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Modi Pledges GST Cuts, Farmers Amid Tariffs

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Indian Prime Minister Narendra Modi reaffirmed his commitment to support farmers and drive domestic economic growth during his Independence Day address on August 15, 2025. Speaking from Delhi's Red Fort, he announced targeted policies to protect the agricultural community and promote self-reliance amid trade tensions with the United States.

Modi stated that “farmers, fishermen, cattle rearers are our top priorities” and pledged to implement measures to safeguard their interests. This follows U.S. tariffs, initially set at 25%

and now increased to 50% on specific goods, impacting India's exports of textiles, seafood, jewelry, and footwear.

To address these challenges, the Prime Minister announced a reduction in Goods and Services Tax (GST), effective in October, to encourage domestic consumption ahead of the Diwali season. The reform includes consolidating GST slabs and reducing rates on essential items for farmers, women, and students.

Promoting his "Swadeshi" initiative, Modi urged citizens to buy Indian-made products. He highlighted India's plans to manufacture critical goods, including fertilizers, EV batteries, jet engines, and semiconductor chips domestically. He confirmed that "Made in India" semiconductors will be available by December 2025 and that mineral exploration is active at over 1,200 locations.

Modi also introduced the "Sudarshan Chakra" defence system, a strategic military upgrade following a recent clash with Pakistan, aimed at enhancing national security.

While trade negotiations with the U.S. have stalled due to disagreements over India's dairy and farm sector policies and its importation of Russian oil, Modi's speech focused on strengthening national resilience and economic independence without directly addressing U.S. policies.