

# US CLEARS TRADE DEAL WITH INDIA, TO CUT TARIFF TO 18%

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● India to buy \$500 bn US goods, stop Russian oil purchases

MUKESH JAGOTA  
New Delhi, February 2

THE US HAS agreed to reduce reciprocal tariffs on Indian goods to 18% from 25% as part of the larger trade deal which will see India buy \$500 billion worth of American goods.

The deal was announced by US President Donald Trump in a post on "Truth Social".

"Out of friendship and respect for Prime Minister (Narendra) Modi and as per his request, effective immediately, we agreed to a trade deal between US and India whereby US will charge a reduced reciprocal tariff, lowering it from 25% to 18%."

There was no mention of the additional 25% tariffs for buying crude oil from Russia but news agency IANS, quoting a White House official, said these additional tariffs will be removed. Trump also claimed that India has agreed to reduce tariff and non-tariff barriers against the US to zero. Shortly after the announcement, PM Modi tweeted: "Wonderful to speak



NARENDRA MODI, PRIME MINISTER

Delighted that Made in India products will now have a reduced tariff of 18%. Big thanks to President Trump on behalf of the 1.4 billion people of India

with my dear friend President Trump today. Delighted that Made in India products will now have a reduced tariff of 18%. Big thanks to President Trump on behalf of the 1.4 billion people of India for this wonderful announcement.

"When two large economies and the world's largest democracies work together, it benefits our people and unlocks immense opportunities for mutually bene-

ficial cooperation.

"President Trump's leadership is vital for global peace, stability, and prosperity. India

fully supports his efforts for peace. I look forward to working closely with him to take our partnership to unprece-

reduce their barriers against the US to zero."

"Our amazing relationship with India will be even stronger going forward," Trump said while describing Modi as one of his greatest friends and a powerful and respected leader of his country. Gift Nifty soared 600 points immediately after Trump's announcement. Reacting to the development, Nilesh Shah, MD, Kotak Mahindra AMC said: "India US trade deal has gone through ups and downs like a roller coaster. While devil is in the details, it removes a hanging sword over rupee, equity and rates market."

"Let us hope that it is a win win deal for both the countries as they have lot to gain through cooperation." The buzz around the impending announcement of the trade deal gained ground as the US Ambassador to India Sergio Gorrer posted on 'X': "President Trump just spoke with Prime Minister Modi. Stay tuned."

The call followed two "Truth Social" posts by President Trump, one sharing a magazine cover of him with Modi with the magazine calling them as newsmakers of the year with a caption "The Mover and The Shaker".

The other post was a photo of India Gate with a caption: "India's beautiful triumphal arch, ours will be the greatest of them all!"

dented heights," he added.

"The Prime Minister also committed to "buy American" at a much higher level, in addition to over \$500 billion of US Energy, technology, agricultural and coal and many other products," Trump said. According to Trump, India has also agreed to stop buying Russian oil and buy much more from the US and potentially Venezuela. They will likewise move forward to

## INDUSTRIES HIT BY GLOBAL HEADWINDS TO GET TAX BREATHER

## SEZ rules easing to aid a few sectors

MUKESH JAGOTA  
New Delhi, February 2

**THE BUDGET PROPOSAL** to relax the rules allowing units in special economic zones (SEZs) to sell their output in the domestic market will be for a select labour-intensive sectors that are under pressure due to global trade disturbances, an official said on Monday.

Around "seven-eight sectors", including leather, textiles and engineering goods, will be the beneficiaries of the proposal, Commerce Secretary Rajesh Agrawal said. The bigger SEZs like the ones involved in petroleum refining would be kept out of this one-time relaxation.

The guidelines for this proposal would be framed by the Central Board of Indirect Taxes and Customs (CBIC) and will take 2-3 months. This has been a long-pending demand of SEZ units. Even now SEZ units are allowed to sell in the domestic market but it is treated as

## CUSHIONING GLOBAL SHOCK

■ CBIC will frame guidelines for the proposal in 2-3 months

■ Bigger SEZs like the ones involved in petroleum refining will be kept out of this one-time relaxation

■ India has 276 operational SEZs with

**6,279** units

imports in terms of taxation — and taxes on imports of textiles, apparel and leather goods are high in India.

In her Budget speech, Finance Minister Nirmala Sitharaman said that as a special one-time measure, sales by eligible manufacturing units in SEZs in the domestic tariff



■ In 2024-25, total exports from SEZs stood at

**\$176.6 bn**

Of total, merchandise exports were

**\$69 bn**

area (DTA) will be allowed at concessional rates of duty.

The quantity of such sales will be limited to a prescribed proportion of their exports. Necessary regulatory changes will be undertaken to operationalise these measures while ensuring level playing field for the units working in the DTA.

SEZs are treated as a foreign territory and units there are geared towards exports. Apart from basic customs duty, the sales in DTA by SEZ units also attract integrated goods and services tax (IGST), as well as anti-dumping, countervailing and safeguard duties where applicable.

Labour-intensive goods which are coming from countries such as Vietnam and Bangladesh at concessional import duties into India can now be imported from SEZs, Agrawal said.

The move is also important as when the SEZ law was formulated in 2005, Indian trade policy was different and now the situation has changed due to global developments.

"Now we have done multiple free trade agreements (FTAs) through which goods are entering the country at concessional duties," he said. SEZ units have also flagged the issue of FTAs and sought parity on duties with imports from FTA partners.

There are 276 operational SEZs, with 6,279 units, in the country. In 2024-25, total exports from SEZs stood at \$176.6 billion. Of the total, merchandise exports stood at \$69 billion, growing at 9% year-on-year.

CUT IN CUSTOMS LEVY TO MAKE IMPORTED BEAUTY AND GADGETS CHEAPER

# Duty relief boosts cross-border e-comm

VIVEAT SUSAN PINTO &  
YARUQHULLAH KHAN  
Mumbai/New Delhi, Feb 2

**GINA DIAS** (name changed) has been looking for a new range of skincare products from American brand Glossier for some time now. It remains unavailable in India, so she turns her attention to international e-commerce platforms such as eBay to get hold of it.

Consumers such as Dias have been on the rise in the country. And they have reason to cheer, as the Union Budget 2026 cuts customs duty on goods imported for personal use by half — from 20% to 10% — reducing the cost burden in the process. The move is expected to aid cross-border e-commerce, which is currently pegged at about \$1 billion, according to e-commerce experts.

These products are typically shipped into the country via post or courier, attracting both import duties and shipping charges. While the government has levied an additional Social Welfare Surcharge, which works out to

## EASE OF LIVING, DELIVERED

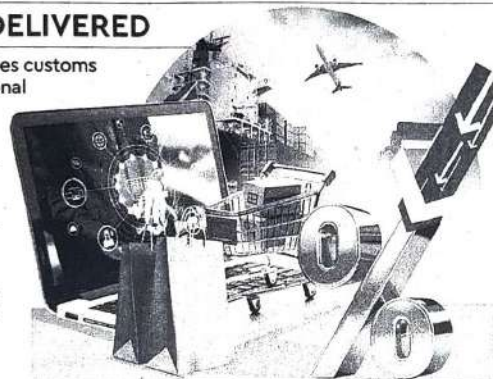
■ Move seen as push for 'ease of living'

■ Budget halves customs duty on personal imports to **10%**

■ Total duty now **11%**, including surcharge

■ Baggage imports above **₹75,000** face **35%** duty

■ Market size pegged at about **\$1 billion**



■ Covers beauty, gadgets, apparel, food items

■ Affluent, digital-savvy buyers driving growth

■ Jewellery, alcohol, cars, books excluded

Imports from the US, West Asia, Southeast Asia to get cheaper

Boost expected in electronics and cosmetics sales

about 1%, taking the total rate of duty to 11% from 20% earlier, experts still say the overall move marks a shift in government thinking towards what they describe as "ease of living."

"It marks a clear shift towards a more simplified, consumer-friendly customs regime," Sukrit Kapoor, partner, King Stubb & Kasiva, Advocates and Attorneys, said.

Besides beauty products, clothing, footwear, fragrances, and electronic items such as

phones, high-end laptops, watches, cameras, accessories, toys, household, kitchen and food items, medicines, and sporting goods are routinely imported for personal consumption, Kapoor says. She notes that as affluence, consumer awareness, and digital adoption grow, the propensity to import from abroad for personal use is increasing.

Rajarshi Dasgupta, executive director, tax at AQUILAW, says the government has

acknowledged evolving consumer behaviour, including the rise of online purchases and cross-border e-commerce.

"However, specific items such as jewellery have historically been governed by additional duty rates and may still attract specific duties under the customs schedule," Dasgupta said. Products such as alcohol, tobacco, cars, printed books, and those requiring an import licence remain exempt from the relief, he says.

Similarly, consumers shopping abroad and bringing products via the baggage route through airports will continue to pay a 35% duty on these products whose value exceeds the ₹75,000 threshold, experts said.

Still, Fahaz Ashraf, director & chief operating officer at Lulu Group India, told FE that the customs duty cut will help boost sales of cameras, electronics, and kitchen appliances in India. He added that imports

of smartphones, laptops, and kitchen appliances, particularly from the United States, will likely become cheaper, but the final retail prices of the products are not likely to fall significantly due to a variety of logistics and handling costs.

"Importing smartphones and laptops is the most obvious choice (to get cheaper) due to their more favourable base price. But with headwinds in logistics existing, there will not be a massive drop in retail prices in India," Ashraf said.

He also said that imports from West Asian and Southeast Asian countries may see a sharp fall in prices, especially for items such as perfumes, clothing, gourmet foods, and beauty products.

Farhad Mohammed, managing director at AJFAN International Retail, told FE the cut in customs duty may affect prices of imported confectionery, perfumes, cosmetics, nuts & dates, as costs to procure them will reduce. In particular, the price of imported chocolate may see a drop, he added.

# Duty remission funds cut worries exporters

**Amiti Sen**

New Delhi

Exporters have expressed concern over the sharp reduction in outlay for the two flagship input-duty remission schemes — RoDTEP and RoSCTL — even as expectations persist that funding could be topped up in the revised budget estimates after the rate rationalisation exercise concludes.

“Allocation under both the schemes is substantially down. We expect that the revised budget estimate will increase the allocation, as these duty-neutralisation refund schemes are crucial for our exports,” said Ajay Sahai, Director General, Federation of Indian Export Organisations. RoDTEP (Remission of Duties and Taxes on Exported Products) refunds embedded Central, State and local taxes not otherwise re-



**INDUSTRY VIEW.** As exports are zero-rated, shippers pitch for a complete refund of RoDTEP and RoSCTL

bated, helping exporters remain price-competitive in global markets.

## LESS ALLOCATION

The budgetary allocation for RoDTEP for FY27, at ₹10,000 crore, is about 45 per cent lower than the previous fiscal's allocation of ₹18,232.5 crore. The allocation for RoSCTL (Rebate of State and Central Taxes and Levies), which provides similar relief

specifically to apparel and made-ups exporters, has also been halved to ₹5,000 crore.

A high-level committee led by former Secretary Neeraj Kumar Gupta was constituted in October 2025 to review and recommend revised rates for the RoDTEP and RoSCTL schemes, with its report due by March 31, 2026. Current, RoDTEP rates range between 0.3 per cent and 4.3 per cent.

“The reduction in provisions for RoDTEP in 2026-27 is disappointing. We need to approach the government again to at least restore the previous levels, if not increase them. Most export promotion councils have submitted data validating their rates, which are actually higher than the current allocation. As exports are zero-rated, we should aim for a complete refund of these taxes,” said Israr Ahmed, Director, Farida Group.

## LOWER OUTLAY

Another Delhi-based garments exporter said, “We have received a clarification that the budgeted amounts are provisional, as both the RoDTEP and RoSCTL schemes are currently under evaluation. We hope the outlay is increased adequately so that all valid claims of exporters are met.”

# Relief for jewellery exporters in SEZs as Budget opens sales in domestic markets

**Suresh P Iyengar**

Mumbai

The Budget proposal to allow units in Special Economic Zones (SEZs) to sell in the domestic markets will help jewellers hit by falling exports due to geopolitical issues. They will also be able to utilise idle capacity.

While overall gem and jewellery exports between April and December were flat year-on-year at \$20.75 billion, exports to the US plunged 44 per cent to \$3.86 billion (\$6.95 billion) in the same period due to punitive tariffs.

## SEZ MEASURES

To address concerns about the utilisation of capacities by manufacturing units in SEZs due to global trade dis-

ruptions, the Budget has proposed a special one-time measure to facilitate sales by eligible manufacturing units in SEZs to the domestic tariff area (DTA) at concessional rates of duty.

The quantity of such sales will be limited to a prescribed proportion of manufacturers' exports. Necessary regulatory changes will be undertaken to operationalise these measures, while ensuring a level playing field for units working in the DTA, it added.

## INDUSTRY REACTION

Kirit Bhansali, Chairman of the Gem and Jewellery Export Promotion Council, said limited sales from SEZs to the DTA at concessional duties will enable factories to use idle capacity, safeguard jobs and strengthen trade



amid US tariffs and global demand volatility.

He pointed out that the removal of the ₹10 lakh cap on courier exports is a big boost for e-commerce, enabling MSMEs, artisans and small jewellery brands to reach global buyers directly, with smoother returns handling and quicker turnaround

times. Extending the duty-free import of lab-grown diamond seeds and Sawn Diamonds till March 2028 is a timely and practical step. It keeps input costs low, supports production and exports.

It also safeguards a fast-growing segment where India already leads globally, helping secure the future of our industry, said Bhansali.

Colin Shah, Managing Director, Kama Jewellery, said the introduction of a special one-time facility for SEZ units to supply to the DTA at a concessional rate of duty will enhance capacity utilisation.

