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India-US Interim Trade Agreement & CAPEXIL Reaction

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Chemicals and Allied Products Export Promotion Council (CAPEXIL) has welcomed the Interim Trade Agreement between India and the United States.

CAPEXIL's Response:

The Chemicals and Allied Products Export Promotion Council (CAPEXIL) hailed the Interim Trade Agreement between India and the U.S., saying it will benefit Indian exports, particularly perfume bottles and chemicals, by reducing tariffs on exports to the U.S.

Tariff Advantage:

CAPEXIL highlighted that India now faces lower tariffs compared to other countries, improving competitiveness in the U.S. market and boosting overall export prospects.

Trade Agreement Framework:

Under the Interim Trade Agreement framework, the United States agreed to reduce tariffs on Indian imports to around 18%, down from much higher punitive rates previously imposed, boosting market access.

Export Opportunities:

The tariff cuts are expected to benefit key Indian export sectors such as textiles, leather, pharmaceuticals, organic chemicals, gems & jewellery, and machinery, increasing export competitiveness in the U.S. market.

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About CAPEXIL

Full Form: Chemicals and Allied Products Export Promotion Council.

Role: CAPEXIL is an export promotion council under the Ministry of Commerce & Industry **that facilitates exports of chemicals, allied products, and related sectors, providing market development support, export incentives information, and policy advocacy.**

Headquarters: Kolkata, India (typical for major export councils). (General knowledge & Government export policy context)

Interim Trade Agreement: Strategic Context

India and the U.S. released an interim trade framework on 6 February 2026 as a precursor to a broader India-U.S. Bilateral Trade Agreement (BTA). This moves both countries closer to a comprehensive trade pact.

The interim pact aims to realign global supply chains, deepen economic cooperation, and enhance market access for goods and services.

Tariff Reductions & Competitiveness

The U.S. has slashed retaliatory tariffs (earlier up to ~50%) on Indian exports to about 18%, improving India's export competitiveness in the U.S. — one of its largest trading partners.

Several high-value categories such as generic pharmaceuticals, gems & diamonds, and aircraft parts may eventually enjoy zero duty, offering significant growth potential.

Bilateral Trade & Economic Impact

The interim trade framework is expected to increase bilateral trade, create export-linked jobs, and boost sectors reliant on global market access.

India aims to raise bilateral trade to larger figures (with commitments like ~US\$500 billion in trade over five years as part of the broader agreement negotiations).

Strategic & Political Implications

The agreement indicates strategic economic alignment between India and the U.S., balancing trade interests and geopolitical considerations, including supply chain diversification and competition with other major economies.