

## India-US Trade Framework Boosts Competitiveness of Made-in-India Goods

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India and the United States have reached a new interim **trade framework** that is already reshaping business prospects for exporters and global buyers alike. Under the agreement, the U.S. has agreed to cut tariffs on imports of Indian consumer goods to an **effective rate of about 18%**, significantly lower than the punitive 50% duties that had been imposed in recent years.

This reduction is seen as a game-changer for India's **textile, apparel and footwear sectors**, which had struggled under steep duties that made Indian exports less competitive in the world's largest consumer market.

### Global Brands and Suppliers See Opportunities

Major global players sourcing products from India are among the early beneficiaries of the tariff reset. Suppliers tied to international labels — including those linked to **Ralph Lauren** and **Walmart** — are expected to see an uptick in order flows as cost structures become more predictable. Companies such as Pearl Global Industries, which counts GAP and Ralph Lauren Corp among its clients, have signalled renewed optimism now that punitive tariff pressures have eased.

In addition to apparel, sectors such as **footwear and gems and jewellery** are also positioned to benefit as reduced duties allow Indian manufacturers to compete more aggressively on price and delivery timelines in the U.S. market.

### Textiles Get a Competitive Edge

For India's traditional strengths in **textiles and ready-made garments**, the deal opens up a significantly larger opportunity. Analysts say the reduced 18% tariff rate places Indian apparel suppliers at a competitive advantage compared with many Asian rivals whose duties remain higher — helping restore India's appeal as a preferred sourcing destination.

Industry bodies have also pointed out that the new tariff regime could unlock parts of a **\$118 billion U.S. import market** for textiles, apparel and made-ups — a welcome boost for Indian exporters who had seen order books shrink under prior barriers.

### Wider Economic Impact and Outlook

The trade framework also appears to have lifted sentiment across financial markets and export hubs. In industrial regions such as Vidarbha and Maharashtra, business groups welcomed the deal as a catalyst for renewed investment and stronger global value chain integration, especially for labour-intensive sectors like textiles and chemicals.

While the agreement is still part of a phased process toward a broader U.S.–India trade pact, the first-phase tariff cuts and market access commitments are seen as laying the groundwork for deeper economic cooperation and stronger

export performance.

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