

Govt working on sops to help exporters deal with US tariffs

RELIEF MEASURES. Commerce Dept may build in flexibility in export promotion mission

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The government is working on additional sops to help exporters deal with any tariff hikes that the US may impose by building in flexibilities in the ₹2,250 crore export promotion mission announced in this year's Union Budget, sources have said.

US President Donald Trump's reciprocal tariff threats may have already started taking a toll on exports in February, with some exporters holding back orders to wait for what is in store next month, a source tracking the development told *businessline*.

"Our exports are still doing well. But the kind of momentum we see in the last two months of the fiscal, we are not seeing now," the source said.

“We are working out details of the export promotion mission and will notify it soon

SANTOSH SARANGI
Director General of Foreign Trade



In case Trump goes ahead with imposition of reciprocal tariffs on Indian exports on April 2, the government will try and provide support to exporters through the export promotion mission, which is likely to be notified next month.

"We are working out details of the export promotion mission and will notify it soon," Director General of Foreign Trade Santosh Sarangi said at the launch of

SheTrades India Hub by exporters' body FIEO on Tuesday.

BUDGET PLAN

Finance Minister Nirmala Sitharaman had announced the export promotion mission in her Budget speech on February 1 with an outlay of ₹2,250 crore.

The scheme would facilitate easy access to export credit, cross-border factoring support, and assistance

for micro, small and medium enterprises in tackling non-tariff measures in overseas markets, she said.

"Since the export promotion mission has not yet been notified, there is room to build flexibilities in it in terms of coverage of products, entities and the scale of incentives," the source explained.

Exporters are looking forward to the export promotion mission as it replaces other popular schemes, notably the market access initiative and the interest subvention scheme (for now).

During April-January 2024-25, India's goods exports posted a nominal growth of 1.39 per cent (year-on-year) to \$358.91 billion while imports rose 7.43 per cent to \$601.9 billion. Exports registered a fall in the last three consecutive months.