PRESS RELEASE ON THE 200th REPORT OF COMMITTEE ON COMMERCE, RAJYA SABHA

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The Department Related Parliamentary Standing Committee on Commerce headed by Ms. Dola Sen, M.P., Rajya Sabha presented its 200th Report on 'Evaluation of India – US Trade Relations' to both the Houses of Parliament on 6th August, 2026. In the Report, the Committee has evaluated the India – US Trade Relations, identified the key challenges arising from US tariff measures affecting various sectors of economy and made recommendations to tackle the significant concerns within these sectors.

During its four meetings spanning over 7 hours and 50 minutes, the Committee examined and discussed the subject with representatives of Department of Commerce, Ministry of Commerce and Industry; Department of Financial Services, Ministry of Finance; Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying; Ministry of External Affairs, Ministry of Heavy Industries, Ministry of MSME, Ministry of Textiles, Department of Agriculture and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Ministry of Skill Development and Entrepreneurship (MSDE), Agricultural and Processed Food Products Export Development Authority (APEDA), Federation of Indian Export Organisations (FIEO), Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), banks and financial institutions and various other stakeholders. The Committee considered and adopted the draft Report in its meeting held on 5th August, 2026. The Recommendations/ Observations made by the Committee in this Report are enclosed.

The entire Report is also available on https://sansad.in/rs >Committees>DRPSC-RS>Commerce>Report

RECOMMENDATIONS/OBSERVATIONS - AT A GLANCE

INTRODUCTION

1. **All the stakeholders informed the Committee that the Committee met including representatives of marine products and fishermen, leather, automotive, textiles including jute and cotton, gems & jewellery, chemicals and petrochemicals, steel, agriculture and agro-based industries across the country expressed their views and conveyed their concerns regarding the US tariff hike. In view of the above, the Committee recommends a review of the India-US trade relations in the interest of the country and its citizens. (Para 1.5)**

Bilateral relations between India and United States

2. **The Committee recommends that the Government conclude the proposed Bilateral Trade Agreement at the earliest while ensuring that India's interests are adequately protected. The Committee is of the view that the Department should also prepare a time-bound roadmap to achieve the objectives of the Mission 500 initiative by promoting trade in goods and services, encouraging investment, strengthening cooperation in critical technologies under Transforming the Relationship Utilizing Strategic Technology**

(TRUST) framework, improving supply chain resilience, improving supply chain and addressing both tariff and non-tariff market access issues barriers faced by Indian exporters. Para 2. 5)

3. The Committee observes that to ensure comprehensive implementation, the roadmap must explicitly focus on the strategic utilization of domestic Production Linked Incentive (PLI) schemes to enhance export infrastructure and scale cost-competitiveness against global supply shocks. Concurrently, priority must be given to fast-tracking Mutual Recognition Agreements (MRAs) for professional services, pharmaceuticals and agricultural standards to prevent arbitrary technical barriers to trade (TBT) at US ports. The Committee further suggests establishing an institutional mechanism to routinely review currency volatilities and logistics challenges is imperative to cushion MSME-led export sectors from sudden regulatory shifts. The Committee believes that this will help build a stronger, more balanced and mutually beneficial economic partnership between India and United States. (Para 2. 6)

Current Trade Scenario

4. The Committee is of the view that the Government may continue its efforts to expand bilateral trade with the United States by addressing market access issues, reducing non-tariff barriers and supporting Indian exporters, particularly MSMEs. The Committee recommends that to shield vulnerable small-scale industries from volatile tariff actions, the Department must actively deploy localized financial buffers and export credit assistance programs. (Para 3.5)
5. The Committee notes with concern that foreign taxes on Indian goods are changing too fast and unpredictably. The Committee, therefore, recommends that the proposed Bilateral Trade Agreement without compromising Indian exporters interest should be concluded at the earliest so that businesses in both countries can benefit from a stable and predictable trade environment. To ensure that the agreement is effective, the Committee is of the view that the Government negotiate for complete exemption for India's key export products such as generic medicines, critical minerals and smartphones from any future unexpected U.S. tariff increases. Further, the Directorate General of Foreign Trade (DGFT) must set up a special, fast-acting watch desk to track U.S. customs audits in real time, so that Indian exporters can get instant warnings about any new import rules. (Para 3.6)
6. The Committee also recommends that the Ministry of MSME must give small businesses quick technical and financial support to upgrade their paperwork, proving exactly where their raw materials come from so that shipments do not get stuck or delayed at U.S. borders. (Para 3.7)
7. The Committee was informed by the Department that India's services exports to the United States stood at USD 51.20 billion, growing at a CAGR of 11.58 % since 2020. At the same time, India's services imports from the U.S. reached USD 47.32 billion, with a CAGR of 18.68%.In last one decade, the total trade in services with the U.S. has more than doubled, growing from USD 40.53 billion in 2014 to USD 98.52 billion in 2024. India's services imports from the U.S. are growing at a much faster rate (18.68% CAGR) than our services exports (11.58% CAGR). (Para 3.8)
8. The Committee feels that this trade surplus trend needs to be sustained. Further, the Committee is of the view the Department should closely monitor developments affecting India's Trade and Commerce, including tariff measures and non-tariff barriers in the United States and timely policy support be provided to sectors that face adverse impact due to tariff measures so that India's export growth is not impacted. The Committee

recommends the Department to design a targeted strategy to boost high-value knowledge exports such as artificial intelligence, digital health and engineering research to maintain India's long-term competitive edge in services. (Para 3.12)