The support for SEZ units selling in the domestic market, along with continued backing for diamonds and lab-grown diamonds, gives a real boost to manufacturing and trade, he said.

# Duty cut on personal imports to ease costs, boost cross-border e-commerce

**Jyoti Banthia**

Bengaluru

Finance Minister Nirmala Sitharaman on Sunday announced a reduction in customs duty on goods imported for personal use, cutting the levy to 10 per cent from 20 per cent to ease costs for individual consumers.

"To rationalise the customs duty structure for goods imported for personal use, I propose to reduce the tariff rate on all dutiable goods imported for personal use from 20 per cent to 10 per cent," Sitharaman said while presenting the Budget.

The move applies to items



brought into the country by international travellers as well as goods ordered online from overseas for personal consumption — segments that earlier faced relatively high levies. For many consumers, these charges often emerged as surprise costs at

airports or during delivery of international parcels.

However, analysts said the impact on cross-border e-commerce is likely to be limited. "Cross-border e-commerce is still a very small part of India's overall online retail market, so this change may not materially alter consumer behaviour online," said Satish Meena of Datum Intelligence. He added that the bigger beneficiary would be individuals purchasing products abroad through physical retail and carrying them back into India.

Meena also noted that the duty cut is unlikely to significantly impact logistics or

courier companies unless it leads to a meaningful rise in import volumes, as customs duties are ultimately borne by consumers.

Jitendra Motwani, Partner-Tax Practice, Trilegal, said, "The revised Baggage Rules strike the right balance between facilitation and enforcement, combining higher duty-free limits upto 75,000 per person with digital compliance and a trust-based settlement mechanism for honest travellers."

The duty cut is also expected to reduce friction at customs checkpoints and make the import process smoother for individual buyers.

# Duty-free import of inputs will give relief to seafood exporters

**V Sajeer Kumar**

Kochi

The Seafood Exporters Association of India (SEAI) has welcomed the Budget's approval to allow duty-free imports of 18 processing inputs used in seafood exports, raising the limit from 1 per cent to 3 per cent of the FOB value.

The eligible items include batter, bread crumbs, citric acid, food additives and other essential processing materials. The move is expected to significantly reduce processing costs and enhance the competitiveness of Indian seafood exports, said KN Raghavan, Secretary General, SEAI.

Utham Gowda, Founder Chairman, Managing Director and Group CEO of Captain Fresh, said the tariff relief directly addresses sup-



ply chain economics.

"Increasing the duty-free import allowance for seafood processing inputs provides material relief to cost structures at a time of significant global trade headwinds," he said.

## **STRUCTURAL CHANGES**

He noted that the decision to exempt fish caught in India's Exclusive Economic Zone

(EEZ) and the high seas from duty while treating foreign port landings as exports fundamentally reshapes the economics for organised, large-scale marine operators.

"These structural changes are not incremental. They create the foundation needed to attract multinational players and enable consolidation in India's fragmented seafood ecosystem," Gowda said.

Highlighting the sector's potential, Gowda said that the global seafood market, which is valued around \$600 billion annually, represents a strategic opportunity for India to position itself as a nutritional powerhouse for developed economies.

He added that the latest measures reflect a coordinated supply-side and demand-side strategy aimed at accelerating seafood industrialisation in India.

# Customs duty relief to make cancer and rare disease drugs cheaper

**ANJALI SINGH**

Mumbai, 2 February

A Customs duty exemption on 17 high-cost cancer drugs and therapies for seven rare diseases is set to ease access to some of the most expensive treatments in India. It would also offer a demand tailwind for global and domestic drugmakers with largely-imported portfolios.

By cutting the duty incidence from 5-10 per cent to zero, the measure lowers landed costs for manufacturers and distributors. It is expected to translate into modest but meaningful price relief for patients who pay largely out of their pockets.

The move is positive for multinational innovators that dominate oncology and rare-disease therapeutics in India. Novartis stands to gain from duty-free imports of Ribociclib (Kisqali/Kryxana), a CDK4/6 inhibitor used widely in hormone receptor-positive breast cancer.

Eli Lilly similarly benefits through Abemaciclib (Verzenio/Ramiven), another main-

stay in the same indication.

AstraZeneca gains from Tremelimumab (Imjudo), used in advanced liver cancer, while Roche-linked portfolios benefit via Venetoclax for chronic lymphocytic leukemia. Other global players with products on the list include AbbVie (Ibrutinib), Blueprint Medicines/Ariad (Ponatinib), Bayer (Darolutamide), and Bristol Myers Squibb (Ipilimumab), alongside multiple immune checkpoint inhibitors that are predominantly imported.

With Customs duties removed, companies can either recalibrate prices to improve affordability or maintain pricing while expanding patient access through hospital tenders and assistance programmes. A notable domestic beneficiary is ImmunoACT, whose Talicabtagene autoleucel (NexCAR19) — India's first indigenously developed CAR T-cell therapy — also qualifies for the exemption.

For patients, the immediate impact is a reduction in the final cost of therapies that often run into lakhs per month.

# Medical tourism: Booster shot for next phase growth

**ANJALI SINGH**

Mumbai, 2 February

With India's medical value tourism market projected to cross ₹1.23 trillion by 2026, industry experts are optimistic about the sector's medium-to-long term growth, despite short-term disruptions.

The Union Budget 2026 proposes to set up five regional Medical Value Tourism hubs. This has reinforced confidence across hospitals, diagnostics players and policy think tanks, who see the move as a structural positive for India's global healthcare ambitions.

Commenting on the initiative, Nilaya Verma, chief executive officer (CEO) and co-founder of Primus Partners, said the proposed hubs could "position India as a global health care leader" by integrating advanced medical services with Ayush, education and research. Beyond improving care delivery, he noted that the model could act as a strong economic catalyst by generating employment across allied healthcare services and driving investments in diagnostics and research.

From an industry perspective, analysts at India Ratings & Research see the move as structurally positive for hospitals and diagnostics.

According to the agency, the creation of integrated hubs will encourage private sector participation and support capex-led expansion across hospitals, medical colleges and allied healthcare infrastructure. It will improve India's long-term competitiveness in medical value tourism.

Hospital operators remain optimistic that policy support will translate into higher-value international patient inflows.

"India is well positioned to attract medical travel across specialties such as oncology, car-

diac care, orthopaedics and transplants," said Ashutosh Raghuvanshi, managing director (MD) and CEO of Fortis Healthcare.

Raghuvanshi added that the focus on strengthening tertiary care infrastructure and medical education would further reinforce India's standing as a trusted global healthcare destination.

Similarly, Anisha Chandy Eckardt, MD, HOSMAT Hospitals stated, "From a hospital perspective, the emphasis on medical value tourism hubs is especially significant. It creates the framework for hospitals to scale high-quality, protocol-driven care for international patients while also upgrading systems, technology, and patient safety standards domestically. This has a multiplier effect: better infrastructure, better processes, and better outcomes for all patients, not just inbound ones."

The improving medium-term outlook comes after a phase of pronounced near-term stress for the medical tourism sector, triggered by a disruption in inflows from Bangladesh. Between April and September of 2024-25, major hospital chains and healthcare providers reported a 25-40 per cent decline in medical tourist arrivals from the neighbouring country. It traditionally accounts for nearly 50-60 per cent of India's total medical tourism volumes. The slowdown followed visa restrictions imposed after political developments in Bangladesh, leading to postponement of elective procedures.

It also resulted in cancellations of planned treatments and lower bed occupancy at several tertiary care hospitals, with India only allowing emergency visas during the period.

Industry executives, however, believe in the sector's longer-term growth trajectory. It would be supported by policy clarity, private investment and rising global demand for affordable, high-quality healthcare.



**THE CREATION OF INTEGRATED HUBS WILL ENCOURAGE PRIVATE-SECTOR PARTICIPATION AND SUPPORT CAPEX-LED EXPANSION**

# Trump to Launch \$12-Billion Fund for Critical Minerals Stockpile...

Washington aims to cut US reliance on China for rare earths and other key resources

**Washington:** President Donald Trump is set to launch a strategic critical-minerals stockpile with \$12 billion in seed funding, aiming to shield US manufacturers from supply shocks as Washington seeks to reduce reliance on China for rare earths and other key metals.

The initiative — dubbed Project Vault — would combine \$1.67 billion in private capital with a \$10 billion loan from the US Export-Import Bank to procure and store minerals for automakers, technology firms and other manufacturers.

Senior administration officials, speaking on condition of anonymity, said the plan has not yet been formally announced. The project would mark the first major stockpile initiative designed for civilian and private-sector industrial needs, akin to the US emergency oil reserves but focused on minerals such as gallium and cobalt used in products ranging from iPhones and batteries to jet engines.

The stockpile is expected to include rare earths, critical minerals and other strategically important elements subject to volatile prices.

More than a dozen companies have signed on so far, including General Motors, Stellantis, Boeing, Corning, GE Vernova and Google.



Donald Trump

## US MINERALS STOCKPILE TO INCLUDE RARE EARTHS



The stockpile is expected to include rare earths, critical minerals and other strategically important elements subject to volatile prices

Commodities trading firms Hartree Partners, Traxys North America and Mercuria Energy Group are set to handle procurement.

Ex-Im's board is scheduled to vote later Monday on the record 15-year loan, more than double the next-lar-

gest deal ever executed by the bank.

Trump is also scheduled to meet Monday with GM CEO Mary Barra and mining billionaire Robert Friedland, representing key users and producers of critical minerals. **Bloomberg**

## ... Plans Two-Year Closure of Kennedy Center from July

**Washington:** US President Donald Trump said on Sunday he planned to close the John F. Kennedy Memorial Center for the Performing Arts for two years for reconstruction starting



in July. The national arts and entertainment center in Was-

hington has been marked by turmoil in recent months following Trump's appointment of himself as chairman, his push to change the organization's focus, plans for reconstruction, and the board's addition of his name to the institution. Under Trump's plan, the center would close on July 4, the 250th anniversary of the signing of the Declaration of Independence. **Reuters**

# Tariff Cut to Open Door Wider for Exports, Lift Rupee, Fund Inflows

Deepshikha Sikarwar,  
Vinay Pandey & Sruthiljith KK

**New Delhi:** The US slashing tariffs on goods is a "very big development" for India's exporters and will have a positive impact on the rupee and boost fund flows into India, finance minister Nirmala Sitharaman said.

India already contributes significantly to global growth and the tariff cut puts India at a different level altogether, Sitharaman said in a post-budget interview with ET in her parliamentary chamber.

"I would think these are the winds of change, which (investors) are noticing. Big-time investors normally see the weathervane, which direction is it," Sitharaman said in response to a question on muted foreign portfolio flows and the depreciating rupee. "That there is a positive movement towards India in terms of reduction in the rate of the tariff, it signals that the relationship is on an uptick and that can certainly influence decision-making of equity and fund flows into India."

India's benchmark stock indices surged over 2.5% on Tuesday, while the rupee rallied 1.36% up, its highest level since January 14, following the US tariff move.

The finance minister said the 18% tariff offered to India, down from 50%, is comparable with that available to the country's competition.

Sitharaman said there are clear signs private sector investment is picking up in sectors that have a support in the form of production-linked incentive (PLIs) programmes as well as strategic missions.

"There will be opportunities opening up because export possibilities have become of big magnitude," she said, pointing to the trade

deal with the US.

The higher securities transactions tax (STT) announced in the budget, which spooked the stock market on Sunday, was aimed at curbing speculation. "I'm using it not for revenue. Plain and simple, addressing the issue, which many people expressed to us. Parents, elders, all saying this is becoming a big thing," she said.

The finance minister said she's hopeful the levy will work as a deterrent.

Sitharaman dismissed the suggestion that the tax holiday till 2047 to foreign companies that provide cloud services to customers globally using data centres in India discriminated against domestic investors.

"No, it doesn't skew. If they (Indian data centre companies) are global companies themselves and they have businesses outside, they also have a business here," she said.

Sitharaman said departments have to be faster to a question on

the execution of budget proposals.

"Even with the preparation of the budget, they were all very keen to come and meet and give inputs and insist on how viable their projects are and so on," she said. "So, I guess that enthusiasm will continue."

The finance minister agreed that despite the country's macroeconomic fundamentals being strong, foreign fund flows had been muted.

"There are other, probably strategic reasons which are also influencing decision making," she said. "That is why, despite the economy doing well, fastest growing, why all of us were talking about why investments are not coming here."

She did not elaborate on what these strategic reasons could be.

She said the budget followed a two-pronged strategy to spur manufacturing — scalable, big, and replicable, supported by PLI, and second by creating MSME champions.



# How Revised Tariff will Boost Exports while Shielding Farms

## ET EXPLAINER

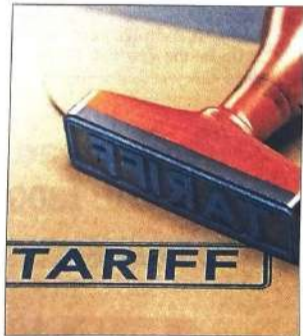
India and the US achieved a major diplomatic breakthrough on Monday after months of tough negotiations as the two countries reached a trade deal with US President Donald Trump slashing tariffs to 18% from 25% following his phone call with PM Narendra Modi. ET explains the deal and what is likely to happen next.

**What has been agreed to between India and the US?**

India and the US have agreed to a trade deal wherein Washington has reduced its reciprocal tariff to 18% from 25%, and done away with the 25% penal duty for buying Russian oil.

**What is the impact on India?**

This significant tariff reduction by the US will make Indian exports competitive. Labour-intensive and export sectors such as textiles, apparel, leather, footwear, gems & jewellery, plastics, machinery, aircraft components, marine products, will gain strongly, creating large employment opportunities. Fishermen and seafood exporters along coastal regions are to benefit greatly from improved tariff



access. MSMEs, engineering goods, auto components, and small manufacturers are also set to receive expanded US market access.

