

Centre wants states to support exporters hit by Trump tariff

ComMin to write to Gujarat, Maharashtra, Tamil Nadu

ASIT RANJAN MISHRA
New Delhi, 10 August

The commerce and industry ministry is set to reach out to export-oriented states such as Gujarat, Maharashtra, and Tamil Nadu, urging them to support labour-intensive sectors hit by the 50 per cent tariff imposed by the US government.

Exporters have warned that the US tariff hike poses a setback, affecting nearly 55 per cent of India's shipments to the American market. Apparel and leather exporters are expected to be the worst hit, particularly as this is the period when orders for the festival season are typically placed.

"While the Centre is already exploring options to support exporters, state governments of Gujarat, Maharashtra, and Tamil Nadu will also be encouraged to consider measures of their own, as the employment and economy in such export-oriented states will be affected. We will soon be writing to these states in this regard," a government official said, requesting anonymity.

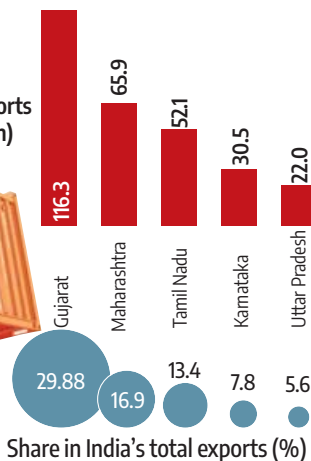
The top five exporting

At stake

Top five states accounted for three-fourths of India's merchandise exports in FY25 (\$ bn)



Source: Commerce Department



states — Gujarat, Maharashtra, Tamil Nadu, Karnataka, and Uttar Pradesh — together accounted for around three-fourths of India's total merchandise exports of \$437 billion in FY25.

In FY25, Gujarat's exports were led by petroleum products (\$43.9 billion), followed by engineering goods (\$16.6 billion), gems and jewellery (\$8.3 billion), and textile (\$5.6 billion). Maharashtra's shipments were dominated by engineering goods (\$22.5 billion), along with gems and jewellery (\$13.7 billion), chemicals (\$8.1 billion), agricultural products (\$5.4 billion), and textile (\$3.8 billion).

Tamil Nadu's top export items included engineering goods (\$18.1 billion), electronic goods (\$14.6 billion), textile (\$8 billion), and leather and leather products (\$1.6 billion).

The central government is working on a three-pronged strategy to cushion exporters from the impact. One plan involves launching a sector-specific support scheme under the proposed ₹2,250 crore Export Promotion Mission. The other measures include identifying alternative overseas markets for surplus products and redirecting them to meet domestic demand.

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Oil imports from Russia may plunge in August

US President Donald Trump's tariffs threaten to erode the share of Russian oil to less than a fifth of total Indian crude imports in August, an over three-year low, from 45 per cent in June and 34 per cent in July. The share of US oil in India's crude imports doubled to 8 per cent in April and May, from 4 per cent in FY25, Goldman Sachs said, estimating the total effective tariff on Indian imports at around 32 percentage points after exemptions.



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OPINION

Our Perry moment

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Against this backdrop, the Union textile ministry on Friday reopened the production-linked incentive scheme for the textiles sector, inviting fresh applications in response to industry requests.

Speaking at the inauguration of various metro projects in Bengaluru on Sunday, Prime Minister Narendra Modi said both the central and state governments must work together for the welfare of the people. “We have to take steps together for the betterment of

our countrymen,” he said.

Modi said that reforms remain a key priority. “In the last decade, we have continuously pushed forward reforms. For example, the government has passed the Jan Vishwas Bill to decriminalise laws, and now we are preparing to pass Jan Vishwas 2.0 as well.

State governments can also identify laws with unnecessary criminal provisions and abolish them. We should also continuously push for new reforms at the state level,” he added.