

India Moves to Shield Exporters from U.S. Tariff Hike

August 4, 2025

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NEW DELHI, India, is preparing a set of relief measures to protect key export sectors from the impact of a new 25% import tariff imposed by the United States, which takes effect on August 7.

The tariff, announced under a broader trade adjustment measure, will apply to a range of Indian goods entering the U.S. market. Affected industries include textiles, chemicals,

shrimp, engineering goods, leather, and gems and jewellery, many of which depend heavily on U.S. demand.

A senior official at the Indian Ministry of Commerce confirmed ongoing talks with business leaders across affected sectors. Meetings have been held with representatives from steel, food processing, marine products, agriculture, and engineering to assess the likely disruptions.

Exporters are calling for immediate fiscal support to help them stay competitive. Requested measures include interest subsidies, access to low-cost credit, and fast-tracked disbursements under existing government schemes such as RoDTEP (Remission of Duties and Taxes on Exported Products) and RoSCTL (Rebate of State and Central Taxes and Levies).

Many have also requested infrastructure upgrades, including the establishment of a direct shipping line between India and the U.S. to reduce freight costs and shipping times.

“The tariff hike puts us at a clear disadvantage,” said a textile exporter based in Mumbai, who noted that competitors like Bangladesh, Vietnam, and Thailand face significantly lower U.S. duties of around 19–20%.

Among the hardest-hit sectors is seafood, particularly shrimp exports. The U.S. remains India’s largest market for shrimp, and the 25% tariff is expected to seriously strain profit margins.

“Exporters will need to diversify quickly,” said a seafood trader in Kerala. “Markets such as the UK, China, and Japan need to be explored more aggressively.”

Despite challenges across most sectors, electronics, including smartphones, continue to post steady growth in U.S. markets. Trade figures show electronics exports performing relatively well even under current trade uncertainties, offering some stability for Indian exporters.

The central government is also expected to work closely with state governments to ensure exporters receive timely assistance. According to the Ministry of Commerce, proposals from affected sectors are being reviewed, and a formal response is expected soon.

While policy decisions are still being finalized, industry representatives have emphasized the need for swift government action to avoid long-term damage. With regional competitors already benefiting from more favorable tariff arrangements, Indian exporters risk losing market share unless immediate steps are taken.