

# Tariff cut to help auto components sector gain competitive edge in the US market

**S Ronendra Singh**  
New Delhi

The proposed reduction in reciprocal tariffs to 18 per cent is a positive step that will enhance the competitiveness of Indian automotive components in the US market, said the Automotive Component Manufacturers Association (ACMA) of India on Tuesday.

"At a time when global supply chains are undergoing structural realignments, this development provides greater predictability and confidence for long-term trade and investment decisions," said Vikrampati Singhania, President, ACMA.

He said the US is among the most-important export destinations for India's auto component industry. Ac-



According to ACMA, India's auto components export to the US was recorded at \$6,225 million in FY25, and in the first half FY26, it exported components worth \$3,124 million. On the other hand, the US exported auto components worth \$3,124 million to India in FY25, while in the H1 FY26, it exported components worth \$844 million.

"A more balanced and fa-

cilitative trade framework can unlock further growth in bilateral trade, deepen industrial collaboration and encourage technology-led partnerships across advanced manufacturing, electrification, electronics, and clean mobility solutions," said Singhania.

The components sector looks forward to closer engagement with policymakers on both sides to ensure that the agreement translates into tangible outcomes for industry, supports resilient supply chains and strengthens India's role as a trusted global manufacturing and sourcing hub, he added.

## **A NEW ERA**

According to Ravi Mehra, MD, Uno Minda, the India-US trade agreement marks a

defining moment for Indian economy and the Indian auto components industry in specific, unlocking an exciting new era of export-led growth, deeper market access and global integration.

"It is a strong validation of India's manufacturing excellence and reinforces our role as a trusted, high-quality partner in the global automotive value chain. The stability on tariffs brought by this agreement significantly enhances export competitiveness and encourages advanced technology collaboration between the two countries," said Mehra.

For Uno Minda, this opens up compelling opportunities to further scale the company's footprint, strengthen supply-chain agility and expand its contribution to the US market, he added.