9. **The Committee further recommends that the Department should actively leverage global 'friend-shoring' trends to deeply integrate Indian manufacturers into critical United States supply chains, particularly in electronics, semiconductors and clean energy. The Committee is of the view that alongside this, targeted investment promotion strategies must be deployed to attract U.S. FDI into India's manufacturing sector, thereby expanding the production capacity needed to sustain long-term export growth. (Para 3.13)**
10. **The Committee notes the USA's high GDP rate has huge potential for Indian goods in both service and merchant sector. Therefore, the Committee recommends that the Department in coordination with concern stakeholders should focus on improving product quality, promoting innovation, strengthening logistics, skill development, logistic costs and help exporters to meet evolving U.S. regulatory standards. Further, the Committee is of the view that special attention be given to MSMEs to enable their effective participation in exports and to enhance their resilience to US tariff measures. (Para 3.15)**
11. **The Committee is of the view that the Department should strengthen cooperation with United States in sectors such as semiconductors, clean energy, critical minerals and transfer of emerging technologies. The Committee is of the view that partnerships in these sectors will benefit domestic manufacturing capabilities and will also reduce excessive dependence on any single source of imports. (Para 3.17)**
12. **The Committee recommends that the Department deploy a targeted sectoral approach that actively accelerates the high-growth momentum in Electrical Machinery and Equipment through dedicated industrial corridors, while simultaneously providing specialized technology-upgradation grants to arrest the decline in traditional, labour-intensive sectors like Textiles & Clothing and Pearls & Precious Stones to protect domestic employment. (Para 3.18)**
13. **The Committee further recommends to set up institutional pre-clearance mechanisms and joint testing facilities in India aligned with United States Food and Drug Administration (USFDA) guidelines to fast-track and secure the steady export growth observed in Pharmaceutical Products and Organic Chemicals. (Para 3.19)**
14. **The Committee is of the view that the stagnation in traditional exports requires urgent intervention and, therefore, recommends that the Department design a specialized market-linked incentive scheme to help textile and gems-and-jewellery exporters diversify their product designs to match evolving consumer preferences in the United States.(Para 3.20)**
15. **The Committee observes that trade between India and the United States has grown steadily despite US tariff measures. The expanding trade relationship reflects the complementary nature of the two economies and provides opportunities for further growth in merchandise trade. (Para 3.22)**
16. **The Committee is of the view that the Department should prepare a long-term strategy to increase India's share in the U.S. market. Further, the Committee is of the considered view that the Department should focus on diversification of export products, integration with global value chains, development of sustain supply chains, promotion of value-added manufacturing, and timely conclusion of the proposed Bilateral Trade Agreement. Further, regular consultations with industry and exporters may also be held**

to address emerging trade issues and improve India's competitiveness in international markets. (Para 3.23)

17. **The Committee further recommends the Department to formulate a dedicated framework for the digital economy and services sector, focusing on harmonizing cross-border data flows and protecting intellectual property rights to secure the growth of Indian Global Capability Centres (GCCs) and IT-enabled services in the United States market. (Para 3.24)**
18. **In view of the expanding multi-billion dollar trade volume, the Committee recommends the Department to actively pursue the establishment of a dedicated, fast-track bilateral institutional mechanism with United States trade authorities to proactively flag, discuss and resolve trade frictions and compliance disputes before they escalate into restrictive tariff actions. (Para 3.25)**
19. **The Committee is of the view that sustaining the high growth trajectory requires robust domestic infrastructure. The Committee, therefore, recommends the Department to coordinate with the Ministry of Ports, Shipping and Waterways to create fast-tracked export corridors and automated customs clearance zones dedicated specifically to high-volume trade bound for the United States. (Para 3.26)**

Sectoral Analysis

20. **The Committee is of the view that the Department should prioritize to conclude the proposed India–U.S. Bilateral Trade Agreement, with particular focus on reducing tariffs on engineering goods, auto components and other products related to automotive sector. The Committee feels that the removal of additional US tariffs on Indian exporters will improve India's competitiveness and this will further, provide the necessary predictability for exporters to formulate long-term business strategies. The Committee feels that this will also develop industrial cooperation and supply chain integration between the two nations. (Para 4.5)**
21. **The Committee further recommends competitiveness of the engineering sector should be strengthened. Therefore, the Committee is of the view that this can be achieved by promoting technology upgradation, automation, research and development, quality improvement and adoption of global manufacturing standards. The Committee believes that minimizing structural inefficiencies will significantly lower production costs, making Indian auto components highly competitive in the U.S. market even amidst fluctuating tariff regimes. (Para 4.6)**
22. **The Committee is of the view that the Department may play an important role in facilitating business-to-business partnerships between Indian manufacturers and U.S. original equipment manufacturers (OEMs), Tier-1 suppliers and major buyers. The Committee recommends that the Department in coordination with the concerned Ministries should also support exporters through timely export credit, market diversification, trade finance, export compliance, logistics, overseas warehousing etc. The Committee further suggests that concurrently aggressive market access campaigns must be launched to promote engineering exports across alternative regions including Europe, Africa, Latin America, the Gulf region and other emerging markets to mitigate single-country dependency. (Para 4.7)**
23. **Recognizing the automotive sector comprises a vast network of MSMEs that lack the financial cushion to absorb tariff shocks, the Committee recommends the creation of a dedicated MSME Export Resilience Scheme. The Committee suggests that under the scheme Department should provide targeted financial subsidies, lower interest rates on**

export credits, and offer institutional technical guidance to help smaller manufacturers navigate complex compliance. (Para 4.8)