**Has India protected its dairy and agriculture?**

Sensitive sectors like agriculture and dairy are safeguarded. There is no compromise on farmers' interests.

**What are the other benefits for India?**

India is expected to attract advanced technologies, data centers, global capability centres, supply-chain integration, and semiconductor and AI sector collaboration.

The aim is to integrate India deeper into global value chains and boost manufacturing competitiveness.

**How much American products will India buy?**

India is expected to buy \$500 billion of US energy, technology, coal, and many other products over a period of five years.

**What follows the announcement by the two leaders?**

A joint statement is expected shortly, and full technical details will be released through a formal India-US joint statement once the final processes are completed.

**QUICK REVIVAL** Demand from sectors such as garments, gems & jewellery, leather could rise

# Banks Look to Get Export Credit Lines Ready as US Lowers Tariff

Atmadip Ray

**Kolkata:** Banks are preparing to open fresh credit lines for export-oriented sectors with the US lowering import tariffs on Indian goods to 18%, said senior bank executives.

Bankers expect the tariff cut to trigger a quick revival in exports of garments, gems and jewellery, leather products, and chemicals to the US. This would translate into greater demand for bank loans from these sectors, they said.

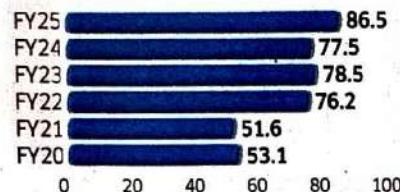
“From a banking perspective, the lowering of tariff translates into reopening of credit lines and stronger demand for export financing,” Binod Kumar, managing director at Indian Bank told ET. “Looking ahead, we expect public sector banks to lead the rebound in export credit disbursement over the next two-three quarters.”

Banks’ export credit fell 13.7% year-on-year to ₹11,052 crore in the first eight months of FY26. The decline reflected weak demand during the

## Positive Turn

US share in India's exports rose to \$65.9b in Apr-Dec FY26 from \$60b a year ago

India-US Export Flows (\$b)



Source: SBI Research Report

PSU banks to drive export credit rebound in 2-3 quarters

US is India's top export market with 21% share



tariff-heavy period and cautious lending practices by banks.

Major export-oriented sectors hurt by the high US tariffs were textile, gems and jewellery, leather, chemicals, and engineering.

The Trump administration had levied a 50% tariff on Indian goods barring a few exceptions. This included a penal 25% rate for India's purchases of crude oil from Russia.

The tariff cut announcement by US President Donald Trump late

Monday on most Indian goods will reinvigorate the country's goods export growth to America.

The US remains the largest market for Indian goods, accounting for about 21% of total goods exports in the first eleven months of 2025, Moody's said in a note.

“With the deal now on, we can see revival in exports of textiles, gems and jewellery, leather products, chemicals and engineering,” said Madan Sabnavis, chief economist at

Bank of Baroda. “This will also lead to some uptick in credit growth.”

At 18% tariff, Indian exporters will now hold a comparative advantage over exporters from China and other Asian nations such as Bangladesh, Indonesia, and Vietnam. The US imposed a 34% tariff on Chinese goods, 20% on Bangladesh and Vietnam, and 19% on Indonesia.

The Union budget announcement on Export Promotion Mission—a multi-year strategy to help exporters compete globally and access finance—would also support them in the long run, said people in the know.

Export-oriented sectors that are expected to immediately draw more bank credit include textiles, leather and footwear, marine and seafood, IT services, cashew and cocoa, as well as gems and jewellery, carpets, gold and silver, said Kumar at Indian Bank.

“Among these, textiles stand out as the largest absorber of credit because of enhanced PLI support, higher duty-free input limits, and extended export timelines,” he said.

# Agri, dairy interests 'protected' in US trade deal

Joint statement and agreement details expected 'shortly'

SHREYA NANDI  
New Delhi, 3 February

India has protected its sensitive agriculture and dairy sectors in the just-concluded trade deal with the US, said Union Commerce and Industry Minister Piyush Goyal on Tuesday. He said both sides were working towards soon issuing a joint statement that would set out the details of the agreement.

"This is a deal that will make every Indian proud, that will protect the interests of every Indian, and provide huge opportunities for all the people of India," Goyal told reporters in New Delhi. He further noted that the agreement will "protect the sensitive sectors, the interests of our agriculture and our dairy sectors in full respect".

Later, speaking to *CNBC*, United States Trade Representative Jamieson Greer said India, like every country in the world, including the US, has some protection around certain key areas. "They will continue to control that, we will continue to work on access," he added. Greer said the process of making the deal official is under way.

Although US President Donald



PHOTO: PTI

**“THIS DEAL OPENS UP OPPORTUNITIES FOR INDIA TO GET THE BEST-IN-CLASS, WORLD-CLASS TECHNOLOGIES”**

Piyush Goyal, Union Commerce and Industry Minister

**EDIT: IT'S A DEAL**



**What US Trade Representative Jamieson Greer said:**

- India's industrial goods tariffs on 98-99% items will go to zero from 13.5%
- Tariffs to be eased to zero on tree nuts, wines, spirits, and certain fruits & vegetables

Trump said on Monday that India would reduce tariffs to "zero", it's learnt that New Delhi will substantially reduce tariffs on indus-

trial and agricultural goods while continuing to protect sensitive sectors. India will, for instance, continue to withhold tariff con-

## The new maths

India's effective tariff rate and sectoral share of goods exported to the US (in %)

Goods	US tariff	Share in exports to US
Finished automobiles & auto parts	25	3.3
Steel & aluminium	50	5.7
Copper	50	0.3
Pharmaceuticals*	0	16.6
Semiconductors & electronics	0	10
Other exempt goods #	0	4.5
Goods subject to tariffs + penalty	18	59.6
<b>Effective tariff rate</b>	<b>14.6</b>	<b>100</b>

#lumber, bullion, energy, certain minerals and others

\*pharma items and some chemicals

Sources: White House, USITC and Nomura Global Economics



## Bullish winds sweep mkts

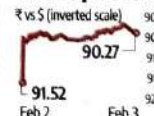
Domestic markets surged on Tuesday after New Delhi and Washington sealed a trade deal that sharply lowered US tariffs on Indian goods. The Sensex and Nifty 50 posted their strongest one-day gains since May, buoyed by ₹5,236 crore of net foreign inflows — the most since October 28. The rupee logged its steepest rise in over seven years, while government bonds firmed on improved sentiment.



81,666.5 Feb 2, '26

\*total mcap of BSE-listed companies

## The rupee rally

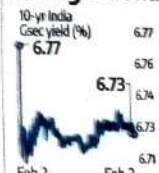


Source: Bloomberg  
Compiled by BS Research  
Bureau

## The best sessions for ₹ vs \$ since 2018

1-day chg (%)
Dec 18, '18 1.57
Nov 02, '18 1.40
Feb 03, '26 1.38
Mar 26, '20 1.26
Nov 11, '22 1.24

## Stronger bond



cessions on products such as dairy, poultry, cereals, genetically modified food, soya meal, corn and maize.

Turn to Page 6 ▶

DETAILED COVERAGE ON SEC II, P1

# Shrimp sector gets a fresh lease of life

SHINE JACOB & SANJEEB MUKHERJEE  
Chennai/New Delhi, 3 February

After being hit by a 60 per cent decline in exports to the US in the past three months, amid price uncertainties six months, the shrimp industry in India got a fresh lease of life on Tuesday with the cut in US tariffs. However, industry experts raise concerns that the change came at least a month late, as major importers in that country had placed advance orders for 2026 by the end of December or early January.

Despite this, India's shrimp exports zoomed to a record 8 lakh tonnes in 2025, driven by diversification to new markets like China, Russia, and Vietnam, government data show. More importantly, overall marine exports to China grew more than twofold from \$76 million in July to \$205 million in November, according to Ministry of Commerce data.

The relief came at a time when the industry was staring at a loss of \$1 billion in annual exports to the US. After additional levies of 50 per cent, along with countervailing duty (CVD) and anti-dumping duty, taxes for Indian shrimp in the US market had increased to as high as 58 per cent since August last year. With the current rate of 18 per cent announced by US President Donald Trump, taxes on shrimp are likely to come down to 26 per cent.

"Our main competitor Ecuador has an advantage of total taxes of 18.78 per cent, including CVD, and other major producers like Indonesia and Vietnam are at 24 per cent and 49 per cent, respectively. This is a huge relief for us, compared to the earlier 58 per cent," said Jagadish Thota, a



## Fresh waves

### Seafood exporters

	Share price (₹)	1-day chg (%)
Apex Frozen Foods	351.1	20
Waterbase	49.2	20
Avanti Feeds	960.6	20
Coastal Corp	47.7	5

Source: Bloomberg  
Compiled by BS Research Bureau

national committee member of the Seafood Exporters Association (SEA). Thota added that the decision, however, came almost a month late, as in the last three months, the loss in orders was as high as 60 per cent for some producers while advance orders for 2026 by major players had already been placed by the end of December or early January.

### Shift in market dynamics

Data collated by InCred Research show that in calendar year 2025, India is poised to export an all-time high of shrimp in volume terms, at around 800,000 tonnes. Official data show that till October 2025, the country had exported 660,000 tonnes

## Tariff clouds

### Taxes on shrimp imports by US (%)

	Tariff	ADD*	CVD**	Total
Ecuador	15.00	0.00	3.78	18.78
Indonesia	19.00	3.90	0.71	23.61
India	18.00	2.49	5.77	26.26
Vietnam	20.00	25.76	2.84	48.6

\*Anti-dumping duty \*\*Countervailing duty  
Source: SEA

of shrimp while November and December are projected to export another 75,000 tonnes and 65,000 tonnes, respectively. India's earlier record shrimp exports were in 2021 at 734,000 tonnes.

Despite the dip in demand from the US, India's marine product exports increased to \$7.4 billion from January to November 2025, versus \$7.1 billion for the entire 2024.

Out of the total shrimp exports in 2025, around 51 per cent, or \$3.8 billion, was one variety, Vannamei. "India has diversified export destinations to other markets like China, Russia, and Vietnam," said Duggineni Gopinath, a shrimp farmer from Prakasam district in Andhra Pradesh, who is

also the president of the Prakasam Shrimp Farmers Association.

The massive market shift was evident in the 2025 export numbers too. In July, before the tariff, US marine exports were \$239 million while those to China were hardly \$76 million, and Vietnam accounted for \$54 million. By November, the pressure in the US market became evident in the numbers as that market came down to \$210 million while China narrowed the gap to \$205 million, and Vietnam to \$51 million. Shrimp prices across all categories had also dropped by 10-15 per cent, triggering widespread panic among farmers and exporters.

"This marks a significant inflection point for India's livestock, seafood, and shrimp export ecosystem. Coming soon after India's trade pact with the European Union, this agreement reinforces India's growing integration into global trade networks and sends a strong confidence signal to export-oriented agri and animal-protein industries," said Divya Kumar Gulati, chairman of the Compound Livestock Feed Manufacturers Association (CLFMA) of India. "For the seafood and shrimp sector, where the US remains India's single-largest export destination, the tariff reduction materially improves price competitiveness against key rivals such as Vietnam and Indonesia. Shrimp exports, especially Vannamei, had faced volume pressure under elevated duties; the revised tariff regime helps correct this cost disadvantage and can support demand revival, volume stabilisation, and improved margin visibility for exporters," she added.

# Gems & jewellery exports set to shine once again

**AJINKYA KAWALE**

Mumbai, 3 February

The easing of tariffs imposed by the United States (US) on Monday on Indian exports has revived demand-side confidence in the gems and jewellery sector, raising hopes of reversing losses incurred in the last 10 months and regaining momentum.

Reciprocal tariffs imposed on the sector last year, including diamonds, disrupted trade flows between the two countries. The US is the largest market for the precious stone, with a share of more than 30 per cent.

The sector saw a 44.5 per cent drop in exports to the US between April and December 2025, with cut and polished diamonds, studded gold jewellery, and plain gold jewellery the hardest hit.

"The Gem and Jewellery Export Promotion Council (GJEPC) is optimistic that based on India signing the trade deal, loose diamonds and coloured gemstones from India will get the benefit of zero duty imports in the US, providing much-needed support for diamond exports. This will enhance trade flows, rebuild confidence, and deliver a strong sector-wide boost," the GJEPC said in a statement.

Data from the GJEPC shows that exports of cut and polished diamonds contracted 60.11 per cent to \$1.45 billion in 2025.

Studded gold jewellery contracted 24.54 per cent to \$1.6 billion in 2025, while plain gold jewellery declined 28.89 per cent to \$183.84 million.

"After the tariffs and additional tariffs came into effect last year, the sector saw a contraction of demand of as much as 45 per cent. Now, with the new structure, the industry is hoping that demand will bounce back," said Dinesh Navadia, chairman of the Indian Diamond Institute. He

added that the sector would continue to look for newer markets such as the United Arab Emirates (UAE), with a focus on lab grown diamonds.

A unit operator said finer details were yet to be clarified, adding that weaker diamond demand has meant a smaller workforce, which could change with more clarity. For about 10 months now, the diamond industry in Surat has been grappling with low demand. Unit managers had previously estimated that a prolonged market downturn, coupled with looming tariffs, could threaten the livelihoods of over 400,000 artisans.

"Tariff cuts lower costs for US importers, provides immense relief to diamond jewellery manufacturers, boost competitiveness of Indian diamond jewellery, revive demand, and stabilise operations," Kirit Bhansali, chairman, GJEPC, said.



# US deal, FTAs likely to stitch new growth story for textiles

SHINE JACOB

Chennai, 3 February

The United States (US) agreeing to slash tariffs on Indian goods to 18 per cent may give the textile and apparel sector a competitive edge over rivals such as Vietnam, China, Bangladesh, Pakistan, and Indonesia. Key free-trade agreements (FTAs) and rising US sourcing from India could lead to monthly double-digit growth in exports in 2026-27, according to industry sources.

