

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 4184
ANSWERED ON 19/08/2025

IMPACT OF US POLICIES

4184. SHRI K RADHAKRISHNAN

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 recent changes in U.S. tax policies, including the global minimum tax and corporate tax regulations, on Indian companies operating in or exporting to the United States;
- (b) whether the Government has conducted any study to assess how these tax measures have affected India's trade balance, FDI inflow and overall economic growth;
- (c) whether the depreciation of the Indian rupee against the U.S. dollar in recent months has further compounded the challenges for Indian exporters and companies with exposure to U.S. markets;
- (d) whether the Government has taken up this issue with the U.S. authorities or international bodies and the steps being taken to protect Indian economic and commercial interests;
- (e) if so, the details thereof; and
- (f) the measures being taken by the Government to support affected sectors, maintain export competitiveness and stabilize the rupee in view of the global taxation developments?

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) India has entered into a Double Taxation Avoidance Agreement with the United States that is applied on the corporate taxation of Indian companies in United States. The benefits available in this Agreement remain unchanged irrespective of the domestic laws of United States. United States has not implemented the global minimum tax rules so far, and has stated that the commitment made by prior administration on it shall have no effect in United States unless they are adopted in its domestic laws. This is unlikely to affect taxation of Indian companies in United States. U.S. Corporate tax changes generally apply to entities with U.S. tax liability and are not expected to directly affect exporters that sell from India.

(b) Indicators such as trade balance, FDI Inflow and economic growth are a function of several different variables. Trade balance depends on various factors including the demand and supply of tradeable commodities in the international market. Impact of

changes in tax policy in a specific foreign country on the aforementioned indicators, if any, cannot be isolated.

(c) to (f) The overall impact of depreciation of Indian rupee against the US dollar on the economy depends on multitude of factors and cannot be isolated.

Government is engaged with all relevant stakeholders including industry to protect country's economic and commercial interests and to mitigate impact on trade through all appropriate steps including export promotion and trade diversification.

RBI formulates, implements and monitors the monetary policy which also facilitates external trade, and payment, and promote orderly development and maintenance of foreign exchange market in India. RBI has also undertaken various measures to diversify and expand the sources of forex funding to mitigate volatility in the exchange rate.