24. **To directly address the challenge where Indian components cannot be immediately diverted to new markets due to rigid, buyer-specific technical specifications, the Committee recommends Government explore the establishment of a National Fund. The Committee is of the view that this fund should provide fiscal incentives and matching grants to Indian suppliers to offset the high capital costs associated with product redesign, fresh tooling investments, prototype development and obtaining foreign technical certifications required to enter new global supply chains. (Para 4.9)**
25. **To future-proof India's export economy and counter the shift of global buyers toward preferred trade partners, the Committee recommends creating a structured framework to help Indian suppliers adopt sustainable manufacturing practices. The Committee is of the view that Department should incentivize energy-efficient operations, carbon footprint mapping and compliance with global Environmental, Social and Governance (ESG) standards, which are increasingly becoming mandatory prerequisites for entering premium Western supply chains. (Para 4.10)**
26. **To sustain the employment of the people directly dependent on this industry, the Committee recommends sustained capacity building program. The Committee suggests that the Department, in tandem with the Ministry of Skill Development, should establish advanced training centers focused on Industry 4.0 technologies such as smart automation, robotics, precision engineering and electric vehicle (EV) component manufacturing, as this will bridge the technical capability gap and ensure Indian components meet the next generation of global market demands. However, the Committee observes that the annual budget of Ministry of Skill Development and Entrepreneurship must be increased, otherwise the Skill development venture towards unemployment issue will not be effective in true sense. (Para 4.11)**
27. **The Committee recommends that the Department should engage with stakeholders to identify new trading partners and further its efforts to enhance competitiveness, market diversification and product diversification. These initiatives will help strengthen the long-term growth of India's gems and jewellery exports. (Para 4.20)**
28. **The Committee is of the view that the Department may provide a comprehensive support package for the sector by way of export credit, interest equalisation, export insurance, working capital support and trade finance especially for MSMEs. The Committee is of the considered view that financial institutions and banks should ensure timely availability of affordable credit so that exporters can effectively manage temporary disruptions arising from global trade uncertainties. (Para 4.21)**
29. **The Committee considers that greater emphasis should be made on value addition, branding, hallmarking, design innovation and advanced manufacturing technologies. The Committee is of the view that special incentives may be provided for high-value products such as laboratory-grown diamonds, designer jewellery, branded jewellery and precious metal jewellery. The Committee also recommends strengthening research, design development and skill upgradation so that India can move further up the global value chain and enhance export earnings. (Para 4.22)**
30. **The Committee also recommends that the Department establish a dedicated monitoring mechanism to regularly assess the impact of tariff and non-tariff barriers on the Gems and Jewellery sector. The Committee is of the view that an early warning system may be developed to identify emerging trade risks, monitor changes in international market conditions and facilitate timely policy interventions. The Committee also recommends continuous consultations with industry associations, Export Promotion Councils and**

other stakeholders to ensure that support remains responsive on time to the evolving needs of the sector. (Para 4.33)

31. **The Committee recommends the Department to initiate targeted bilateral trade talks with the United States to address 48% crash in Indian gems and jewellery exports caused by the 2025 tariff measures. The Committee is of the view that securing tariff parity with global competitors like Switzerland, Canada and Mexico is absolutely critical in arresting India's market share loss. (Para 4.24)**
32. **The Committee also recommends that Indian Missions abroad, in coordination with GJEPC and industry associations, should organise buyer-seller meets, trade exhibitions and business delegations to promote Indian gems and jewellery products. Further, efforts should be made to diversify India's export markets by expanding exports to the Gulf region, Europe, East Asia, ASEAN, Africa and Latin America. (Para 4.25)**
33. **The Committee is concerned that prolonged trade uncertainty will trigger layoffs in this highly labour intensive sector. To prevent this, the Committee is of the view that a State-backed export invoice discounting window should be established, in order to keep MSMEs financially operational to safeguard the livelihoods of millions of workers. (Para 4.26)**
34. **The Committee recommends establishing "India Jewellery Trade and Distribution Hubs" in expanding markets such as Hong Kong, Thailand and the United Kingdom. The Committee notes that spontaneous market diversification by exporters is already occurring in these regions to bypass high U.S. tariffs. The Committee believes that setting up secure consignment warehousing and duty-free storage capabilities in these alternative hubs will institutionalize these gains. The Committee is also of the view that reducing single-market dependency is the most effective long-term shield against global geopolitical risks. (Para 4.27)**
35. **The Committee feels that the priority should be given to resolve tariff-related issues concerning steel, aluminium and copper and chemical products under the proposed India–U.S. Bilateral Trade Agreement. Moreover, Department should actively engage with the United States to safeguard the interests of domestic industry in relation to Section 232 tariffs and Section 301 investigations while ensuring stable and predictable market access for Indian exporters. The Committee recommends that the Department must proactively engage with US authorities to secure long-term, barrier-free access to US aluminium and copper scrap, ensuring that any future US export restrictions on waste and scrap do not disrupt the raw material supply chain of India's downstream industries. (Para 4.38)**
36. **The Committee further recommends that the Department strengthen the global competitiveness of these sectors by promoting technology upgradation, automation, research and development, energy efficiency and production of high-value products. The Committee is of the view that greater emphasis should be placed on reducing logistics costs, improving port infrastructure so that Indian products remain globally competitive. The Committee recommends that in order to sustain this competitiveness, the Department should establish a dedicated task force to help Indian exporters align with evolving international environmental standards, such as carbon border adjustments, ensuring that Indian non-ferrous products meet the sustainability benchmarks required for the US market. (Para 4.39)**
37. **The Committee recommends that special assistance be provided to MSMEs engaged in downstream steel, aluminium and copper industries through easier access to affordable credit, export finance, technology acquisition and international quality certification. The Committee also recommends strengthening domestic recycling infrastructure,**

particularly for aluminium and copper scrap, to reduce input costs and improve resource efficiency. (Para 4.40)