The US tariff decision came a day after the Budget lined up several measures to support expected demand uptick in the sector.

"From FY27, the sector can see month-on-month double-digit growth in apparel and home textile exports, lifting the monthly apparel export run rate to \$1.5-1.6 billion, from the current \$1.27 billion," said Prabhu Dhamodharan, convenor, Indian Texpreneurs Federation.

At nearly \$11 billion, India's exports of textile and apparel products to the US accounted for close to 28 per cent of the country's total exports in this category during FY25. "This is a huge positive for the Indian textile and clothing industry. From the country having the highest tariff, we are now having an advantage of being the lowest," said Sanjay Kumar Jain, managing director of Delhi-based TT, and chairman of ICC National Textiles Committee.

Due to the increased tariff in the US market, the knitwear hub of Tiruppur has already witnessed a loss of ₹15,000 crore in 2025.

This follows closely on the heels of the EU deal, which is expected to be a game-changer for



India's textile and apparel industry. The agreement will provide zero-duty access to the \$95 billion European market, where India's share stands at just 6 per cent, or \$5.5 billion. Industry experts expect this to double to over \$11 billion within the next five years.

"This deal will also ensure that factories can run at full steam once more and job creation can get back to previous levels," said Ashwin Chandran, Confederation of Indian Textile Industry.

He added that the deal could also play a crucial role in India's ambitious target of achieving \$100 billion worth of exports in the textile and apparel sector by 2030, from \$37.7 billion in FY25.

In December 2025, India signed the Comprehensive Economic Partnership Agreement (CEPA) with Oman. During the same month, it concluded free trade agreement negotiations with New Zealand. Earlier, in July 2025, India signed the Comprehensive Economic and Trade

Agreement (CETA) with the United Kingdom.

Dhamodharan thanked the government for continuous engagement with the US. "We also commend Indian exporters for their resilience — adopting survival-export strategies, offering discounted prices, and protecting India's export market share during a challenging phase. Going forward, the focus must remain on building competitiveness to ensure sustained double-digit export growth over the next decade," said Dhamodharan.

Sammir Dattani, executive director of Sanathan Textiles, said that as US buyers reassess and rebalance their sourcing strategies, Indian manufacturers are positioned to gain a relative advantage over competing supplier countries. "This shift is expected to translate into a steady revival in order flows, improved pricing discipline, and progressive margin stabilisation across the sector," Dattani added.

# 'India-UK FTA offers strategic benefits for rules-based trade'

**Press Trust of India**

London

The "historic" free trade agreement (FTA) with India offers strategic benefits and stability to businesses at a particularly challenging time for international commerce and rules-based trade, according to a UK parliamentary scrutiny report.

The House of Lords International Agreements Committee had opened its review of the India-UK Comprehensive Economic and Trade Agreement (CETA) in the months after it was agreed last July.

The cross-party committee charged with scrutinising all treaties laid in Parliament hailed CETA as a "considerable achievement" given that negotiations took place against a challenging geopolitical backdrop of trade tariffs under US President Donald

Trump. "The UK has reached a landmark deal with a key strategic partner at a time of considerable geopolitical turbulence," said Lord Peter Goldsmith, who was chair of the committee during the inquiry period.

The committee, which reviewed evidence from stakeholders, found that the FTA will be helpful to UK businesses. However, it did highlight some shortcomings in areas of legal services, investment protection and "little new market access" for financial or professional services.

The report, which will now be debated by the Upper House early next month as the India-UK CETA progresses towards parliamentary ratification and implementation, struck a cautionary tone that the FTA agreed between India and the European Union (EU) last month may have future implications for the pact.

# 'New baggage rules to ease bringing jewellery, re-import of equipment'

Business Line 04.02.2026

bl.interview

Shishir Sinha

New Delhi

Carrying costly equipment for both professional and personal use will now be easier, says Vivek Chaturvedi, Chairman of the Central Board of Indirect Taxes & Customs.

He also outlined details of key trade facilitation measures.

*Edited excerpts:*

**What are the key changes introduced in the Budget's Authorised Economic Scheme (AEO)?**

AEO clients have a very good compliance record. They also have an equally good track record with the customs and get facilitation in terms of customs clearance and deferral of duty.

This time, we have extended the duty deferral period

from 15 days to once a month.

Since it is a trust-based system and we have a few thousand entities operating as AEOs, it is also imperative that, going forward, the footprint of such trusted entities is also increased.

We are creating a class of entities that will be eligible for similar benefits as an AEO, as far as duty deferral and other measures are concerned. We will be rolling out the implementation of the scheme in the next few days.

The idea is to identify entities that inspire trust and with whom the government can also do business in the same way as AEOs.

This means that the facilitation levels extended to AEOs should be made available to this class as well. This will be for two years till March 31, 2028. The idea is to give them a gentle nudge so that they, too, can move into the AEO fold, allowing

the ecosystem of trusted clients with whom customs does business and vice versa, to expand over a period of time.

It also translates into benefits such as faster and automated cargo clearance for these entities from the time that the container lands from the ship into the factory. Along with deferred duty, this results in faster turnaround time of cargo and ease of congestion. In this way, businesses gain a greater degree of certainty and predictability in planning their activities from the time an order is placed to the time the goods are received at the factory.

**What is the proposal for E Seal scheme?**

The plan is to run a pilot at Nhava Sheva using an Electronic Cargo Tracking System (ECTS) for exports. Under this system, factory-stuffed containers



We are prioritising the reduction of procedural delays by ensuring customs officials have clarity on duty-free allowances

**VIVEK CHATURVEDI**

Chairman, CBIC



are secured with electronic seals; upon arrival at the port, an RFID reader verifies seal integrity. If no tampering is detected, a 'let export' order is automatically triggered through a risk-based approach, eliminating the need for manual intervention.

**What are new measures for fisheries sector?**

There are two parts. The first is on the rate front, aimed at promoting aquaculture units in local fisheries. The plan is

to provide impetus to seafood exports.

The value limit of duty-free import of specified inputs has been raised from the earlier 1 per cent of the FOB value of seafood products exported in the preceding financial year to 3 per cent. This provides an enhanced duty-free limit for importing inputs used in processing, making it easier to export the final products.

The other part is amending Section 1 of the Customs Act, 1962 to extend jurisdic-

tion beyond India's territorial waters for the purpose of fishing and related activities. In Section 2 of the Act, a new clause is also being inserted to define the expression — What is an Indian-flagged fishing vessel?

This would enable Indian fishermen and Indian-flagged fishing vessels to undertake fish harvesting even in India's exclusive economic zone (EEZ) and beyond.

Any catch brought from these areas into the mainland will not be treated as an import and will not be subject to customs duty. The other facility is that fish harvested at EEZ and beyond can also be exported. This is a significant amendment because it expands the scope of the territorial waters of India beyond 12 nautical miles, going into the EEZs and even beyond for fish harvesting.

**Under the baggage rule, earlier there was a value**

**cap on bringing jewellery, which has now been removed. What is the rationale behind that?**

This was a facility extended to residents and tourists of Indian origin returning after a minimum one-year period of stay abroad. The earlier provisions had both weight and the value-based criteria. If you now look at the value of gold compared to earlier levels, there has been a significant increase.

We are prioritising the reduction of procedural delays by ensuring customs officials have clarity on duty-free allowances.

For women meeting the residency criteria, the 40 g gold jewellery allowance is now subject only to weight, with no ceiling on its total value. Also, jewellery was earlier excluded from the definition of personal effects. We have now made the definition of personal effects more encompassing.

**What is the new provision under baggage rules for temporary imports of equipment?**

There were issues about paying duty on high-value equipment and then taking it out of the country or having a detention certificate and leaving the items at the airport, which made little sense. For instance, if someone is a wildlife photographer, they need to carry a camera. What we have done now is, the passenger must approach the customs, submit a declaration, which can be manual or electronic. The customs officer, after verifying the goods, will issue a certificate.

Based on this, the passenger can bring the goods into the country. At the time of departure, he/she needs to produce the certificate to the customs officer. The identity of what came in and what is going out is established by way of that certificate.

# India to continue buying crude oil from non-sanctioned entities, including Russia

**NOT A FULL STOP.** Near complete halt of supplies extremely unlikely at least in next 2-3 months: Sources

**Rishi Ranjan Kala**  
New Delhi

Despite US President Donald Trump's assertion that India has promised to halt Russian crude oil imports, government sources said that New Delhi will continue to procure the geopolitically-sensitive commodity from "non-sanctioned entities", including from Moscow.

Moreover, analysts, trade sources and refiners told *businessline* that a near complete halt of supplies is "extremely unlikely" at least in the next 2-3 months, adding that there is "no official order" from the government "so far" to stop buying crude oil from non-sanctioned Russian entities.

Logistics also supports their claim: typically, cargoes from Russia are booked about 10 weeks in advance.

Currently, vessels ferrying the commodity are at various stages of loading and transporting, which means that cargoes booked 10 weeks prior will continue to off-load crude oil at Indian ports, mostly on the west coast, till March end-April 2026.

Sumit Ritolia, Kpler's Lead Research Analyst for Refining & Modeling, said the trade deal announced on February 2 (2026) is unlikely to result in a near-term reduction in India's Russian crude imports.

"Russian volumes remain largely locked in for the next 8-10 weeks and continue to be economically critical for India's complex refining system, supported by deep discounts on Urals relative to ICE Brent. Imports are expected to stay broadly stable in around 1.1-1.3 million barrels per day (mb/d) range



**THE CONSEQUENCES.** If India completely halts Russian cargoes, the implications for the world's fastest-growing emerging economy could be disruptive, experts said

through Q1 and early Q2 (2026), with any recent moderation offset by higher Middle East inflows rather than a structural shift away from Russian barrels," he added.

Refiners are technically capable of operating without Urals, but a rapid disengagement will be commercially challenging and politically sensitive, making any policy-driven recalibration gradual

rather than immediate, Ritolia stressed.

## ECONOMIC IMPACT

However, trade sources and refining sector executives cautioned that if India completely halts Russian cargoes, the implications for the world's fastest-growing emerging economy could be "disruptive".

Moody's Ratings said: "Even though India has re-

duced its purchase of crude oil from Russia in recent months, it is unlikely to cease all purchases immediately which could be disruptive to India's economic growth. A complete shift towards non-Russian oil could also tighten supply elsewhere, raise prices and pass through to higher inflation given that India is one of the world's largest oil importers."

However, Prashant Vasishit, Senior V-P and Co-Group Head of Corporate Ratings at ICRA, said: "Discounts on Russian crude oil were marginal prior to US announcing sanctions on some Russian crude suppliers in October 2025, and ICRA estimates that replacement of Russian crude with market priced crude would lead to an increase in import bill of the country by less than 2 per cent."

# Pricing advantage for leather exporters

**T E Raja Simhan**

Chennai

The leather industry, which has been among the most impacted sectors due to the US tariffs, heaved a sigh of relief on Tuesday as US President Donald Trump announced reduction of tariffs.

Sanjay Lulla, Managing Director of Chennai-based SM Lulla Industries Worldwide, said buyers will finally pay the full price now.

"We will have a good sleep tonight," said another official. Since August 27, we have been having sleepless nights thinking on how to face the US tariff with orders slipping and workers becoming jobless," he said.

Giving discounts ranging between 15 per cent and 40 per cent was the only way out for exporters to retain clients in the US, the the largest market for Indian leather products. Of the \$3 billion in leather goods exports between April and Novem-

ber 2025, exports to the EU were around 40 per cent and to the US around 22 per cent.

## POSITIVE GROWTH

The deal will help the leather and leather product industry to overcome current challenges and return to a path of positive growth, said A Ateequr Rahman, Managing Director, Habeeb Tanning Company, based in Gudiyatham, Tamil Nadu.

The reduced duty of 18 per cent is lowest when compared to other countries such as China, Vietnam, Indonesia and Bangladesh, said Rahman, who is also the chairman of Indian Finished Leather Manufacturers and Exporters Association.

According to Lulla, the deal is a big win for India. "The first thing we earned during the high-tariff phase was the trust of our clients. Instead of passing the entire burden on to buyers, we chose to share part of the tariff impact with them. That approach strengthened long-

term relationships and showed that we are partners, not just suppliers," he added.

"Now that tariffs have been reduced, we are in a much stronger position. Indian leather garment exporters like us can once again be truly competitive on pricing compared to other sourcing countries. That competitiveness will help us win back business, expand existing programs and generate additional revenue — not just for individual companies, but across the sector," he added.

Israr Ahmed, Director of the Chennai-based Farida Group, a major leather goods manufacturer, said wherever possible, most exporters were holding on to their US clients, bearing the brunt of the tariffs by offering heavy discounts.

These discounts will now disappear, or at least be reduced to low single digits, given that India has the lowest duties compared to our other South Asian competitors.

# Indian textile exporters elated at being 'back on track'

Business Line 04.02.2006

**T E Raja Simhan**  
Chennai

The textile industry woke up to good news on Tuesday about tariffs on exports to the US being slashed to just 18 per cent thereby, enhancing the competitiveness of Indian products in global markets.

Five months ago, the US had imposed 50 per cent tariffs on certain Indian imports, throwing exporters in distress.

"This is very positive. We are all elated and back on track. Now, we have the mother [EU] & father [US] of all trade deals," said Rajkumar Ramasamy, Vice-Chairman & Managing Director, BEST Corporation Pvt Ltd, Tiruppur.

The amalgamation of a tariff cut, favourable policies like PLI, PM Mitra park and focus on man-made fibres will help the domestic textile sector to combine scale, speed and sustainability to

fully leverage global trade opportunities, he said.

