-pronged strategy encompassing intensive engagement with the US Government for a mutually beneficial India-US Bilateral Trade Agreement, immediate relief through Trade relief measures of RBI, Credit Guarantee Scheme for Exporters, enhancement of domestic demand through next generation GST reforms, Export Promotion measures such as the new Export Promotion Mission which provide support and assistance to our exporters, pursuing FTAs with new countries and better utilization of existing FTA. It is expected that these measures will also enhance diversification and resilience in India's trade relationships.

Details of some of the aforementioned measures are as follows:

1. Export Promotion Mission (EPM)

The Mission will provide a comprehensive, flexible, and digitally driven framework for export promotion, with a total outlay of Rs.25,060 crore for FY 2025–26 to FY 2030–31. EPM marks a strategic shift from multiple fragmented schemes to a single, outcome-based, and adaptive mechanism that can respond swiftly to global trade challenges and evolving exporter needs.

The Mission will operate through two integrated sub-schemes:

- i. **NIRYAT PROTSAHAN** – focuses on improving access to affordable trade finance for MSMEs through a range of instruments such as interest subvention, export factoring, collateral guarantees, credit cards for e-commerce exporters, and credit enhancement support for diversification into new markets.
- ii. **NIRYAT DISHA** – focuses on non-financial enablers that enhance market readiness and competitiveness, including export quality and compliance support, assistance for international branding, packaging, and participation in trade fairs, export warehousing and logistics, inland transport reimbursements, and trade intelligence and capacity-building initiatives.

The Mission is designed to directly address structural challenges that constrain Indian exports, including:

- limited and expensive trade finance access,
- high cost of compliance with international export standards,
- inadequate export branding and fragmented market access, and
- logistical disadvantages for exporters in interior and low-export-intensity regions.

Under EPM, priority support will be extended to sectors impacted by recent global tariff escalations, such as textiles, leather, gems & jewellery, engineering goods, and marine products. The interventions will help sustain export orders, protect jobs, and support diversification into new geographies.

2. **Credit Guarantee Scheme for Exporters** has also been approved to provide 100% credit guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for extending additional collateral free credit facilities up to Rs.20,000 crore to eligible exporters, including MSMEs. The Scheme is expected to enhance the global competitiveness of Indian exporters and support diversification into new and emerging markets. Enabling collateral-free credit access will strengthen liquidity, ensure smooth business operations, and reinforce India's progress towards achieving the USD 1 trillion export target.
3. **Trade Relief Measures** :-The Reserve Bank of India (RBI) has also initiated trade relief measures for eligible affected exporters including provision for debt repayment moratorium and extension of tenor for export credit.
4. **Leveraging Free Trade Agreements**: The Government aims for promotion of Export Diversification and has signed Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) with several key trading partners. Government is working with all stakeholders to enable our exporters to better utilize the benefits of India's FTAs with major markets such as Japan, Korea, UAE etc. and effectively utilize the opportunities that have been created with the recent concluded FTAs such as with the EFTA countries, UK, Oman and New Zealand. The Government has also recently concluded FTA negotiations with the European Union.