38. **The Committee also recommends leveraging India's downstream manufacturing strengths to attract U.S. FDI into joint ventures for high-end, value-added non-ferrous products. The Committee is of the view that this alignment will integrate Indian manufacturers into the US aerospace, defence and electric vehicle (EV) supply chains, transforming the bilateral relationship from a transactional scrap-for-finished-goods trade into a robust, high-technology co-manufacturing partnership. (Para 4.41)**
39. **The Committee further recommends strategic initiatives such as the National Critical Minerals Mission, Forum for Resilient Global Processing and Extraction (FORGE), India–US Strategic Mineral Recovery Initiative, Indo- Pacific Economic Framework (IPEF) and the QUAD Critical Minerals Initiative to strengthen India's position in global critical mineral and metal value chains. The Committee urges that greater focus should be placed on attracting investment in mineral exploration, processing, recycling, rare earths, battery materials and advanced manufacturing technologies. (Para 4.42)**
40. **The Committee also recommends that the Department should facilitate regular consultation with industry associations and exporters, enabling timely policy interventions to protect India's export competitiveness and enhance the resilience of India's manufacturing sector. (Para 4.43)**
41. **The Committee notes the initiatives taken by the Department of Fisheries, MPEDA, CIFT, EIC and other agencies in strengthening traceability systems, promoting sustainable fishing practices, developing indigenous Turtle Excluder Devices, obtaining Marine Mammal comparability. The Committee is of the view that sustained efforts will be required to ensure continued access to premium export markets. (Para 4.54)**
42. **The Committee is also of the view that India possesses considerable untapped potential for expanding marine exports through diversification into value-added seafood products, mariculture, seaweed cultivation, offshore cage farming and advanced processing technologies. The Committee observes that institutions such as Marine Products Export Development Authority (MPEDA), Central Marine Fisheries Research Institute (ICAR-CMFRI), Central Institute of Fisheries Technology (ICAR CIFT) and National Fisheries Digital Platform (NFDB) have developed technologies relating to captive breeding, disease-resistant species, post-harvest processing, food safety and value addition. The Committee recommends that greater emphasis be made on ready-to-cook and ready-to-eat seafood products, cold-chain infrastructure, branding and certification can significantly enhance export earnings.(Para 4.55)**
43. **The Committee further recommends the formulation of a comprehensive support package for the marine products sector, including concessional export credit, working capital assistance, interest subvention, credit guarantee support and restructuring facilities for exporters, processors, hatcheries and shrimp farmers affected by trade disruptions. The Committee also recommends that financial institutions and banks effectively implement relief measures for MSMEs engaged in seafood exports. Further, the Committee is also of the view that the Department must initiate, high-level bilateral trade dialogues with the United States Trade Representative (USTR) to specifically contest the arbitrary inflation of anti-dumping and countervailing duties, aiming to secure a predictable tariff framework that safeguards the margins of primary coastal producers. (Para 4.56)**
44. **The Committee recommends that combined efforts be made by MPEDA, the Department of Fisheries and the Ministry of Commerce towards market diversification. The Committee is of the view that this is achievable by expanding exports to the**

European Union, United Kingdom, Japan, South Korea and other emerging markets. The Committee also feels that emphasis should be given on promotion of value-added seafood products, branding and development of the domestic seafood market to reduce excessive dependence on a single export destination. The Committee is of the view that to address supply vulnerabilities, the Department should implement a Self-Reliance Scheme to promote the domestic breeding of Specific Pathogen Free (SPF) broodstock and the indigenous manufacturing of specialized feed, effectively ending India's reliance on the US for aquaculture inputs.(Para 4.57)