"As a company, we will be looking at a growth of 25 per cent for a few years," he added. Rajeev Gupta, Joint MD, RSWM Ltd, said the India-US trade deal provides India with a cost advantage over major competitors like Bangladesh and Vietnam.

## TO SPARK REVIVAL

The long-pending agreement will help revive orders from the US, he noted. Most exporters were holding on to their US clients, offering heavy discounts.

These will now disappear, or at least be reduced to low single digits, industry players noted.

Confederation of Indian Textile Industry (CITI) Chairman Shri Ashwin Chandran said that the textile and apparel exporters will now once again be in a position to compete effectively in the US market — the single-largest market for the sector.



**DEMAND TO GROW.** The long-pending agreement will help revive orders from the US, said an expert

## TIMELY MOVE

A Sakthivel, Chairman, Apparel Export Promotion Council said, "This is timely for the Indian apparel industry, which has been under considerable pressure due to the high US tariff of 50 per cent." The move will help safeguard existing jobs and create substantial new employment opportunities, particularly for women and

workers in labour-intensive segments, he added.

Siddhartha Rajagopal, Executive Director, Cotton Textiles Export Promotion Council, said exports will increase across the board from the current level of about \$10.8 billion to \$12-14 billion in the next 2 years with duty free access to UK, EU and lower bilateral tariffs of 18 per cent to the US com-

pared to competitors, such as Bangladesh, Pakistan, Vietnam and China.

Overall, the textile sector is currently entering a "Goldilocks Phase" with these developments which should lead to increased investment and higher employment, he added.

Prabhu Dhamodharan, Convenor, Indian Textpreneurs Federation (ITF), Coimbatore, said that from FY27, the sector will likely see a month-on-month double-digit growth in apparel and home textile exports, lifting the monthly apparel export run rate to about \$1.5-to \$1.6 billion from the current \$1.27 billion.

"It is commendable of Indian exporters for their resilience — adopting survival-export strategies, offering discounted prices and protecting India's export market share during a challenging phase," he said.

With inputs from Suresh Piyengar

# Seafood exporters expect a sea change

**V Sajeew Kumar**

Kochi

India's marine products exports to the US are expected to rise in the wake of the trade deal and reduction in tariffs to 18 per cent.

"We are confident that with the conclusion of the trade deal and lowering of tariffs to 18 per cent, the quantum of export of seafood from India to the US will show an increase and soon reach back to the previous levels," said G Pawan Kumar, President, Seafood Exporters Association of India.

He said the US is the largest market for Indian seafood and that the country had exported produce valued at \$2.78 billion in 2024-25.

This year, the quantum of exports dropped by about 6.3 per cent (in value terms) and close to 15 per cent (in quantity terms) between April and November when compared with the corresponding period of the previ-



**ADDING VALUE.** India exported produce valued at \$2.78 billion in 2024-25 REUTERS

ous year on account of the imposition of high tariffs of 50 per cent from August 2025.

## VOLUME OF EXPORTS

The volume of exports during the period was 2,01,501 tonnes, compared to 2,36,061 tonnes in the corresponding period and was valued at \$1,835.46 million.

It is expected that Indian seafood consignments to the US will have a level playing field with competitors, as their tariff rates are 15 per cent for Ecuador, 19 per cent for Indonesia and Thailand,

and 20 per cent for Vietnam, said KN Raghavan, Secretary General of SEAI. "We are back in business," a veteran seafood exporter in Kochi told *businessline* on the US tariff reduction.

"Many seafood exporting units in the country are on the verge of shut down mode as orders from the US dried up after November after catering to the Christmas and New Year season demand. Now all these will come back as the announced rates have given the sector a level playing field on par with competing countries in the US mar-

ket," he added.

Deepanshu Manchanda, MD, Zappfresh, said eliminating tariffs on US imports improves access to advanced cold storage systems, processing equipment and quality-control technologies that play a key role in food safety, shelf life and consistency. For organised fresh food and meat platforms, cold-chain infrastructure is foundational. Better access to proven global technologies can help improve reliability across sourcing, processing, and last-mile delivery, especially as businesses expand across cities and regions.

## WELCOME RELIEF

"While this is certainly a welcome relief, it is mission-critical for us to build resilience across the value chain so that the industry can truly insulate itself from geopolitical shocks and external vulnerabilities going forward," said

Rajamanohar Somasundaram, Founder & CEO, Aquaconnect.

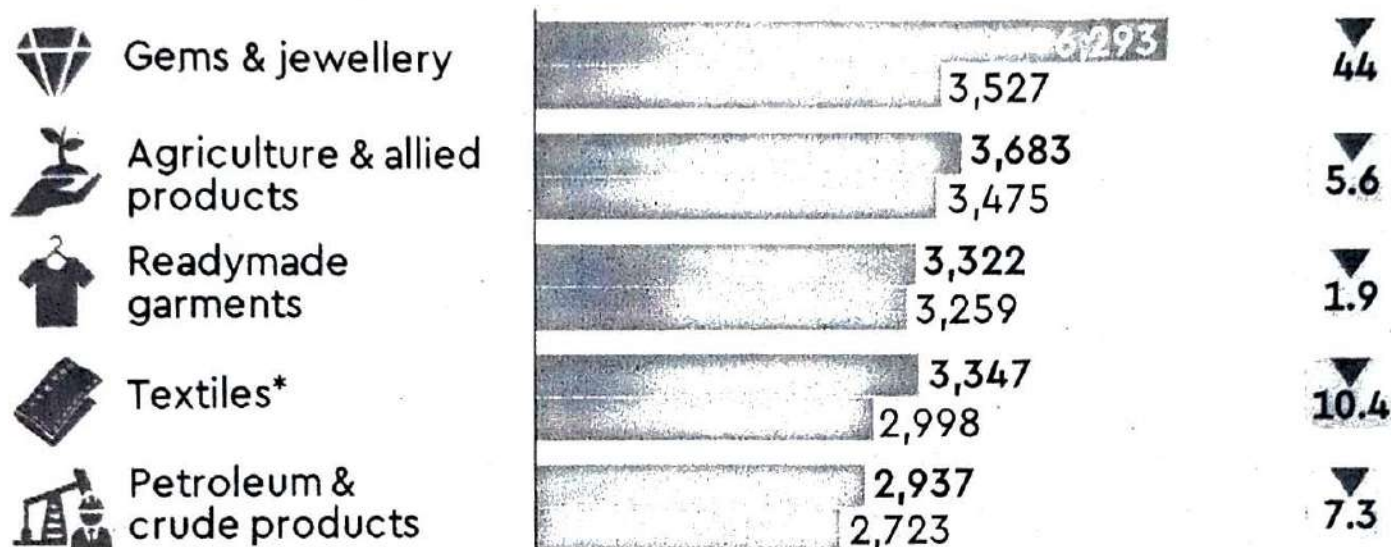
# India diversifies exports

Exports to the US grew at a slower pace of 9.7% in FY26, as India has diversified its export destinations. In FY26, shipments to China grew 37%; Germany (19%) and Spain (53%) also scaled up purchases of Indian goods.

**Compiled by Saikat Neogi**

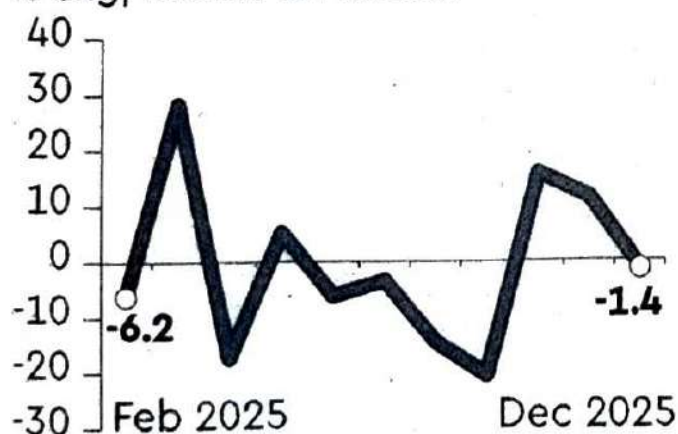
## Top goods exports by India to US which saw a decline in FY26

(April to November); \$mn ■ FY25 ■ FY26 % chg, y-o-y



## India's exports to US in 2025

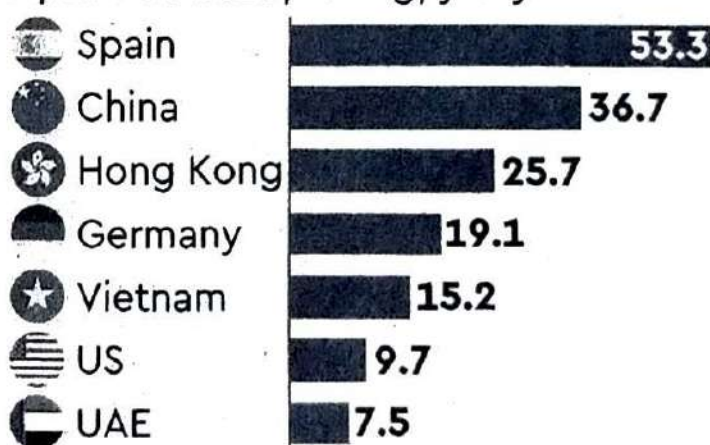
% chg, month-on-month



\*excluding readymade garments

## Diversifying its exports basket

April-Dec 2025; % chg, y-o-y



Source: CMIE

# Double-digit volume growth month-on-month likely

Financial Express 04.02.2026

NARAYANAN V  
Chennai, February 3

**INDIA'S \$37-BILLION TEXTILE** and apparel export industry expects a sharp cut in US tariffs to restore its competitiveness against Vietnam, China, Bangladesh and Indonesia. Industry players say the latest trade developments could drive double-digit growth in export volumes as US-based retailers of branded textile items like Walmart, JCPenney, GAP, Target & Costco step up sourcing from India following recent trade deals with the US and the EU.

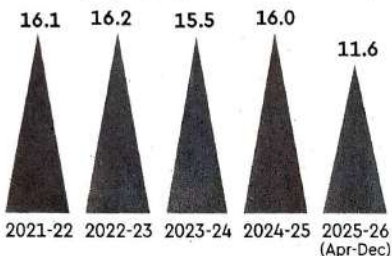
"With the reduction in US tariffs, India's textile and apparel sector is back on a level playing field in the US market. With key free trade agreements nearing closure and rising US sourcing interest, the export outlook is set to improve steadily," said Prabhu Dhamodharan, convenor of the Indian Texpreneurs Federation (ITF), Coimbatore. He said the sector could see month-on-month double-digit growth in apparel and home textile exports, lifting the monthly apparel export run rate to \$1.5-1.6 billion from the current \$1.27 billion.

India's total textile and apparel exports stood at \$36.61 billion in FY25, with the US remaining the single-largest apparel market, accounting for nearly a third of exports. The industry was among the worst hit by the steep 50% punitive tariff imposed by the US in August, which forced American buyers to cancel Indian orders and shift sourcing to countries such as Bangladesh and Vietnam.

On Monday, the US sharply reduced the baseline tariff on Indian exports to 18%, making the country relatively more com-

## SENSE OF RELIEF

India's ready-made garment exports  
Amount (in \$ billion)



petitive than Indonesia (19%), Vietnam (20%), Bangladesh (20%) and China (40%).

"With around 60% of India's knitwear exports, Tiruppur will be the biggest beneficiary of this move," said KM Subramanian, president of the Tiruppur Exporters' Association (TEA). Known as India's knitwear hub, Tiruppur lost over ₹15,000 crore of business in 2025 due to the earlier tariff hike, leading to layoffs and shutdowns among smaller units. "The US tariff reduction, along with the India-EU FTA, will bring buyers back to India," he said.

Kumar Duraiswamy, joint secretary, TEA, said the timing of the US trade deal was critical. "If this had taken another two to three months, buyers would have permanently shifted to other destinations," he said, adding that US importers had already begun re-engaging and business could normalise within the next two to three months.

India's knitwear exports stood at \$7.7 billion in FY25, with 60% contribution



from Tiruppur. Overall knitwear exports touched \$5.2 billion in the first eight months of the year, of which Tiruppur contributed nearly \$3 billion. Duraiswamy said India's apparel exports could reach \$40 billion by 2030 as the industry ramps up capacity, modernises operations and expands into newer product segments such as man-made fibres.

Downstream players across the textile value chain also expect the US-India trade deal to provide a boost. "This development is particularly positive for Sanathan Textiles, given its diversified presence across polyester yarns, cotton yarns and technical textile yarns, which have strong relevance in the US market," said Sammir Dattani, executive director, Sanathan Textiles.

At the same time, exporters remain cautiously optimistic, having diversified away from the US market amid tariff uncertainty. Pallab Banerjee, managing director of Pearl Global Industries, said the US tariff deal offers a clear advantage

to its India-based operations even as the company has more diversified geographic exposure than its peers.

"Most of us (trade) were offering discounts to US customers to offset the penalty tariff. That pressure has now eased, and India enjoys a 2% tariff advantage over competing countries," Banerjee said. Pearl Global, which counts manufacturers brands like Zara, Tommy Hilfiger & Calvin Klein, derives nearly 50% of its group revenue from the US. Exports from India to the US were 15-16% and the company was exploring diversification to non-US markets at the peak of 50% tariffs.

"Q4 should see relief from margin pressure, while from Q2 next year we expect an improvement in topline growth from the US market," Banerjee added.

According to Motilal Oswal, Raymond Lifestyle, Indo Count, Welspun Living, Gokaldas Exports and Kitex are among the key beneficiaries, with 65-90% of their revenues linked to the US market.

