



TRADE DEAL

Opens \$30 tn market for Indian exporters

US, India agree on interim framework

WASHINGTON/ NEW DELHI, Feb 7 (PTI)

INDIA and the US on Saturday announced they have reached a framework for an interim trade agreement under which both sides will reduce import duties on a number of goods to boost two-way trade.

While the US will reduce tariffs on Indian goods to 18 per cent from the present 50 per cent, India will eliminate or cut down import duties on all US industrial goods and a wide range of American food and agricultural products, including dried distillers' grains, red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits.

According to a joint statement issued by both sides, India

has expressed its intention to purchase USD 500 billion of US energy products, aircraft and aircraft parts, precious metals, technology products and coking coal over the next five years.

"The US and India are pleased to announce that they have reached a framework for an Interim Agreement regarding reciprocal and mutually beneficial trade," the statement said. Further, through an executive order, US President Donald Trump has removed the 25 per cent tariffs, or additional import duty, that it imposed on India in August last year for purchasing Russian oil, citing that the country has undertaken "significant steps" and New Delhi has committed to stopping directly or indi-

HIGHLIGHTS

US cuts tariffs on India to 18 per cent from 50 per cent

- The increase in exports will create lakhs of new job opportunities for our women and youth
- Tariffs will go down to zero on a wide range of goods, including generic pharmaceuticals, gems and diamonds, and aircraft parts
- India will get exemptions under Section 232 on aircraft parts, tariff rate quota on auto parts and negotiated outcomes on generic pharmaceuticals.
- India completely protects sensitive agri and dairy products, including maize, wheat, rice, soya, poultry, milk, cheese, ethanol (fuel), tobacco, certain vegetables and meat
- India to eliminate or reduce tariffs on all US industrial goods and a wide range of US food and agricultural products

rectly importing oil from Moscow. "Effective with respect to goods entered for consumption, or withdrawn from the warehouse for consumption, on or after 12.01 am eastern standard time on February 7, 2026, products of India imported into the United States shall no longer be subject to the additional ad valorem rate of duty of 25 per cent imposed pursuant to Executive Order 14329," the order said.

Commerce and Industry Minister Piyush Goyal said the interim pact will open a USD 30 trillion market for Indian exporters, especially MSMEs, farmers and fishermen, as the US duties on Indian goods will come down to 18 per cent from 50 per cent earlier.

In August last year, the US

imposed 25 per cent reciprocal tariffs and an additional 25 per cent levy on India for its purchase of Russian oil, hitting Indian exporters hard as America is their largest export destination.

The reduction in tariffs will help boost exports of India's labour-intensive sectors such as textiles and apparel, leather and footwear, plastic and rubber, organic chemicals, home decor, artisanal products and certain machinery.

Additionally, tariffs will go down to zero on a wide range of goods, including generic pharmaceuticals, gems and diamonds, and aircraft parts.

India will also get exemptions under section 232 on aircraft parts, tariff rate quota on

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India-US trade pact will open multifold opportunities: Boeing

NEW DELHI, Feb 7 (PTI)

AIRCRAFT maker Boeing on Saturday said the India-US interim trade agreement will open multifold opportunities and emphasised that the company has always advocated for zero-for-zero tariff approach for the aerospace and defence sector.

India and the US on Saturday announced they have reached a framework for an interim trade agreement under which both sides will reduce import duties on a number of goods to boost two-way trade. Under the framework, tariffs will go down to zero on various goods, including generic pharmaceuticals and aircraft parts. Boeing India and South Asia President Salil Gupte

said the agreement opens multifold opportunities.

“This deal creates momentum to extend that principle, which would boost industrial growth, strengthen national security, and deliver win-win opportunities for both countries,” he said in a statement. At Boeing, he said they have always advocated a zero-for-zero tariff approach for the aerospace and defence sector because of its tremendous impact across travel, connectivity, and the global economy.

About the agreement, Aequs Executive Chairman and CEO Aravind Melligeri said the lifting of tariffs will lead to improved cash flows and enhanced cost competitiveness for the supply chain.

ISM 2.0 to prioritise chip design, ecosystem partners: Vaishnaw

BENGALURU, Feb 7 (PTI)

THE India Semiconductor Mission 2.0 will prioritise indigenous chip design, their production, attracting ecosystem partners and development of talents, Union Minister Ashwini Vaishnaw said on Saturday.

The Minister said the Government will continue to work on setting up semiconductor manufacturing plants and target to produce chips as small as 2 nanometer node size.

