

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 2702
ANSWERED ON 16/12/2025

IMPACT OF US TARIFF ON LABOUR INTENSIVE EXPORT

2702. SHRI RAHUL GANDHI:

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

- (a) whether the Government has conducted or commissioned any study to assess the impact of the recent 50 per cent tariff hike by the United States on India's labour-intensive export sectors such as textiles, leather and gems & jewellery;
- (b) if so, the details and findings thereof and if not, the reasons for not conducting any assessment despite the scale of disruption caused;
- (c) the estimated loss in export value and employment resulting from the tariff hike; and
- (d) the steps being taken by the Government to protect domestic industries from the impact of retaliatory tariffs?

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) (b) and (c) The Government continues to monitor India's exports and take steps to promote them.

(i) Details of India's export performance for merchandise exports to the world in the current fiscal for the period April to October compared to the same period last fiscal is as given below:

(Values in USD Billion)		
	April-October 2024	April-October 2025
Export	252.66	254.25

Source: DGCIS

(ii) Sectoral performance of India's global merchandise exports may be seen at the following link:

https://tradestat.commerce.gov.in/ftspcc/export_commodity_wise

(d) 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 15 Free Trade Agreements (FTAs) and 6 Preferential Trade Agreements (PTAs) with its 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 and the UK. The Government is also engaged in negotiations for early conclusion of mutually beneficial FTAs with the EU, Peru, Chile, New Zealand, Oman etc.

The Government remains engaged with all stakeholders—including exporters, Export Promotion Councils (EPCs), industry associations, and state governments—regarding the evolving impact of the U.S. tariff measures.
