Meeting of Hon'ble Commerce & Industry Minister with Export Promotion Councils and Industry Associations

29th October 2025, Vanijya Bhawan, New Delhi

A meeting under the Chairmanship of **Hon'ble Minister of Commerce & Industry, Shri Piyush Goyal**, was held on **29th October 2025 (Wednesday)** at **Vanijya Bhawan, New Delhi** to review the export performance of various sectors and deliberate on strategies for promoting investment and trade. The meeting was attended by **Shri Rajesh Agrawal, Secretary, Department of Commerce**, **Shri Ajay Bhadoo, Director General of Foreign Trade (DGFT)**, senior officials from **Department of Commerce (DoC)**, **Department for Promotion of Industry and Internal**

Trade (DPIIT), representatives from **Export Promotion Councils (EPCs)**, **FIEO**, and leading **Industry and Trade Associations**.

DG, DGFT Shri Ajay Bhadoo during the

A detailed presentation was made by Shri Ajay Bhadoo, DG, DGFT on the major reforms undertaken during the first half of FY 2025–26, upcoming reform measures aimed at facilitating exports, and the export performance during the period. Shri Rajesh Agrawal,

Commerce Secretary thanked the industry for the efforts and hard work that is imbibed in the latest export figures showing growth which were contrary to the expectations. He also apprised the industry regarding economic headwinds round the globe and urged them to take innovative measures and diversify markets having export potential to offset exports to USA. Shri Piyush Goyal, Hon'ble Minister of Commerce and Industry (CIM) reiterated the importance of diversification of the markets in the wake of ongoing USA tariff issue till the time trade deal with USA culminates positively. He also told the industry that the new markets made in these times will be staying till long and he is hopeful that the Indian exporters with the kind of efforts and diligence will be surely able to retain the USA importers as well. He announced that the Government has taken an initiative to develop investment-ready, "plug and play" industrial parks in or near 100 cities. This program, announced as part of the National Industrial Corridor Development Programme, aims to attract investment, create jobs, and boost manufacturing by providing high-quality, pre-built infrastructure. The parks are being developed in partnership with state and private sectors. The key takeaways from the EPCs /FIEO/Trade Associations are as follows:

Shri Rajesh Agrawal Secy. Commerce

<u>FIEO</u>

- Due to the imposition of the US tariffs, several Indian exporters are severely hit affecting more than 50% of their businesses but still they are being compelled by the banks to pay loans and are being put up under NPA category. It is requested that the

moratorium is required up to 31st December 2026 for exporters having exposure to the USA market.

- Working capital assistance is required for the orders, so some sort of scheme may kindly be introduced. For the affected exporters.

- Indian exports to the UK are impacted by changes to duty concessions under the new Developing Countries Trading Scheme (DCTS) system as London withdraws the GSP scheme placing India in the 'Standard Preference List' with certain products losing their preferential duty status. Indian Government may kindly request UK counterparts to defer the withdrawal till the ratification of the India-UK Comprehensive Economic and Trade Agreement (CETA).
- GST rationalization has resulted in inverted duty structure in several cases but the accumulated credit is being refunded in many of them. Whereas, in the case of capital goods there is no provision of refund, thus, it is kindly requested that accumulated credit may be refunded on capital goods as well.

FICCI

- India EU FTA may kindly be expedited as it will provide much needed relief to Indian exporters and help them recoup the orders lost in the wake of the USA tariffs issue.

ASSOCHAM

- Utilization of FTAs may kindly be to be reinforced by the Government of India to increase exports

ACMA

- In the first six months of the fiscal 2025-26 the exports of auto components to USA are maintained. Auto Components had been covered under Section 232 with the levy of 25% tariffs.

SIAM

- The auto sector exhibited the exports growth of around 18% in first six months of 2025-26 with growth seen in all the segments - 2 wheelers, four wheelers and commercial vehicles.
- SIAM thanked Indian Government to address supply chain issues caused by China's new export controls on rare earth magnets. The industry was worried for supply challenges of the rare earth magnets.
- It was informed that three Indian companies have received the first set of licenses to import China's tightly-controlled rare earth magnets on the condition the resources will not be exported to the US or used for defence purposes.

AEPC & TEXPROCIL (Textiles)

- US tariffs have severely affected the Textile, Apparel and Garments industry. Thus, The Indian Government is requested to reinstate Interest Equalisation Scheme (IES), allow for faster depreciation of the capital goods say 2 yrs and some sort of relief in the form of subsidy or benefit for the exporters affected by the USA tariffs quagmire.

Government support required for Export Promotion Capital Goods (EPCG) Scheme like scheme for renewable power generation equipment for exporters

SEZEPC (Export promotion Council for EOUs & SEZs)

- SEZEPC had made various submissions to the DoC for allowing SEZ to DTA supplies on duty foregone basis. SEZ EPC has given detailed data from industry members to support this reform. This provision is there in US, UK, China, Indonesia, Thailand. A request for an early decision may be taken as it is holding back the investments.

Shri Badiga Srikanth, Chairman EPCES, Shri Tanu Agarwal, Deputy DG EPCES

- Payment should be allowed in INR for supply of services from SEZ to DTA. A simple instruction will do. A real example - L&T JV with French MBDA, which is a world leader in missile systems is in SEZ and are unable to supply MRO services as IAF will have to buy forex for payment of services which at present is not being allowed.