45. **The Committee is of the view that substantial investment is needed in modern processing facilities, testing laboratories, fish cage farming and certification. The Committee further opines that efforts should also be made to accelerate the nationwide implementation of Turtle Excluder Devices. The Committee believes that the Department should focus on enhancing exports to other markets and increasing domestic consumption of shrimp through targeted promotional campaigns which is a way to cushion the resultant shortfalls in exports, which otherwise may deter the farmers from stocking and production, potentially creating a chain reaction to the related sectors. (Para 4.58)**
46. **The Committee recommends that the Department must rapidly subsidize and enforce the mandatory rollout of the ICAR-CIFT developed Turtle Excluder Devices (TEDs) across all mechanized trawlers to get US National Oceanic and Atmospheric Administration (NOAA) certification, thereby overturning the ongoing US ban on Indian wild-caught shrimp and reclaiming lost market share. (Para 4.59)**
47. **The Committee is of the view that greater diversification towards technical textiles, man-made fibre products, sustainable textiles, home furnishings and high-value apparel will be necessary to enhance India's long-term competitiveness in international markets. The Committee also notes the need for faster implementation of initiatives such as PM MITRA Parks, the PLI Scheme and the Samarth Scheme to modernise the sector and strengthen productivity. The Committee recommends the Ministry of Textiles to establish specialized man-made fibre (MMF) manufacturing clusters within new PM MITRA parks in order to move away from reliance on cotton. The Committee believes that this initiative aims to provide MSMEs with immediate, localized access to synthetic materials, aligning production with high global demand. (Para 4.69)**
48. **The Committee is of the view that the Government strengthen support under Remission of Duties and Taxes on Exported Products (RoDTEP), Rebate of State and Central Taxes and Levies (RoSCTL), the Interest Equalisation Scheme and other export promotion measures. The Committee believes that liquidity support for MSMEs must be enhanced through concessional working capital, export credit, credit guarantee cover and faster disbursement of financial assistance. The Committee holds the view that banks and financial institutions should ensure timely sanction of export credit and extend adequate support to viable exporters facing temporary stress due to tariff-related disruptions. The Committee urges that the Government to intensify efforts to promote technical textiles, man-made fibre products, sustainable textiles and value-added apparel. (Para 4.70)**
49. **The Committee recommends exploring the establishment of a scheme which aims to create an emergency relief program under the RoSCTL to compensate MSME textile exporters for price reductions demanded by US buyers. The Committee is of the view that this measure seeks to prevent business closures and the potential loss of jobs by providing a financial cushion during the crisis. (Para 4.70)**

50. **The Committee recommends that the Ministry must partner with industry bodies to set up government-subsidized textile warehousing hubs within major US shipping entry points. The Committee is of the view that by holding ready-to-sell inventory locally in the US and establishing green-channel fast customs corridors at Indian ports, Indian exporters can drastically slash their long delivery lead times, bypass heavy middle-agent pricing demands and successfully match the aggressive turnaround speeds of global competitors. (Para 4.72)**
51. **The Committee is concerned that higher tariffs and declining demand in the U.S. market may significantly reduce artisan incomes and employment while enabling competing suppliers such as Turkey, Pakistan, Nepal and China to expand their market share. The Committee, therefore, recommends that adequate marketing support may be extended for carpet exporters through trade fairs, branding, Geographical Indication (GI) promotion, buyer-seller meets, and design development. (Para 4.73)**
52. **The Committee is concerned that prolonged tariff uncertainty may adversely affect traditional weaving communities and MSME exporters. Therefore, the Committee recommends enhanced assistance may be provided for international exhibitions, branding, GI promotion, digital marketing, product diversification, design innovation and export promotion of handloom products. The Committee also recommends that support should also be extended to traditional weaving clusters for improving quality and expanding exports to new markets. (Para 4.74)**
53. **The Committee recommends that the Department take concerted measures to expand artisan welfare, strengthen cluster infrastructure, promote branding and GI products, facilitate digital commerce and direct export platforms, support design development, product innovation and international marketing so that India's traditional crafts remain globally competitive while preserving the country's rich cultural heritage. (Para 4.75)**
54. **With advances in science and technology, the adoption of technology-driven practices and precision agriculture is being advised. However, this must be pursued keeping in view the ground realities of Indian agriculture, particularly the interests of large and huge number of small and marginal farmers. Accordingly, the Committee recommends that in the context of India-US trade relations concerning agriculture, agricultural produce, and agro-based products, adequate safeguards be put in place to ensure a level playing field for Indian farmers, consistent with the overall agricultural scenario of the country and the overall economic situation of the farmers as well. (Para 4.80)**
55. **The Committee is of the view that the Department develop quality infrastructure through establishment of modern testing laboratories, internationally accredited certification facilities, digital traceability systems, residue monitoring laboratories and integrated cold-chain infrastructure. The Committee recommends that promotion of adoption of Good Agricultural Practices (GAP), residue-free cultivation and internationally accepted food safety standards to improve acceptance of Indian agricultural products in premium markets may be made. The Committee also recommends that the Department must explore the possibility of creating a pre-clearance protocol with US customs and the Food and Drug Administration (FDA), ensuring all major agricultural shipments are pre-tested at Indian ports to eliminate the high rate of food safety rejections at American borders to curb the substantial financial losses faced by exporters.(Para 4.81)**
56. **The Committee further recommends strengthening the organic agriculture ecosystem by simplifying certification procedures under the National Programme for Organic Production (NPOP) and addressing procedural issues relating to USDA National Organic Program (NOP) Transaction Certificates in consultation with stakeholders. The**

Committee is of the view that support should also be provided for promotion of organic clusters and certification of organic products. The Committee believes that the Department and APEDA must pursue diplomatic defence mechanisms in the US market to protect unique Indian Geographical Indication (GI) products, like Basmati rice, against misleading local branding by global competitors, thereby preserving India's premium pricing power. (Para 4.82)

