

# Time to abandon protectionist mindset: Goyal

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With less than three weeks to go for the US reciprocal tariff plan to come into action, the Union government has asked industry to shed the current protectionist stance.

Commerce and Industry Minister Piyush Goyal has “cautioned export promotion councils to come out of their protectionist mindset and encouraged them to be bold and ready to deal with the world from a position of strength and self-confidence,” according to a government statement late Thursday evening.

After a virtual consultation meeting with exporters and other industry representatives, Goyal said in a social media post that the discussions revolved around ways to expand into new markets and strengthen competitiveness to drive India’s export growth.

“The message was clear – Indian industry needs to open up,” a source aware of the discussions told *Business Standard*. Another person who attended the meeting said that, as of now, there’s

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PIYUSH GOYAL,  
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Minister



no pushback on tariff cuts from the labour intensive export sectors such as textiles, leather, chemicals. They have communicated their stance to the government, he pointed out. While asking exporters to focus on their strengths, Goyal has asked them to share their demands and interests for better engagement with the US.

Turn to Page 6 ▶

# Goyal urges exporters to reflect on strengths, share asks for US talks

The larger concerns on tariff cuts have been from sectors such as agriculture, automobile, and alcohol, although there wasn't any separate discussion on these sectors during Thursday's meeting, said a third person who attended the interaction.

Reflecting on the changing global scenario, the minister has assured all export promotion councils that the government is working on an overtime basis, and will leave no stone unturned to ensure a good future for Indian exporters, both merchandise and service, and to protect the interest of the country, the commerce and industry ministry statement said.

Indicating that the government had reached final stages in free-trade agreements (FTAs) with a few in particular, the minister was positive that it would lead to much better opportunities for Indian exporters and bring in higher investment. On the efforts related to bilateral agreements, Goyal said the government was concurrently acting on several tracks and "each one of those tracks is aimed at ensuring best interest of the Indian exporters".



"The optimism among our industry stakeholders in transforming global challenges into opportunities is truly encouraging," Goyal said after the meeting. Top officials from the department of commerce, including commerce secretary Sunil Barthwal, were present in the meeting, which discussed the current export scenario, proposed trade agreement with the US and the potential impact of tariff cuts. The US administration has said it would impose reciprocal tariffs from April 2.

After the meeting, Pankaj Chadha,

Engineering Exports Promotion Council (EEPC) India chairman, pointed out that MSME exporters are a worried lot. "Total exports of \$5 billion are hit by the recent tariff imposed by the US...", he said.

Exporters are seeing a worrying trend of holding back orders, anticipating reciprocal tariffs by the US. They are closely following the developments, and are on a "wait and watch" mode.

India's merchandise exports have slowed, with a modest 1.4 per cent year-on-year growth, totaling \$359 billion in the first ten months of the current fiscal. Also, exports have experienced a three-month contraction—from November to January—amid softening global petroleum prices and escalating economic uncertainty fueled by geopolitical tensions.

India is on the path to cross \$800 billion this year with a major share of services exports, the government statement said on Thursday. "Additional increase in exports in the last fortnight will usher in the confidence of the exporters to try and aspire to cross \$900 billion exports in the coming year."