

IMPACT OF TARIFFS ON TEXTILE SECTOR

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The Government is actively engaged with all stakeholders, including exporters, Export Promotion Councils and industry, including those in Tamil Nadu, to assess and address the impact of evolving global trade developments. In this context, India and the United States (U.S.) announced a trade arrangement on 02 February 2026, followed by a Joint Statement on 07 February 2026. Subsequently, the 25% additional ad valorem tariffs imposed by the U.S. on certain Indian exports, citing India's imports of Russian oil, were withdrawn. Further, pursuant to the U.S. Supreme Court judgement dated 20 February 2026, reciprocal tariffs have been invalidated and are no longer in force. However, the U.S. Government has issued Executive Orders imposing 10% tariffs on certain products from all countries. The Government is studying all the developments thereafter and remains engaged with the US Government.

India's global textile and apparel exports, including handicrafts, stood at ₹2,68,951.5 crore during April 2025 to January 2026, exhibiting a growth of 3.3% compared to exports during the same period last year. Tamil Nadu's textile and apparel exports, including handicrafts, stood at ₹57,858.7 crore during April 2025 to January 2026, also exhibiting a growth of 3.3% compared to exports during the same period last year. Seventeen districts of Tamil Nadu, including Tirupur, recorded an export growth during April 2025 to January 2026 as compared to the corresponding period last year.

The Government has implemented various schemes/initiatives to boost the Indian textile and apparel sector and enhance its competitiveness from Country and these steps are boosting the export from Country including Tamil Nadu. The major schemes/initiatives include PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks Scheme to create a modern, integrated, world class textile infrastructure; Production Linked Incentive (PLI) Scheme focusing on MMF Fabric, MMF Apparel and Technical Textiles to boost large scale manufacturing and enhancing competitiveness; National Technical Textiles Mission focusing on Research Innovation & Development, Promotion and Market Development; SAMARTH – Scheme for Capacity Building in Textile Sector with the objective providing demand driven, placement oriented, skilling program; Silk Samagra-2 for comprehensive development of sericulture value chain; National Handloom Development Program for end to end support for handloom sector. Ministry of Textiles is also implementing National Handicrafts Development Programme and Comprehensive Handicrafts Cluster Development Scheme for promotion of handicrafts.

The Government has also implemented the Rebate of State and Central Taxes and Levies (RoSCTL) Scheme for apparel and made-ups to enhance competitiveness by adopting the principle of zero-rated exports for exporters across all States, including Tamil Nadu. Further, textile products not covered under the RoSCTL Scheme are covered under the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme, along with other products.

In addition, the Government has approved the Scheme for Export Promotion Mission (EPM) for the period FY 2025–26 to FY 2030–31, aimed at strengthening India's export competitiveness - particularly for MSMEs. The Mission is implemented through two integrated sub-schemes: Niryat Protsahan, which focuses on financial enablers and trade-finance support, and Niryat Disha, which addresses non-financial,

market-access and ecosystem enablers. The government of India has also approved the Credit Guarantee Scheme for Exporters (CGSE) to provide additional credit support up to 20% of existing working capital limits to eligible borrowers, particularly MSMEs by enabling collateral-free credit access under CGSE.

The Reserve Bank of India (RBI) has also initiated trade relief measures for eligible affected exporters including provision for debt repayment moratorium and extension of tenor for export credit.

This information was provided by THE MINISTER FOR TEXTILES SHRI GIRIRAJ SINGH in a written reply to a question in Rajya Sabha today.

MAM/VN

(Rajya Sabha US Q3996)

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