57. **The Committee recommends that India is an agrarian economy and requires policies that adequately support agriculture and agro-based industries. The Committee recommends that financial institutions and banks further expand support for export-oriented agriculture by strengthening credit flow, rural warehousing, integrated pack houses, food processing infrastructure, Farmer Producer Organisations and agri-logistics. Further, the Committee is of the view that greater collaboration between ICAR, agricultural universities, APEDA and industry should be encouraged to develop export-oriented crop varieties, improve productivity and strengthen India's competitiveness in global agricultural markets. The Committee also recommends that Ministry of Agriculture should finance and set up automated Irradiation and Vapour Heat Treatment (VHT) facilities near major export cargo hubs to ensure strict US phytosanitary import mandates for fresh fruits and vegetables. (Para 4.83)**
58. **The Committee is of the view that the establishment of Speed Breeding and Rapid Generation Advancement (RGA) facilities, integrated with advanced environmental control systems and emerging Artificial Intelligence (AI)-enabled technologies, is the need of the hour to accelerate crop breeding and improve precision farming. The Committee, therefore, recommends that the Department establish and strengthen such state-of-the-art facilities across major agricultural research institutions to expedite the development of high-yielding, climate-resilient and pest-resistant crop varieties. (Para 4.86)**
59. **The Committee believes that developing such infrastructure would significantly reduce the breeding cycle, enable researchers to develop superior crop varieties in a shorter time frame and facilitate the timely availability of improved seeds to farmers. The Committee therefore, recommends that comprehensive plan for the phased establishment of Speed Breeding and Rapid Generation Advancement (RGA) facilities on a zonal basis across the country, taking into account the diverse agro-climatic conditions of different regions may be explored. (Para 4.87)**
60. **The Committee further, recommends promoting Geographical Indication (GI) products, district-specific agricultural products and One District One Product (ODOP) initiatives through targeted branding, international promotion and dedicated export facilitation. The Committee is of the view that greater support should also be extended for branding Indian spices, basmati rice, honey, processed foods, organic products and horticultural produce in premium overseas markets. (Para 4.88)**
61. **The Committee also recommends that the Government may establishing a permanent Agricultural Trade Facilitation Cell under the Department of Commerce in coordination with APEDA, ICAR, NABARD and State Governments to monitor tariff barriers, SPS issues, residue standards, logistics bottlenecks and emerging market opportunities.(Para 4.89)**
62. **The Committee is of the view that greater emphasis should be placed on production of premium footwear, branded leather goods, fashion accessories, sports footwear, safety footwear and high-end leather products to improve Indian export to International markets. The Committee also feels that India's capabilities in design, product**

development and craftsmanship provide a strong foundation for moving towards higher-value exports. (Para 4.99)

63. **Further, the Committee notes the initiatives undertaken by the Leather Sector Skill Council (LSSC) for skilling and upskilling workers in advanced manufacturing processes. The Committee is of the view that greater adoption of automation, CAD/CAM systems, robotics, Artificial Intelligence, digital product development, 3D printing and smart manufacturing technologies will be necessary to improve productivity, product quality and manufacturing efficiency. (Para 4.100)**
64. **The Committee observes the fact that in the leather industry environmental sustainability has become an important determinant of market access in developed countries such as Europe. The Committee notes that buyers increasingly require compliance with internationally accepted standards relating to environmental protection, carbon footprint, traceability, wastewater treatment and responsible sourcing. The Committee acknowledge the efforts made by the industry in establishing Common Effluent Treatment Plants (CETPs), adopting Zero Liquid Discharge systems and promoting environmentally sustainable leather processing. The Committee urges that continued investment in green manufacturing technologies internationally recognized sustainability certification will be necessary to maintain India's competitiveness in premium markets. The Committee recommends that the Department should make efforts to tap the green manufacturing resources and sensitise the stakeholders. (Para 4.101)**
65. **The Committee notes that the leather and footwear sector has substantial potential to contribute to the objectives of 'Make in India', 'Atmanirbhar Bharat' and employment-led manufacturing growth. The Committee believes that with appropriate policy support, improved market access, technology adoption, investment promotion and enhance value addition, India can significantly increase its share in the global leather and footwear market and emerge as one of the world's leading sourcing destinations. The Committee therefore, recommends that efforts be made to secure preferential or duty-free market access for leather, leather products and footwear so as to restore India's competitiveness in the U.S. market. The Committee further recommends that targeted relief to exporters may be provided through export credit, interest equalisation, working capital support, export credit guarantees and other trade facilitation measures, particularly for MSMEs. The Committee is of the view that banks and financial institutions should ensure timely availability of affordable finance to viable exporters affected by temporary trade disruptions. (Para 4.104)**
66. **The Committee recommends investment in research and development, automation, Industry 4.0 technologies, robotics, CAD/CAM systems, digital product development and advanced manufacturing processes. Further the Committee is of the view that simultaneously, the Leather institutions should strengthen industry-oriented skill development programmes to prepare a highly skilled workforce. The Committee further recommends that the leather institutions must introduce specialized technical modules on sustainable synthetic polymers and eco-friendly non-leather product fabrication, realigning the skill ecosystem with the massive US demand for athletic and casual non-leather footwear. Para 4.105)**
67. **The Committee further recommends that Indian Missions abroad, in coordination with the Leather Councils, Exports and industry associations, actively facilitate buyer-seller meets, trade fairs, business delegations and investment promotion activities. The Committee further recommends that exporters should be assisted in expanding their**

presence in Europe, the United Kingdom, Japan, Australia, the Gulf region, Latin America and Africa so as to diversify export destinations. (Para 4.106)**

