

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 3948
ANSWERED ON 17/03/2026

US TARIFF AND TAX POLICY

3948. SHRI SURESH KUMAR SHETKAR:

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

- (a) whether the Government has taken note of recent changes in US tariff and tax policies affecting Indian exports and if so, the details thereof;
- (b) whether the Government has assessed the proposed trade arrangement results in unequal tax obligations between India and the United States, if so, the findings thereof;
- (c) whether Indian industries, particularly textiles, agriculture and MSMEs, have expressed concerns regarding adverse impacts of the proposed agreement, if so, the details thereof;
- (d) whether consultations were held with stakeholders before finalising negotiations with the United States, if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government proposes to put the proposed US–India trade deal on hold in view of recent policy changes and uncertainties, if so, the details thereof and if not, the reasons therefor; and
- (f) whether India intends to renegotiate the agreement to ensure reciprocity, protection of domestic industries and fair taxation principles, if so, the timeline thereof?

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) & (d) The Government continues to work with all stakeholders including exporters and industry to mitigate the impact of the tariff measures of the United States (U.S.) on Indian exports through a comprehensive multi-pronged strategy encompassing intensive engagement with the U.S. Government for a mutually beneficial India-U.S. 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 Free Trade Agreements (FTAs) with new countries and better utilization of existing FTAs. It is expected that these measures will also enhance diversification and resilience in India's trade relationships.

(b) & (c) India and the United States announced a trade deal on 2nd February 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, 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. Further, 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. The agreement will boost MSME exports in marine products, processed food, textiles, leather, and handicrafts by providing preferential market access, while protecting sensitive sectors. The interests of all sensitive sector such as dairy and agriculture have been protected. Further, information regarding the interim trade deal is also available at the following web link: <https://www.commerce.gov.in/wp-content/uploads/2026/03/FTAs-achievement.pdf>.

(e) & (f) Pursuant to the U.S. Supreme Court judgement dated 20th February 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 and remains engaged with the U.S. Government.
