

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 4101
ANSWERED ON 17/03/2026

IMPACT OF US TARIFFS

4101. SHRI VAMSI KRISHNA GADDAM:

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

- (a) whether the Government has undertaken/commissioned any assessment on the potential impact of recent tariff measures imposed by the United States on Indian exports on employment in labour-intensive sectors such as textiles, gems and jewellery, chemicals, leather and engineering goods;
- (b) if so, the details of such assessment including estimate of possible employment disruptions, temporary layoffs or reduction in working hours in export-oriented clusters sector and region-wise;
- (c) whether any targeted reskilling, upskilling or workforce redeployment initiatives under Skill India are being planned or implemented by the Government to assist workers affected by export volatility arising from such tariff measures; and
- (d) if so, the details of coordination, if any, undertaken with the Ministry of Commerce and Industry and Export Promotion Councils to anticipate employment-related risks and facilitate labour market adjustment in the event of sustained export contraction in affected sectors?

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) (i) 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.

(ii) 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 sectors such as dairy and agriculture have been protected.

(iii) 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.

(c) & (d) The agreement will boost India's exports in marine products, processed food, textiles, leather, and handicrafts by improving preferential market access while protecting sensitive sectors. The agreement will lead to opening of new opportunities for farmers, entrepreneurs, MSMEs, start-up innovators and fishermen, while generating large-scale employment across sectors. Further, India's Skill India Mission (SIM), is equipping work-force with essential industry-relevant skills through initiatives focussing on skill development, re-skilling and up-skilling. Additional 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>