68. **The Committee further recommends strengthening support for MSMEs by facilitating easier access to testing facilities, quality certification, digital commerce platforms and international compliance standards. The Committee is of the view that cluster-based infrastructure, common facility centres and logistics support should also be expanded to improve the competitiveness of smaller exporters. (Para 4.107)**
69. **The Committee further recommends establishing a dedicated mechanism, in consultation with the concern Council and other stakeholders, to continuously monitor international tariff measures, non-tariff barriers, changing consumer preferences to enable timely policy interventions and strengthen India's long-term competitiveness in the global leather and footwear industry. (Para 4.108)**
70. **The Committee feels that India's long-term competitiveness in the chemical sector will depend on continuous investment in research and development, innovation, advanced manufacturing and development of high-value specialty chemicals. The Committee therefore, recommends that the Government accord the highest priority to resolving tariff-related issues affecting chemical and petrochemical products under the proposed India–United States Bilateral Trade Agreement. The Committee further recommends that efforts be made to secure stable and predictable market access for Indian chemical exports while addressing tariff and non-tariff barriers through continuous bilateral engagement. (Para 4.123)**
71. **The Committee recommends to leverage its ₹7,580 Crore trade surplus in chemicals with the US as a strategic tool to negotiate reduced tariffs on Indian petrochemicals and agrochemicals, which have faced significant export declines. The Committee further recommends a formalized, high-level institutional mechanism under the Trade Policy Forum (TPF) to secure predictable market access and prevent future sudden tariff escalations.(Para 4.124)**
72. **The Committee further recommends that the Government formulate a comprehensive strategy for promoting specialty chemicals, performance chemicals, green chemicals and high-value intermediates, with particular emphasis on research and development, innovation and technology upgradation. The Committee is of the view that financial incentives may also be considered for promoting production of high-value chemical products with greater export potential. (Para 4.125)**
73. **The Committee recommends building dedicated chemical logistics infrastructure, including chemical parks, specialised storage terminals. The Committee further recommends expeditious implementation of overseas warehousing and fulfilment centres proposed under the Export Promotion Mission to facilitate timely deliveries and improve customer service in key export markets. (Para 4.126)**
74. **The Committee recommends creating a strict protection framework for India's essential oils sector, which commands 85% of the global market. The Committee is of the view that Government should set up a National Essential Oils Excellence Centre to implement quality checks and GI tagging to stop fake products in the global market. The Committee further recommends targeted brand-building campaigns should be funded through the Market Access Initiative (MAI) scheme to shift Indian essential oil exports from raw bulk shipments to high-margin, retail-ready formulations for the global cosmetics, therapeutics and flavoring industries. (Para 4.127)**
75. **The Committee is of the view that greater support be extended to MSME exporters through easier access to export credit, interest equalisation, working capital support, export credit guarantees, quality certification assistance and overseas product

registration support. The Committee notes that special consideration should also be given to first-time exporters and enterprises located in Districts as Export Hubs to broaden India's export base. (Para 4.128)

76. **The Committee recommends creating a financial scheme to help smaller MSME factories to cover the high costs of international safety and product registrations. The Committee further recommends that the overseas warehouses planned under the Export Promotion Mission must include specialized, temperature-controlled storage units safe for hazardous chemicals, allowing small Indian exporters to deliver goods faster to global buyers. (Para 4.129)**
77. **The Committee further recommends promoting environmentally sustainable manufacturing by encouraging adoption of green chemistry, resource-efficient production processes, waste recycling, circular economy practices, renewable energy and internationally recognised environmental certifications. The Committee believes that greater focus should be placed on attracting foreign investment, strengthening domestic manufacturing capabilities and integrating Indian enterprises into global chemical supply chains. Further, the Committee is of the view that greater emphasis should be placed on branding, quality assurance, digital trade facilitation and international standards compliance to enhance reputation as a trusted global supplier of chemical products. (Para 4.130)**

Merchandise & Service Trade

78. **It has also been apprised to the Committee that uncertainty in export demand, volatility in currency exchange rates with 1 USD at approximately 95 INR [as of August 2026] and fluctuations in commodity prices collectively increase costs and cause difficulties for exporters. The Committee further notes that while international prices of crude oil and natural gas have been on a declining trend for the past few years, domestic prices of petrol, diesel, and cooking gas including CNG and LPG have continued to rise in India during the same period. This divergence is putting pressure on India's commerce and overall economy. The Committee also observes that the US tariff, which was increased substantially a few months ago and subsequently reduced to some extent, still stands at 18%. This is significantly higher than the earlier rate of 3%. This elevated tariff regime continues to impact India's exports and the economy. (Para 5.12)**
79. **The Committee recommends that we shall rethink and review our India-US trade relations considering these factors meticulously and there should also be a level playing field in these respects.(Para 5.13)**
80. **The Committee considers India-US partnership as an important opportunity for India to emerge as a trusted global manufacturing and supply chain hub. The Committee recommends that Initiatives such as Make in India, the Production Linked Incentive (PLI) Schemes, the National Logistics Policy, PM GatiShakti, and other measures aimed at improving India's manufacturing competitiveness should be prioritised. The committee is of the view that these initiatives will encourage more participation of global companies in India's manufacturing. (Para 5.14)**
81. **Despite the growth in bilateral trade, several challenges continue to constrain its full potential such as tariff and non-tariff barriers, complex regulatory requirements, product standards, logistics costs, customs procedures, market access constraints, compliance costs and limited participation of MSMEs in global value chains. (Para 5.15)**
82. **The Committee is of the considered view that addressing these structural challenges would significantly enhance India's export competitiveness and facilitate more balanced and sustainable growth in bilateral trade. The Committee also notes that while India has**

achieved considerable diversification in its export basket, continued efforts are required to expand exports of high-value manufactured goods and technology-intensive products, while simultaneously strengthening services exports and reducing excessive dependence on a few markets and product categories. (Para 5.16)

