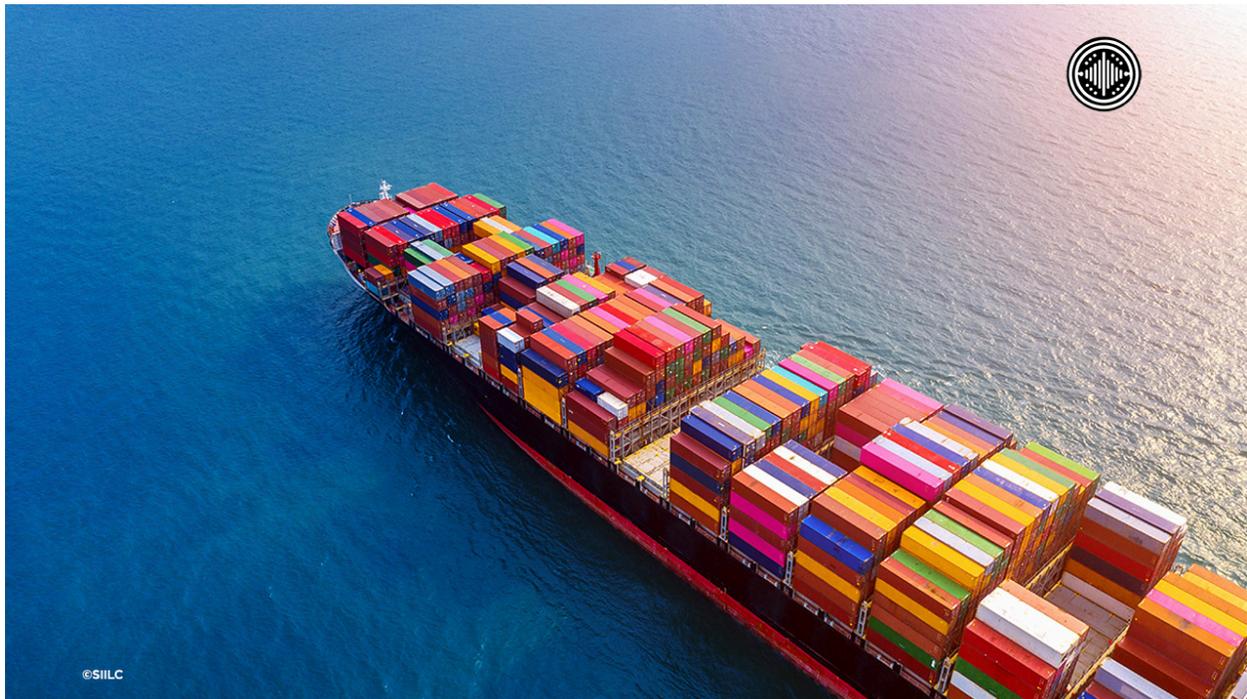


India Plots Support for Key Exporters Amid New US Tariffs



The Indian government is actively considering measures to assist the textile and chemical sectors, which are expected to be among the hardest hit by a recent 50% tariff imposed by the United States. Following a new executive order from President Donald Trump that adds a 25% duty to the existing 25% on a wide range of Indian exports, the Ministry of Commerce has been in consultation with industry leaders to assess the impact and explore support mechanisms. The government's response will likely be channeled through an export promotion mission announced in this year's Union Budget.

The new tariff, which takes effect on August 27, is poised to create a significant disadvantage for Indian exporters compared to rivals like Vietnam and Bangladesh, which face far lower tariffs. Indian textile exports to the US are valued at approximately \$11 billion, while chemical exports stand at about \$6 billion. Industry sources have indicated that the new tariffs could make Indian products uncompetitive, potentially leading to a halt in new orders.

During the consultations, exporters appealed for a range of fiscal and non-fiscal incentives. Key requests included the reinstatement of the Interest Equalization Scheme, which provides subsidies on export loans, and the extension of schemes like RoDTEP (Remission of Duties and Taxes on Exported Products) and RoSCTL (Rebate of State and Central Taxes and Levies). These schemes help refund embedded taxes and duties, reducing the overall cost of production

for exporters. Other demands included simplified advance authorization norms, a reduction in port charges, and the timely release of dues.

The government's plan, which is part of a larger Rs 2,250 crore export promotion mission, is expected to include components such as easy credit for small and medium-sized enterprises (SMEs), facilitation of overseas warehousing, and global branding initiatives to help Indian companies find new markets. Officials believe that while the tariffs pose a serious challenge, the disruption to global trade also presents opportunities for diversification. Export promotion councils are already working to identify new geographies for Indian goods, and some manufacturers may shift their focus to the domestic market, which could help reduce India's import bill.