29%

The US is the single largest market for Indian RMG exports with 29% market share

\$4.5-5 bn

India currently exports \$4.5-5 bn of RMG to the EU, holding 5% share of the EU's RMG market

# India Won't be Importing 80% its Energy in Next Decade: RIL Chief

The Economic Times

05.02.2026

## Mukesh Ambani says sustained double-digit growth possible for country

### Our Bureau


**Mumbai:** Reliance Industries chairman Mukesh Ambani said on Wednesday that India will not be importing 80% of its energy in the next decade.

Ambani was speaking at a fireside chat with BlackRock chief executive Larry Fink during a JioBlackRock event in Mumbai.

Reliance, which operates the world's largest single-location refinery at Jamnagar in Gujarat, is also rapidly expanding its renewables portfolio.

Sustained double-digit growth for India is possible, Ambani said, while adding that sustained law and order for 15-20 years and social harmony are prerequisites for econo-



 I can clearly see 100 new Reliances coming up in the country

**MUKESH AMBANI**  
Chairman, Reliance Industries

mic growth. "I can clearly see 100 new Reliances coming up in the country," he said.

During the event, Ambani unveiled a draft Reliance AI Manifesto, outlining the conglomerate's plan to transform it into an AI deeptech enterprise while driving a tenfold improvement in productivity. Reliance Industries aims to lead India's AI revolution, just as it led the country's digital transformation, he said.

"At Reliance, we have embarked on a path to transform ourselves into an AI-native deeptech company with advanced manufacturing capabilities," he said.

The conglomerate plans to employ AI and agentic automation to speed up work, eliminate repetitive work and improve decision-making while retaining human accountability, he said.

# Coir exports set to gain from US tariff cut

**V Sajeew Kumar**

Kochi

Coir and coir product exports are expected to gain significantly following the US' decision to reduce import tariffs to 18 per cent, enabling exporters to recover the losses incurred in 2025.

The earlier tariff of 50 per cent, combined with other duties, had severely affected the competitiveness of Indian coir products in the US market.

Calling the move long overdue, Sajan B Nair, Secretary General of the Federation of Indian Coir Exporters' Associations (FICEA), said the tariff reduction had already triggered a positive response from buyers. "It is a much-awaited relief for the coir industry. Buyers are rushing to ship orders that were put on hold, and fresh orders are also being placed.



**KEY MARKET.** Coir exports earned India ₹4,343 crore in revenue during the last fiscal, of which the US market accounted for around ₹1,400 crore

Overall, it has injected renewed vigour into the industry after a prolonged slowdown," he said.

## LONG-TERM IMPACT

On the long-term impact, Nair said the decision would provide a boost to future shipments, particularly for the upcoming Christmas and New Year season. "It will en-

courage sustained exports in the months ahead," he added. Coir exports earned India ₹4,343 crore in revenue during the last fiscal, of which the US market accounted for around ₹1,400 crore, Nair said.

The US, according to industry sources, is a critical market for Indian coir, with American buyers accounting

for 40 per cent of India's exports, making these tariff adjustments crucial for the industry's stability.

The 50 per cent tariff, which came into effect on August 27, 2025, made Indian coir products significantly more expensive for US buyers, causing a ₹400 crore loss for the industry in just one quarter. The tariff increase also hit the competitiveness of Kerala's coir in the US market as exports from the State account for about 57 per cent of the total shipment to the US.

The high-tariff scenario also forced exporters to look at diversifying to markets in Europe and other parts of Asia. While the previous 50 per cent tariffs made products like coir mats uncompetitive, the reduction to 18 per cent is expected to revive demand and help exporters recover from earlier losses, the sources added.

# 40% of India's US exports already have zero duty

Business Standard 05.02.2026

**SURAJEET DAS GUPTA**

New Delhi, 4 February

Indian exports to the US, which already attract zero duty, account for more than 40 per cent of total shipments to the country, according to the latest government data for April–November 2025. This was even before India and the US announced the conclusion of a mega trade deal on Monday night.

Key commodities exported from India to the US at zero duty include electronics, led primarily by smartphones; pharmaceutical products, including bulk drugs, which rank among the top three exports to the US; petroleum products; and tea, coffee, and spices.

Combined exports of these commodities during April–November stood at \$25.91 billion, of total Indian exports to the US of \$58.99 billion, accounting for a 44 per cent share. Electronics topped the list at \$16.7 billion, followed by pharmaceuticals at \$6.18 billion and petroleum products at \$2.7 billion. Tea, coffee, and spices together accounted for a relatively small \$254 million during the same period.

Electronics saw a sharp 120 per cent rise in exports in April–November 2025, driven largely by smartphones. Smartphone exports, led primarily by Apple iPhones, jumped by a staggering 200 per cent to \$12.54 billion. India has now emerged as a key supplier to

the US smartphone market, which is valued at \$110 billion annually, with Apple Inc accounting for \$45 billion.

In pharmaceuticals, bulk drug exports rose by over 13 per cent, while exports of drug formulations edged up marginally by 0.14 per cent.

Looking at calendar-year data, electronics, pharmaceuticals, and petroleum products together accounted for 41.8 per cent of the \$78.49 billion exported from India to the US at zero duty. During the

first 10 months of 2025, the fastest export growth was recorded in electronics, which grew 122 per cent over the same period last year, followed by

drugs and pharmaceuticals, which rose by 12 per cent.

The strong performance of electronics, pharmaceuticals, and bulk drugs has largely offset the sharp fall in exports from sectors such as gems and jewellery, textile, and automobile components, following the 50 per cent punitive duty imposed by the US on India. It has also helped ensure that overall exports to the US grew by 11.28 per cent during April–November.

With the new trade deal reducing tariffs across the board from 50 per cent to 18 per cent, experts expect these affected sectors to regain traction in the US market, providing a broader lift to India's exports to the country.

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**STRONG  
GROWTH IN  
ELECTRONICS  
AND PHARMA  
OFFSET DECLINES  
IN SECTORS HIT  
BY THE 50%  
PUNITIVE DUTY**

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GCC IS INDIA'S BIGGEST PARTNER IN GOODS TRADE

# India, GCC agree on terms of free trade agreement

FE BUREAU  
New Delhi, February 5

**INDIA AND THE** six-nation Gulf Cooperation Council (GCC) on Thursday signed the terms of reference (ToR) for a free trade agreement (FTA), setting the framework for negotiations that would follow.

The discussions on the FTA with GCC have been going on for two decades and now finally reached the ToR stage, ready to take-off more than two decades after the first attempt was made.

The ToR establishes the framework, scope, objectives, and procedures for the negotiations. The signing of ToR is the first step for negotiations to begin.

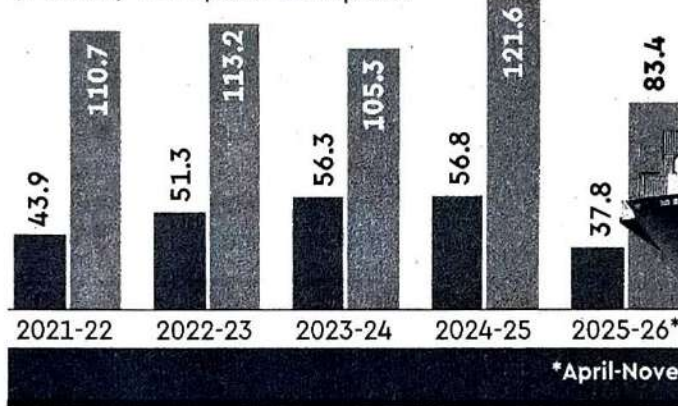
"It is most appropriate that we now enter into a much stronger and robust trading arrangement which will enable greater free flow of goods and services, bring predictability and stability to policy, help encourage greater degree of investments and take our bilateral relations between the six nation GCC group and India to greater heights," Commerce and Industry Minister Piyush Goyal said at the signing of the ToR.

The agreement is crucial

## GREATER HEIGHTS

India-Gulf Cooperation Council (GCC) merchandise trade.

(\$ billion) ■ Exports ■ Imports



■ Bilateral trade between the two sides totalled \$178.56 billion in 2024-25

because when it comes to just goods trade the GCC — that includes Saudi Arabia, United Arab Emirates, Oman, Qatar, Bahrain and Kuwait — is India's biggest partner.

The bilateral trade between two sides totalled \$178.56 billion in 2024-25 with India's exports at \$58.87 billion and imports at \$121.68 billion.

The agreement with the GCC will further strengthen our relations both on geopolitical and trading elements, will help draw greater amounts of investments, create job opportunities, encourage the food security and

energy security of both the GCC nations and India, the minister added.

"We already have about 10 million Indians living and working in the GCC region, helping power the economies of the GCC and working as a living bridge between our societies, between our nations," he added.

Among the GCC nations, India already has signed FTAs with UAE, Oman and is in discussions with Qatar for laying the ground for negotiations to begin. Even with Bahrain, draft ToR has been exchanged for initiation of negotiations on the Comprehensive Economic Part-

nership Agreement (CEPA).

In August 2004, India and GCC signed a Framework Agreement on Economic Cooperation, paving the way for FTA talks. In 2006 and 2008, two rounds of negotiations were held. In 2009, the GCC deferred its negotiations with all countries.

The UAE is India's biggest trade partner in the GCC with bilateral trade of \$100 billion followed by Saudi Arabia at \$41.8 billion. It is an important source of Foreign Direct Investment (FDI) with inflows totalling \$31 billion between April 2000 and September 2025.

## DUTY REDUCTION BY INDIA AFTER MID-MARCH

# US to cut India tariff in 4-5 days: Goyal

## ● Signing of formal agreement likely by mid-March

MUKESH JAGOTA  
New Delhi, February 5

**THE STEEP CUTS** in tariff on Indian exports to the US, agreed on as part of the bilateral trade deal, will take effect 'in the next 4-5 days' on the signing of the joint statement between the two countries, Commerce and Industry Minister Piyush Goyal said Thursday. India will lower its tariffs for American goods after mid-March, he added.

"On the basis of that joint statement, the first phase of this partnership will begin between the two of us (the US and India)," the minister said.

Immediately after the statement, the additional tariffs on Indian exports to the US will be brought down to 18% from 50% through an Executive Order of US President Donald Trump. The US had imposed 50% tariffs - 25% reciprocal and 25% for buying Russian oil - through an order by the President.

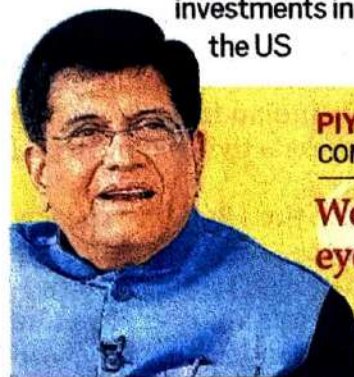
Along with the joint statement a formal agreement is being drafted, which may take a month or a month and a half. It is estimated that the formal agreement will be signed by mid-March and is an essential milestone for India to start bringing down duties on imports from the US.

"That legal agreement will

## DEAL STREET

■ Immediately after the statement, the tariffs on Indian exports to the US will be cut to **18% from 50%** through an Executive Order of US President Donald Trump

■ Goyal clarified that as part of the deal, India has not committed investments in the US



**PIYUSH GOYAL,**  
COMMERCE & INDUSTRY MINISTER

**We can clearly see before our eyes the potential that we can procure from the US over the next five years**

»INSIDE« INDIA, GULF BODY INK FTA REFERENCE TERMS P2

give us the authority to reduce our tariffs," Commerce Secretary Rajesh Agrawal said. The US tariffs are executive tariffs and India duties are most favoured nation (MFN) tariffs.

Goyal clarified that as part of the deal announced by Trump late Monday, India has not committed investments in the US. The clarification came after White House spokesperson's remarks that India will be investing \$500 billion in the US as part of the trade deal.

The comment may have been due to some confusion as under the deal India has only agreed to purchase \$500 billion worth of products from the US.



■ In 2024, India-US goods and services trade stood at **\$212.3 billion**

These purchases would be over the next five years, Goyal said. Trump, while announcing the deal, had said that India would be buying US energy, technology, agricultural, coal and many other products.

"With the fast-paced growth at which India is growing, we will need large volumes of energy, large numbers of data centre equipment, information communication technology products. We can clearly see before our eyes the potential that we can procure from the US over the next five years," Goyal said.

Continued on Page 10

# US to cut India tariff in 4-5 days, says commerce minister

"OUR AIRCRAFT DEMAND alone, orders placed on Boeing and yet to be placed but ready, are nearly \$70-80 billion. If you add the engines and other spare parts, it will probably cost \$100 billion," he added.

Data centres have just been given huge concessions in the Budget. "Now imagine if we get \$100-150 billion dollars of investments in data centres, we will obviously need equipment

for those data centres. So I think the time is right for India to boldly go forward to achieve and to mix up the two," the minister said.

"All the things that we are committed to buy are part of this deal with the US. Our current purchases from the globe are \$300 billion plus. Next five years these purchases are going to be \$2 trillion. If we are able to buy \$500 billion from the US, it

will only add to our diversification and resilience in our supply chain," Agrawal said.

As part of an agreement in February 2025 to negotiate the Bilateral Trade Agreement, India and the US had agreed to take the bilateral trade to \$500 billion by 2030. This will require higher goods and services flows between the two sides. In 2024, India-US goods and services trade stood at \$212.3 billion.

# India may increase coal imports from US under bilateral trade deal

**Rishi Ranjan Kala**

New Delhi

Business Line 06.02.2026

As the India-US bilateral trade deal nears formalisation, New Delhi is expected to increase its energy commodities purchases from Washington, including more coal, particularly metallurgical – a key ingredient for the steel industry.

Washington accounted for more than 8 per cent of India's cumulative coal imports in FY25, which industry players, analysts and government officials indicate could easily be topped up to 10 per cent.

However, a senior government official explained that freight costs from the US are higher compared to markets such as Australia, Indonesia, South Africa or Russia.