- Removal of export duty on supply of goods to SEZ. Supreme Court has dismissed Government stand and the provision of export duty in SEZ Rule has to be removed in compliance with Supreme Court Order. Raw material has to be purchased by SEZ units and are closing down because of this. M/s TUF Metallurgical Pvt Ltd has requested that their SEZ unit may be allowed to procure Chrome Concentrate/Chrome Ore from DTA without payment of 30% export duty. Their Vizag SEZ plant has been under shutdown since November 2024 due to this anomaly, and the prolonged closure is causing serious financial losses and employment risk.

- Landowners to be considered as Developer or SEZ entity who have entered in a Joint Developer Agreement with Real Estate Developers so that transaction between Developer and landowners for the purpose of SEZ activities be considered as zero rated under GST. A simple clarification is required from Commerce ministry. The whole Joint Development Agreement which is provided in SEZ Act and Rules is crumbling because of this.

- SEZEPC welcomes the initiative of 100 industrial parks. It is to be noted that SEZs are investment ready “plug and play” industrial parks catering to manufacturing and services. In many of these SEZs, huge vacant land is there and the details are available with the SEZ division of the Ministry. It is, therefore, suggested that the industrial park scheme may include both greenfield as well as brownfield parks including already approved SEZs. These SEZs either already have common infrastructure facilities or are in the process of providing these facilities.

Carpet EPC

- 90% of the carpets made in India are exported with USA holding a majority share of around 60%. Thus, the USA tariffs issue had been deleterious for the carpet industry.
- Efforts are being made for the diversification of the markets to offset the USA share in Indian carpet exports. Events were done in other markets having potential for Indian carpets such as Australia where the response was good with Turkey been the major competitor in almost all the markets.

- Indian Government is requested to expedite the roll out of Export Promotion Mission (EPM) and culminate the India EU trade deal.

EEPC

- Market Diversification is being done to offset the losses arisen from the USA tariffs issue. They informed that Indian engineering exporters are facing tariff barriers in the Egyptian market which is an important market for Indian engineering goods and requested for the Government intervention.

EPC for Medical Devices

- Regulatory barriers are very stringent in USA/EU markets for Indian exporters and requested for the similar kind of reciprocity when imported in India from the USA/ EU
- Internal regulatory barriers are also increasing cost for the Indian Medical Devices exporters, thus, streamlining of licenses and compliances may be done at the earliest. They also requested for a separate law on the Medical devices.
- Issue of Pseudo manufacturing was also raised which means that Indian traders are importing cheaper products from China, assembling and labelling with their own brands. It is being requested that a labelling protocol may be introduced with industry content which will help in filtering out such traders.
- Indian Government is requested to include Sub sector specific parks such as Consumables & Disposables, Electro-Medical Equip, Implants etc. in their 100 industrial parks scheme.
- Logistics costs and time for exports is very high due to infrastructure issues and processes at the ports. It is to be noted that road transport by trucks is cheaper than the rail for transportation of goods from factories to the ports.
- It is to be noted that imports of medical devices from UK under the India UK CETA do not require clinical trials for but required when India exports to UK. Thus, intervention is required to rectify this anomaly.
- QCOs on Medical grade steel is hampering the production of devices such as surgical blades etc. due to non-availability of the raw material in India.

CHEMEXCIL

- In the wake of the USA tariffs issue Chemexcil is looking out for diversifying markets having potential for Indian chemical and allied products.

PLEXCONCIL

- Ports infrastructure and systems should be revamped with efficient processes and procedures. The delays for the import and export consignments at the Indian ports is resulting in high demurrage charges adding costs for the Indian exporters which is hampering exports growth from India and affecting investments as well.
- Due to the imposition of QCOs on plastic raw material, exporters are unable to export high value-added plastic products from India. Indian Government is requested to impose such QCOs on finished products.

Hon'ble CIM urged the exporters to focus on diversification of the markets and apprised that the Government is working hard to resolve the USA tariff issue soon. The key takeaways from his speech are as follows:

- Export Promotion Mission will be finalized in a couple of weeks as soon as the Bihar elections will be over. Meanwhile, EPCs and industry shall look out for new markets and start planning outreach programs/visits in these markets. EPCs can take informal approvals for visits from DoC till the time Export Promotion Mission is finalized.
- China is weaponizing subsidy to achieve exports growth. It has been observed that China pumps money to a couple of sectors for a period of time and rules the market but after that period that two sectors lag behind. Whereas India has created a very transparent and compliant RoDTEP scheme to subsidize Indian exporters.
- He mentioned that the China created whole cities as clusters of certain products such as furniture, mobile etc. India can also plan few parks on a similar framework (Chinese style of sector specific parks) amongst the upcoming 100 industrial parks. He also quoted an example of Tirpur to be learnt from which is one of such sector specific hub for textiles. Suggestions and feedback from the industry regarding locations, sectors etc. are invited for the development of upcoming 100 industrial parks

Hon'ble CIM thanked the industry for participation and representing the issues. He also informed that the Indian Government is focusing on improving the export environment by streamlining regulatory processes, addressing supply chain issues, and urged industry to share Non-tariff barriers to trade (NTBs) from time to time with DoC which are deterring exports.

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