83. **The Committee recommends that sustained policy support be extended to adversely impacted sectors that have demonstrated strong export potential in the United States, including engineering goods, electronics, pharmaceuticals, chemicals, gems and jewellery, textiles, marine products, agriculture and leather. Further, the Committee is of the view that a comprehensive strategy to strengthen India's position as a global hub for services exports by promoting digital trade, Global Capability Centres (GCCs), artificial intelligence, cloud computing, cybersecurity, fintech, engineering services and research and development. The Committee believes that strengthening India's knowledge economy will significantly contribute to long-term export growth. (Para 5.17)**
84. **The Committee is of the opinion that dedicated policy interventions be introduced to facilitate greater participation of MSMEs in bilateral trade through improved access to export finance, digital platforms, quality certification, international marketing support, skill development and integration into global supply chains. Further, the Committee considers that commercial diplomacy be strengthened through sector-specific trade missions, enhanced market intelligence and closer engagement with Indian Missions abroad to identify emerging opportunities, resolve market access issues and promote Indian products and services in the United States and other international market. (Para 5.18)**
85. **The Committee recommends that the Government may intensify accelerate efforts to position India as a preferred global manufacturing and supply chain hub by addressing structural challenges relating to logistics costs, infrastructure gaps, regulatory compliance, and access to affordable finance. Special emphasis may be placed on strengthening domestic manufacturing capacities in strategic sectors.(Para 5.19)**

Investment Relations

86. **The Committee recommends that continued efforts should be made to attract higher levels of international investment in priority sectors such as advanced manufacturing, semiconductors, artificial intelligence, clean energy, critical minerals, defence production, biotechnology, and digital infrastructure. The Committee is of the view that efforts should be intensified to address regulatory bottlenecks, simplifying investment procedures, ensuring policy stability, and expediting the mutually beneficial Bilateral Trade Agreement (BTA) to enhance investor confidence and unlock the full potential of bilateral investment cooperation. (Para 6.4)**
87. **The Committee further recommends that bilateral investment should be encouraged to promote technology transfer, collaborative research and development, innovation and skill development through greater partnerships between Indian and U.S. enterprises, academic institutions and research organizations, thereby maximizing the long-term developmental benefits of investment flows.(Para 6.5)**

Institutional Framework and Agreements

88. **The Committee recommends that the Department should actively engage in WTO negotiations to safeguard its developmental interests in agriculture, fisheries, food security, and services sector. The Committee further recommends that India should continue to work closely with like-minded WTO members to strengthen a transparent**

and predictable multilateral trading system while advocating reforms that adequately reflect the interests and concerns of developing countries.(Para 7.3)

89. **The Committee recommends that the Trade Policy Forum be utilised more proactively to address long-pending market access barriers affecting Indian exports and representation from industry associations, MSMEs, export promotion councils, and sectoral experts be incorporated into the consultation process to ensure that trade negotiations adequately resolve stakeholder concerns. The Committee further recommends that the Trade Policy Forum should adopt a time-bound mechanism for reviewing and monitoring the resolution of trade-related issues, with periodic assessment of progress made under various sectoral working groups. (Para 7.5)**

Key Challenges in Trade Relations

90. **The Committee notes that while both countries have established institutional mechanisms such as the India–U.S. Trade Policy Forum and Commercial Dialogue to address trade-related issues, several market access concerns remain unresolved. The Committee is of the view that the persistence of tariff and non-tariff barriers has the potential to constrain the full potential of bilateral trade and investment relations, particularly at a time when both countries have set an ambitious target of achieving bilateral trade of USD 500 billion by 2030 under the "Mission 500" initiative. (Para 8.3)**
91. **The Committee recommends that the Government continue to proactively engage with the United States to address trade disputes through dialogue, consultation, and mutually acceptable solutions. The Committee is of the view that efforts may be made to strengthen institutional mechanisms for dispute resolution and to ensure that sector-specific concerns are raised in a timely manner. The Committee further recommends that particular emphasis be made on addressing non-tariff barriers, including quality standards, SPS measures, certification requirements, labelling norms and customs compliance procedures, through enhanced regulatory cooperation and mutual recognition of standards and conformity assessment procedures, wherever feasible, so as to reduce compliance costs for Indian exporters, particularly MSMEs.(Para 8.4)**

Emerging Areas of Cooperation in India–U.S. Trade Relations

92. **The Committee notes the Initiative on Critical and Emerging Technologies (iCET) and the U.S.-India COMPACT framework identifying digital technologies, artificial intelligence, advanced communications, quantum technologies, and innovation ecosystems as key areas of collaboration. The Committee believes that enhanced cooperation in these areas is expected to contribute to economic growth, technological advancement, skill development, and the creation of high-value employment opportunities. The Committee recommends that efforts should be made to work towards facilitating greater collaboration between start-ups, research institutions, and technology companies to promote innovation and enhance digital competitiveness. (Para 9.4)**
93. **The Committee further recommends that dedicated initiatives be undertaken to enable MSMEs to participate in India–U.S. digital technology partnerships by improving their access to technology, digital infrastructure, innovation support and international collaboration opportunities. The Committee also recommends that joint capacity-building and advanced digital skill development programmes be encouraged to develop a workforce equipped for emerging technologies such as artificial intelligence, quantum computing, cybersecurity and semiconductor technologies.(Para 9.5)**

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