"My sense is that any decision to buy more US coal would be largely driven by geopolitics, not economics. There is room to grow if we are considering expanding purchases with respect to the bilateral trade deal," the official added. In return, another source suggested that the world's second-largest coal consumer can reduce cargoes from Russia, which accounted for over 9.5 per



Washington accounted for more than 8% of India's coal imports in FY25

cent of India's coal imports in FY25.

## EIA REPORT

In a September 2025 report, the US Energy Information Administration (EIA) said Russia offset the decreased coal exports to European markets by increasing shipments to Asia, mainly China, India and South Korea. Russia's exports to India increased in recent years, from about 8.3 mt in 2020 to about 22.5 mt in 2024.

India has been continuously increasing its energy trade with the US since 2025 after US President Donald Trump assumed office in January and started pressuring to reduce hydrocarbon trade with Russia. Rising shipments of various energy

commodities, including coal, is a reflection of this narrative. For instance, India imported 8.48 million tonnes (mt) of coking coal from the US in FY25. During April-November period of FY26, it imported a little over 6 mt. Similarly, overall imports from Washington stood at 20.14 mt in FY25, while during 8M FY26 it was at 15.34 mt.

As per US EIA data, India's thermal coal imports from the US have risen in the last five years.

For instance, India imported 14.38 mt and 13.25 mt coal from the US in 2023 and 2024, respectively. This is the highest in more than a decade. Besides, India's coal imports from the US averaged 10.60 mt during 2020-2024 CY, compared to an average of 6 mt during 2015-2019 CY.

The push for purchasing more coal comes at a time when the Coal Ministry has notified coking coal as a critical mineral.

Even though India holds the world's fourth largest coal reserve, it does not have significant quantities of high-quality coking coal, and imports 85 per cent of its overall requirement of the commodity.

# GE Aerospace expands India ops amid higher deliveries

**GATHERS MOMENTUM.** Top engine maker to boost local manufacturing capabilities

**Rohit Vaid**

New Delhi

Global aeronautical engine manufacturer GE Aerospace is scaling up its India presence in line with the expansion of the country's aviation market.

Speaking to *businessline*, Vikram Rai, Chief Executive Officer - South Asia, GE Aerospace, said a sizeable pipeline of engine deliveries is lined up for India-based airlines and defence customers over the next few years.

Currently, the company has more than 1,400 GE Aerospace and CFM (A 50/50 joint venture between GE Aerospace and Safran Aircraft Engines) commercial engines and over 200 defence engines in operation in India.

## DEFENCE ENGINES

"Another 2,500 commercial engines and 220 defence engines are on order and expected to reach our customers here in the next few years," he said.

At present, India-based airlines have ordered over 1,700 aircraft.

Citing the expanding presence of the company in India,



**FACILITY UPGRADE.** GE Aerospace has announced more than \$44 million in new investments over the past two years at its Pune manufacturing unit

he said that GE Aerospace has announced more than \$44 million in new investments over the past two years at its Pune manufacturing facility.

The facility produces com-

plex components for several high-volume commercial engine programmes.

## SUPPLY CHAIN

Besides, GE Aerospace works with 13 Indian com-

panies that are integrated into its global supply chain and collaborates with over 2,000 suppliers supporting its local operations.

On the commercial aviation front, Rai said GE Aerospace engines support narrow-body aircraft operations through CFM LEAP engines powering the A320neo, A321 and 737 MAX families.

## FLEET EXPANSION

At the same time, wide-body engines such as GE90 and GENx, along with the GE9X, which is expected to enter service, are aligned with the fleet expansion plans of Indian airlines, Rai noted.

Apart from this, Rai said the company is observing progress in regional aviation as connectivity expands into tier-2 and tier-3 cities, supported by rising passenger demand and airport infrastructure development under the UDAN scheme.

Looking ahead, the Chief Executive Officer stated that the development of wide-body operations at scale will require predictable operations, high dispatch reliability and strong maintenance support across the aviation ecosystem.

# SOPA opposes GM soymeal imports, says domestic supplies enough

**Our Bureau**  
Bengaluru

The Soybean Processors Association of India (SOPA) has urged the Centre to not permit import of genetically modified (GM) soybean meal, while stating that there's adequate domestic supply and that allowing such imports would hurt millions of farmers.

In a representation, to the Commerce Minister Piyush Goyal, SOPA said the poultry sector's demand for GM soybean meal imports on the grounds of high domestic prices ignores market realities and threatens the country's agricultural sector.

## SOYBEAN COSTS

Soymeal prices have risen over the past few months, following the trend in the soybean prices. While the soybean prices at the Indore market stood at ₹56,900 per tonne on January 31, up from ₹46,000 on April 17, 2025, the meal prices have increased to ₹43,872 a tonne from ₹32,713 during the same period.

The ex-factory crude soybean oil prices have increased to ₹1,31,000 per tonne from ₹1,21,000 during the same period.

SOPA said soybean meal prices are market-driven and not controlled by processors. Raw material costs account for 96 per cent of soymeal production expenses. The cost of soybean meal is linked to the price of raw soybean and international soybean oil prices, it said.

As of January 31, plant delivery soybean prices stood at ₹54,900 per tonne, with processing costs at ₹2,000 a tonne. After accounting for soybean oil realisation at ₹1,31,000 per tonne, the resulting meal cost came to ₹43,872, based on 82 per



cent recovery, SOPA said.

The industry has limited control over raw material costs, as soybean prices are influenced by domestic supply and global edible oil markets, it said.

## ADEQUATE SUPPLY

For the 2025-26 oil marketing year (October-September), the soybean supply is comfortable with projected carryover stocks of 3 lakh tonnes (lt), after meeting the domestic demand and exports.

SOPA estimated total supply at 117.02 lt for 2025-26, comprising 8 lt carryover, 105.36 lt production, and 7 lt imports. Total disposal is projected at 114 lt, including 12 lt for exports and seeds, and 97 lt for crushing.

"There is clearly no physical shortage of the commodity in India; the issue is strictly regarding price, which is temporary and cyclical," it said.

SOPA warned that allowing imports would create dependency risks similar to those in the edible oil sector, resulting in foreign exchange outflows running into billions of dollars and worsening the trade deficit.

"In an economy where 50 per cent of the population depends on agriculture, allowing imports of a commodity that is locally abundant is anti-farmer," the association said, adding that such a move would discourage farmers from growing soybeans.

# US tariff cut offers hope to Kashmir's carpet exporters



**TOUGH ENVIRONMENT.** Exporters say prolonged geopolitical tensions, including the Russia-Ukraine war, disrupted supply chains and dampened consumer demand in key Western markets

**Gulzar Bhat**  
Srinagar

The US tariff cut on imports from India to 18 per cent has brought relief to carpet exporters here.

The announcement comes at a time when Kashmir's handicraft industry has been grappling with mounting losses triggered by geopolitical tensions, including the Russia-Ukraine war, supply chain disruptions and dampened consumer demand in key Western markets.

Carpet export earnings have dropped steeply to ₹260 crore in 2024-25, compared with ₹357 crore in 2022-23. Overall handicraft exports from Kashmir have also declined sharply to ₹733 crore this year from ₹1,162 crore

**Industry representatives said the reduction in duties from 50% to 18% could help revive exports and ease the pressure on exporters**

in 2023-24. High US tariffs had further strained the sector, sharply reducing competitiveness for handmade carpets, one of Kashmir's most recognisable export products.

## REDUCTION IN DUTIES

Industry representatives said the reduction in duties from 50 per cent to 18 per cent could help revive exports and ease the pressure on exporters.

Sheikh Ashiq, a member of the Committee of Administration (COA) of the Carpet Export Promotion Council (CEPC), said the tariff cut would improve access for Kashmiri carpets to the US market. "The handmade carpets of the Valley will now get greater access to US markets," he said.

Exporters say the US remains a key market for Indian carpets, making tariff policy critical for the industry's health.

India exports carpets worth nearly ₹17,000 crore annually, with more than 70 per cent of shipments destined for the US.

"Any shift in US trade policy has a direct impact on production volumes, artisan livelihoods and export earnings," said the exporters.

# India, US may Sign Formal Trade Pact by mid-March

Commerce minister Goyal rules out investment pledge, says joint statement may be inked in 4-5 days

**Our Bureau**

**New Delhi:** India and the US are expected to finalise and sign a joint statement on the first part of the proposed bilateral trade agreement (BTA) in four-five days and aim to conclude a formal, legally binding pact by mid-March, commerce and industry minister Piyush Goyal said Thursday.

"India and the US are having a meaningful dialogue. The first tranche of the BTA is almost ready. We will finalise and sign the joint statement in four-five days. Based on the joint statement, the next leg of the partnership will start," Goyal said.

The formal agreement is being drafted, a process that may take a month or a month and a half.

"We plan to sign the formal agreement by mid-March," Goyal said.

The minister ruled out any investment commitments in the pact.



**Joint statement will**  
be signed virtually  
on first part of BTA

**White House to issue**  
an executive order to  
implement lower duties

Subsequently, US  
will reduce tariffs on  
**Indian goods to**  
**18% from 50%**



**India to cut levies on**  
select US goods  
after signing  
of legal pact

**We hope to  
do things fast  
because there are  
further concessions  
that we will  
get after the legal  
agreement**

**PIYUSH  
GOYAL**  
Commerce  
minister



The US will slash tariffs on India to 18% from 50% after the joint statement is signed virtually on the first part of the BTA. Washington will issue an executive order to implement the lower tariffs on India a day or two after the joint statement.

"Indian tariff reductions (will happen) only after a legal agreement," said commerce secretary Rajesh Agrawal. Indian tariffs are most favoured nation (MFN) levies and US import duties are executive tariffs, he said.

## National Interest Key to Energy Decisions: MEA



The external affairs ministry Thursday stressed that ensuring energy security for its 1.4 billion

people is government's priority, amid US President Donald Trump's claim that India has stopped importing Russian oil, reports

**Dipanjn Roy Chaudhury. >> 3**

# India Inks FTA Terms with Six-nation GCC

Goyal says FTA brings policy certainty and benefits petrochem, ICT

## Our Bureau

**New Delhi:** India and the six-nation Gulf Cooperation Council (GCC) Thursday inked terms of reference for starting talks for a Free Trade Agreement (FTA). The West Asian bloc is the largest trading partner of India with bilateral goods trade of \$178.56 in FY25.

Saudi Arabia, the UAE, Qatar, Kuwait, Oman and Bahrain are members of the GCC.

The terms of reference (ToR) outline the scope and modalities of a proposed trade pact.

Commerce and industry minister Piyush Goyal, who presided over the signing ceremony of the ToRs with the GCC, said that the trade pact brings predictability to policy. It will benefit the petrochemical industry and create opportunities for the ICT industry.

"It is most appropriate that we now enter into a much stronger and robust trading arrangement which will enable a greater free flow of goods, services, bring predictability and stability to policy, help encourage a greater degree of investments," Goyal said.

The two trading partners have been trading amongst each other for over 5,000 years and about 10 million Indians are living and working in the GCC region.



Piyush Goyal during the signing of FTA terms between India and the GCC

Launch of FTA talks with the GCC would be a kind of resumption of the negotiations, as the earlier two rounds of negotiations were held in 2006 and 2008 between the two regions. The third round did not happen as GCC deferred its negotiations with all countries and economic groups.

Goyal said the agreement will also encourage the food and energy security of the two sides. While India is a major food grain producer in the world, GCC nations are oil and gas exporters.

The minister noted that there is a "very robust" nearly \$179 billion bilateral trade, and that Indian exports will get a boost from the proposed pact from the elimination of duties and non-tariff barriers.

"I believe a number of prod-

ucts and services required by the GCC countries can be provided by our young, very talented and skilled Indians, as the GCC countries can help us with further diversification and growth of our energy sources," Goyal said. India has already inked trade pacts with the UAE and Oman in the GCC. The India-UAE Comprehensive Economic Partnership Agreement (CEPA) entered into force on May 1, 2022. India and Oman signed a CEPA in Muscat on December 18, 2025. "We will also get a foothold to grow Indian infrastructure and the infrastructure in the GCC, together with the high-quality companies that are working in the space of infrastructure. Our petrochemical industry will hugely benefit with this partnership," Goyal said.

REFINERS MAY PLACE ORDERS ONLY IF ADVISED BY GOVT: SOURCES

# Refiners avoid Russian oil in push for US trade deal

**NIDHI VERMA**  
New Delhi, February 8

**INDIAN REFINERS ARE** avoiding Russian oil purchases for delivery in April and are expected to stay away from such trades for longer, refining and trade sources said, a move that could help New Delhi seal a trade pact with Washington.

The US and India moved closer to a trade pact on Friday, announcing a framework for a deal they hope to conclude by March that would lower tariffs and deepen economic cooperation. Indian Oil, Bharat Petroleum and Reliance Industries are not accepting offers from traders for Russian oil loading in March and April, said a trader who approached the refiners.

These refiners, however, had already scheduled some deliveries of Russian oil in March, refining sources said. Most other refiners have stopped buying Russian crude.

The three refiners and the oil ministry did not respond to requests for comment. The trade minister on Saturday referred questions about Russian oil to the foreign ministry.

A foreign ministry spokesperson said, "Diversifying our energy sourcing in keeping with objective market conditions and evolving inter-

## DIVERSIFYING SOURCES

■ The refiners had already scheduled some deliveries of Russian oil in March

■ India preparing to cut Russian oil imports below 1 million bpd by March

■ Nayara relies solely on Russian oil for its 400,000 bpd refinery



India's Russian oil imports topped 2 mn bpd in mid-2025

national dynamics is at the core of our strategy" to ensure energy security for the world's most-populous nation.

Although a US-India statement on the trade framework did not mention Russian oil, President Donald Trump rescinded his 25% tariffs on Indian goods, imposed over Russian oil purchases, because, he said, New Delhi had "committed to stop directly or indirectly" importing Russian oil.