"In Semicon 2.0, the topmost priority will be design companies. Design companies, design startups who can design a product,

take it to the market, become the next Qualcomm from India, hopefully get that huge innovation, that entire energy which is there in our startups into deep tech.

That will be a focus area," Vaishnaw said.

He was speaking at a Qualcomm event here to announce a 2 nanometer chip of



the company which has been co-developed in India.

The Government has allocated Rs1,000 crore for ISM 2.0 for FY 2026-27 with emphasis on industry-led

research and training centres to drive technology development and create a future-ready skilled workforce.

The Minister said the

Government will focus on getting the entire ecosystem in the country under ISM 2.0.

Finance Minister Nirmala Sitharaman in her budget announced that the Government will come with a second edition of India Semiconductor Mission.

Vaishnaw said that the Government will look at getting on board the equipment manufacturers, chemical manufacturers, gas manufacturers, and the people who improve the yield.

"The third focus will be talent. We have been able to create that talent pipeline. The base is very wide now," Vaishnaw said.

'J&K must harness full hydropower potential'

JAMMU, Feb 7 (PTI)

UNION Home Minister Amit Shah reviewed the progress of development projects in Jammu and Kashmir on Saturday, highlighting the need to utilise the full potential of hydropower projects in the Union Territory.

Chairing a high-level review meeting at the Lok Bhawan here, Shah said under Prime Minister Narendra Modi's leadership, the Centre is firmly committed to the vision of building a developed and prosperous Jammu and Kashmir.

The meeting continued for nearly two hours and was attended by Jammu and Kashmir Lieutenant Governor Manoj Sinha, Chief Minister Omar Abdullah, Union Home Secretary Govind Mohan, Chief Secretary of the Union Territory Atal Dulloo and Director General of Police (DGP) Nalin Prabhat, among others, officials said.

"Due to the continuous and dedicated efforts of the Modi Government to accelerate development, the development projects in Jammu and Kashmir have



Union Home Minister Amit Shah during a meeting with Jammu and Kashmir BJP President Sat Paul Sharma and the party's other leaders, in Jammu. (@AmitShah/X via PTI)

made unprecedented progress. Jammu and Kashmir needs to develop the full potential of its hydropower projects," the Home Minister said.

Shah arrived here late on Thursday evening and kicked off his two-day visit to the region by touring the forward outposts of the Border Security Force (BSF)

at Gurnam and Bobiyian along the International Border in Kathua district on Friday.

On his return from Kathua, he chaired a security review meeting, which, among others, was attended by Army chief General Upendra Dwivedi, with a focus on freeing Jammu and Kashmir from terrorism.

'India has lowest US tariffs among others, agri-dairy fully protected'

NEW DELHI, Feb 7 (Agencies)

REITERATING that India has completely protected its agriculture and dairy sectors in the US trade agreement, Commerce and Industry Minister Piyush Goyal said on Saturday that the country now has lowest US tariffs among its neighbours as well as competitors.

China has been imposed with over 35 per cent tariffs, while Bangladesh and Vietnam have been slapped with 25 per cent tariffs while India has a much lesser tariff now, the Minister said during a press conference here.

Some of the countries facing the highest tariffs from the US include Brazil (50 per cent), Myanmar (40 per cent), Laos (40 per cent) and South Africa (30 per cent).

India's exports worth about USD 44 billion to the US will enter the American market at zero reciprocal tariffs under the first phase of the bilateral trade agree-



Union Minister of Commerce & Industry Piyush Goyal addresses media on the India-US trade agreement, in New Delhi on Saturday. (ANI)

ment, which is expected to be signed by mid-March, Goyal said.

While Indian goods worth about USD 30 billion will continue to attract an 18 per cent tariff (which includes goods from the labour-intensive sectors), there will be no change in duties on goods worth

USD 12 billion (including steel, copper and certain auto parts).

In the agriculture sector, several Indian products will now be exported to the US with zero duty. These include tea, spices, coconut oil, vegetable wax, areca nut, Brazil nuts, chestnuts, and a variety of fruits and vegetables, he informed.

According to Goyal, vegetable roots, cereals, barley, bakery products, cocoa products, sesame seeds, poppy seeds, and citrus juice will also face no reciprocal tariffs and will now enter the US market duty-free. Gems and jewellery, as well as pharmaceutical products, will also enjoy duty-free access, boosting India's export competitiveness.

Key sectors benefiting include aircraft parts, machinery parts, generic drugs and pharmaceuticals. Other items covered under zero duty include coins, platinum, clocks and watches, essential oils, some

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