India has not announced plans to halt Russian oil imports.

India became the top buyer of discounted Russian seaborne crude after Russia invaded Ukraine in 2022, spurring a backlash from Western nations that had targeted

Russia's energy sector with sanctions aimed at curtailing Moscow's revenue and making it harder to fund the war.

## Russian-oil imports a fraction of 2025 levels

One regular Indian buyer is Russia-backed private refiner Nayara, which relies solely on Russian oil for its 400,000-barrel-per-day refinery. Sources said Nayara may be allowed to keep buying Russian oil because other crude sellers pulled back after the European Union sanctioned the refiner in July.

Nayara also does not plan to import Russian crude in April due to a month-long refinery shutdown, a source familiar

with its operations said. Nayara did not respond to an email seeking comment.

Indian refiners may change their plan and place orders for Russian oil only if advised by the government, sources said.

Trump's order said US officials would monitor and recommend reinstating the tariffs if India resumed oil procurement from Russia.

Sources said last month that India was preparing to cut Russian oil imports below 1 million bpd by March, with volumes eventually falling to 500,000–600,000 bpd, compared with an average 1.7 million bpd last year. India's Russian oil imports topped 2 million bpd in mid-2025.

—REUTERS

# Prices of local high-value apples may fall post deal

**SANDIP DAS**

New Delhi, February 8

**THE LOWER OR** zero duties on the imports of apples from the US, as prescribed in the India-US interim trade agreement, may impact prices of the local 'high value' fruit, say apple growers. However, prices of the bulk of the crop would not be impacted.

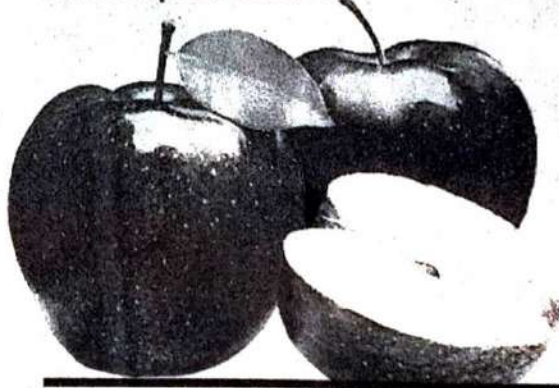
Kunal Chauhan, owner of an apple orchard at Kotkhai, Shimla district, Himachal Pradesh, said the market prices of a box of apples (20 kg each) may fall to ₹2,600 from ₹3,000 a box, once apples are imported from the US.

The high-value apple variety constitutes about 15%-20% of the total annual production of the fruit of around 2.58 million tonne (MT). India imports around 0.6 MT of apples annually. Mandi prices of 80% of the apples grown in the country range between ₹60/kg and ₹80/kg.

Commerce Minister Piyush Goyal said on Saturday apple imports from the US will be subject to minimum import prices (MIP) of ₹80/kg along with 25% duties taking the price to around ₹100/kg. This would protect local Himalayan orchards from cheaper imports. Under existing free trade agreements, India has reduced the import duty on

## LOSING GROUND

■ The high-value apple variety constitutes about **15%-20%** of the total annual production



■ India imports around 0.6 MT of apples annually

■ Mandi prices of 80% of the apples grown in the country range between ₹60/kg and ₹80/kg

■ Apple imports from the US will be subject to minimum import prices of ₹80/kg along with 25% duties

## Deal to lead to double garment exports to ₹30K cr: TN exporters

**EXPORTERS AT THE** textile town in Tiruppur on Sunday indicated that the shipping of garments to the United States would double to ₹30,000 crore over the next three years following the signing of the India deal with the US.

Tiruppur, located about 450 km west of Chennai, would also witness an increase of job creation to about 500,000 during the period, Tiruppur Exporters' Association president K M Subramanian said.

—PTI

apples and other fruits from New Zealand and the European Union to 25% from 50%. India had fixed the quota for apple imports from New Zealand at 32,500 per tonne annually, increasing to 45,000 tonne from the sixth year onwards.

The window for imports from New Zealand will be April 1 – August 31, or the lean months and the minimum import price (MIP) will be \$ 1.25/kg. For the US, India may allow around 0.1 MT of apple import annually with specified MIP.

# Textile players stitch back frayed hopes after tariff cut

SHINE JACOB

Chennai, 8 February

The additional 50 per cent tariff imposed by the US, which had been in place for three consecutive months until November, has now given the sector a new lease of life following the tariff cut. Exports of textiles and apparel to the US in 2026-27 (FY27) are expected to grow in double digits, driven by the India-US trade deal, industry experts said.

According to data shared by the Confederation of Indian Textile Industry (CITI), US imports from India dipped by 5 per cent, 30.1 per cent, and 31.4 per cent in September, October, and November, respectively. However, imports from India during January–November rose 2.3 per cent. This is expected to provide momentum to India's ambitious target of achieving \$100 billion in textile and apparel exports by 2030, up from \$37.7 billion in 2024-25 (FY25). The revised 18 per cent tariff gives Indian exporters a 2 percentage point (pp) advantage over rivals such as Vietnam and Bangladesh, which face a 20 per cent tariff.

India's share of the \$80 billion US apparel import market rose from about 5 per cent to nearly 7 per cent over the past two years, before dipping temporarily in November due to short-term disruptions rather than structural weakness. "With the new trade arrangement giving India a relative advantage over competing sourcing countries, the industry expects a quick return to a 6–7 per cent market share and is confident of double-digit export growth in the coming financial year," said Prabhu Dhamodharan, convenor, Indian Textpreneurs Federation.

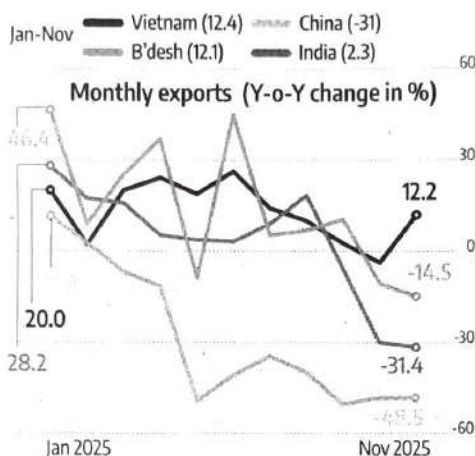
According to industry thumb rules, every 1 pp of market share translates into roughly ₹7,000 crore in exports. From FY27, the sector is likely to see month-on-month double-digit growth in apparel and home textile exports, lifting the monthly apparel export run rate to \$1.5–1.6 billion from the current \$1.27 billion. At nearly \$11 billion, India's textile and apparel exports to the US accounted for close to 28 per cent of the country's total exports in this category during FY25. "This highly positive development is a major boost to India's goal of achieving \$100 billion in textile and apparel exports by 2030, the Make in India initiative, and job creation in the micro, small and medium enterprise-driven textile and apparel industry," said Ashwin Chandran, chairman, CITI.

An analysis by CITI of data from the



## A stitch in time

How US imported textiles and apparels in 2025



Source: CITI &amp; OTEXA

## Monthly exports (In \$ billion)

	Vietnam	China	India	B'desh
Jan	1.56	2.43	0.86	0.82
Feb	1.29	1.89	0.88	0.72
Mar	1.37	1.41	1.02	0.74
Apr	1.35	1.35	0.94	0.78
May	1.35	0.96	0.88	0.56
June	1.62	1.29	0.77	0.74
July	1.86	1.87	0.86	0.75
Aug	1.75	1.72	0.87	0.67
Sept	1.84	1.35	0.8	0.79
Oct	1.57	1.27	0.62	0.66
Nov	1.31	1.05	0.54	0.54
Jan-Nov	16.88	16.6	9.06	7.77

US Office of Textiles and Apparel showed that US imports of textiles and apparel from India fell 31.4 per cent in November 2025 compared with November 2024.

## Cotton import duties now the swing factor

The CITI chairman said the industry is awaiting greater clarity on cotton, observing the strong complementarity between the US and India in the commodity. India's textile and apparel exports are largely cotton-driven. The US–India joint statement on the framework for an interim agreement on reciprocal and mutually beneficial trade said India will eliminate or reduce tariffs on all US industrial goods and a wide range of US food and agricultural products, including dried distillers grains, red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits.

"CITI believes that removing import duty on cotton of all varieties will reduce the divergence between domestic and global prices and help restore the competitiveness of India's

spinning and textile industries. This would also allow the minimum support price (MSP) and other farmer-support mechanisms to function as intended, without creating significant downstream price distortions. During the current cotton season, the MSP of kapas (raw cotton) has increased by nearly 8 per cent."

"The tariff eliminations and enhanced market access under this agreement will greatly strengthen the global competitiveness of India's textile and apparel sector. It will also address non-tariff barriers, reduce compliance burdens, and cut procedural delays, enabling faster movement of goods to the US market," said A Sakthivel, chairman of the Apparel Export Promotion Council. The 50 per cent US tariff on Indian goods, effective August 27, 2025, had adversely affected several textile and apparel companies, raising concerns over job losses across the sector. Knitwear hub Tiruppur has already recorded losses of ₹15,000 crore in 2025 due to higher US tariff.

# 'Every trade deal provides for a re-balancing of concessions'

**Amiti Sen**  
New Delhi

Union Commerce Minister Piyush Goyal declined to spell out the specifics of the American claim that India committed to stop purchasing Russian oil as part of the India-US framework interim trade agreement, even as it emerged that Washington could re-instate a part of the tariff if such transactions were to continue.

## BUFFER FOR INDIA

However, in what could prove to be a buffer for India against such a possibility, Goyal pointed out that all trade agreements provide for a "re-balancing of concessions" as a built-in safeguard.

"I don't know the details of what is intended on the oil front. But I do know that every trade deal, including WTO rules, provides for re-balancing of concessions in the event the benefits of a trade agreement are adversely affected by any subsequent action," said Goyal in an interview with *businessline*.

The framework for the India-US interim trade deal has extended immediate gains to



**TRADE BOOST.** Overall trade with US will significantly get a boost with lower reciprocal tariffs, said Piyush Goyal

India's labour-intensive goods exporters, with the 50 per cent tariffs halved to 25 per cent on February 7, and a further decline to 18 per cent is agreed to and expected in a few days.

"My feeling is that overall trade with the US will significantly get a boost with lower reciprocal tariffs in the US. In fact, the lowest among developing nations, so that we have a competitive advantage compared to other suppliers in China and other

competitor countries. We will also see much larger investments flowing into India," said the Minister.

On India's commitment to import goods worth \$500 billion over the next five years from the US, including energy products, aircraft and aircraft parts, precious metals, technology products and coking coal, the Minister said it was not an issue as India was the fastest-growing large economy.

"The US is very strong in

all of these products and our total imports of these items today is to the tune of nearly \$300 billion per year. In five years, our import of these will be nearly \$2 trillion. Hence, with the view to have more competitive pricing and good quality, our intention is to increase our procurement from the US to help diversify sources and get better pricing and quality," he said.

## EXPORTERS UPBEAT

While exporters are upbeat about the deal, a point of concern is that the US executive order, revoking the 25 per cent ad valorem tariffs on India, explicitly ties it to India's commitment to stop purchasing Russian oil. In the order, US President Donald Trump warned that the levies may be reinstated if imports resume.

But the framework for the interim trade agreement sealed by India and the US on February 6 may have provided some cushion. "In the event of any changes to the agreed upon tariffs of either country, the US and India agree that the other country may modify its commitments," the framework notes.

# 'US trade deal won't flood India with cattle feed ingredients'

**Avinash Nair**  
Ahmedabad

Even as the India-US trade deal raises questions over a possible surge in imports of dried distillers grains with solubles (DDGS) and red sorghum for animal feed, India's dairy sector is unlikely to see any disruption, according to Jayen Mehta, Managing Director of Gujarat Cooperative Milk Marketing Federation (GCMMF).

Calling the agreement a major win for farmers, Mehta said the deal has protected domestic dairy and agriculture while sharply improving export competitiveness.

"We have got the best deal for dairy and agriculture globally. The entire fight was access to dairy and agriculture. The deal has not only blocked but also ensured that the two sectors in India are protected," Mehta said.

"The deal also only re-



Jayen Mehta, MD, GCMMF

duces duty on exports. It is a big boom both for the dairy and agriculture sector," Mehta said, noting that the tariff on Indian dairy exports to the US has been reduced to 18 per cent from 50 per cent.

One of the key concerns following the trade deal has been the potential rise in imports of DDGS.

## 'NOT SIGNIFICANT'

However, Mehta said DDGS has very limited applicability in Indian dairy feed formulations, irrespective of price or availability.

"We do not use more than

3-4 per cent of DDGS in the cattle feed consumed by the dairy industry," he added.

## TARIFF CUTS

The interim agreement states India will eliminate or reduce tariffs on all US industrial goods and a wide range of US food and agricultural products, including DDGs and red sorghum for animal feed, among other items.

Addressing concerns that lower tariffs could lead to higher imports of red sorghum for animal feed, Mehta said the grain remains only a secondary option, not a core ingredient.

"Red sorghum is used as an option for maize — which is available in abundance in India — as a basic ingredient in animal feed," he said.

Maize remains the primary energy source in Indian animal feed, particularly for poultry and cattle, with sorghum used selectively based on price and regional availability.

# Record auto exports, liquid cargo handling at Mundra Port

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**Press Trust of India**

New Delhi

Adani Group's Mundra Port in Gujarat has recorded a sharp increase in automobile exports and liquid cargo volumes in January 2026.

The port handled its highest-ever monthly automobile export volume, shipping 25,762 vehicles through its dedicated roll-on/roll-off (RoRo) terminal at Adani Mundra Container Terminal (CT2), officials said.