

Exports hurt: States flag facility and testing gaps at Board of Trade meeting

Exporters say raw materials 15-20% more expensive than global prices

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New Delhi | Updated: January 3, 2026 06:03 AM IST

7 min read

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These challenges were flagged by exporters in a meeting of the Board of Trade chaired by Union Commerce and Industry Minister Piyush Goyal on November 25. (Express Photo)

IT'S not just high **US tariffs that are hurting exports**. Costlier raw materials, shortage of testing facilities to ensure products meet global quality standards, and lack of adequate shipping containers are all leading to loss of competitiveness of goods exports, Union Commerce and Industry Ministry said in response to an Right to Information (RTI) application.

These challenges were flagged by exporters in a meeting of the Board of Trade chaired by Union Commerce and Industry Minister Piyush Goyal on November 25. The BoT is an advisory body and suggests measures related to foreign trade policy and procedural simplifications to boost trade. The [Indian Express](#) had sought the details of the BoT meeting in its RTI application.

The BoT meeting happened in the backdrop of slowing exports due to the steep US tariffs of 50 per cent, and both countries failing to conclude a trade deal till the fall of 2025. India was one of the first countries to initiate trade talks with the US when Prime Minister Narendra Modi visited Washington in February last year.

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The steep US tariffs, which came into effect on August 27, 2025, have damped exports, and have triggered cancellations in orders and delayed payment. There are also worries that these could result in orders moving to its competitors such as Bangladesh, Vietnam and China.

Exports dipped in October, but [jumped 19 per cent in November](#) driven by growth in exports of products that remain outside the tariff net. Labour-intensive goods, however, risk losing market share as shipments of garments, footwear and other products are being replaced. New [Delhi](#) is aggressively pushing for newer markets and has signed as many as three free trade agreements, with Oman, New Zealand and the UK, in 2025.

Tariff & anti-dumping duty imposed by US

As per the minutes of the BoT meeting, Rajasthan said US tariffs have resulted in the “cancellation of orders” in the gems and jewellery sector and that “payments were also not coming”. The Spices Board said that “US tariffs had created a crisis with a 50 per cent duty on oleoresin”. Oleoresins help manufacturers achieve flavour and aroma in their final products.

Even as US tariffs have left out generic drugs, representatives from Goa flagged that “pharma exports had been affected due to tariffs. The Seafood Exporters Association also flagged a “significant drop in exports” to the US.

While the representative from Tirupur Exporters Association (TEA) stated that the government should subsidise the difference in the US tariffs on India and those with its competitors, the Engineering Export Promotion Council of India said that Market Access Initiative was not available for the last nine months and the utilisation of funds under Export Promotion Mission (EMP) would need to be expedited. EMP was announced in the [Budget](#) last

year, with the Commerce and Industry Ministry announcing the modalities of the scheme only on December 31, 2025.

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Beyond US tariffs, representatives also broached concerns over anti-dumping duties imposed by the US. Gujarat's representative expressed apprehension of an impact on exports due to the imposition of anti-dumping duty by the US. The Spices Board also raised concerns due to "anti-dumping and Countervailing Duties (CVDs)".

While the US has initiated most anti-dumping investigations against China, it has launched as many as nine probes on industrial items exported from India since July last year, including products such as hexamine, oleoresin paprika, certain freight rail couplers, and overhead door counterbalance torsion springs.

EXPLAINED

Feedback from states, exporters

IN THE Board of Trade meeting, representatives from states and the industry, as well as key Central ministries, provide the Commerce Ministry with specific inputs to boost exports and trade. In November, more than 120 representatives provided suggestions on the hurdles they faced.

Container shortages & lack of testing facilities

Assam's representative said tea exports from the state face hurdles due to "shipping line levies for empty containers" in the context of the state being landlocked. The representative highlighted the need for taking suitable action to ensure "competitive freight rates" from Inland Container Depot (ICD) Amingaon to [Kolkata](#) and urged the Department of Commerce to "engage with exporters so that they could use Amingaon as the preferred point of exports". Gujarat's representative also flagged the shortage of shipping containers and its impact on exporters.

Shortages of testing facilities were also flagged by a number of labour-intensive sectors and states. While Rajasthan said that "export samples go to [Surat](#) and other places for testing and therefore, there is a need for testing labs in the state", Uttarakhand said that "there was no testing lab and exporters have to go to UP for testing". Testing labs are crucial for exporters to

ensure products meet international quality, safety, and regulatory standards and prevent costly shipment rejections.

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The Seafood Exporters Association sought “Marine Products Export Development Authority and National Accreditation Board for Testing and Calibration Laboratories accredited labs since the Export Inspection Council (EIC) did not have the requisite number of labs for testing. EIC is the official export certification body of India, which ensures the quality and safety of products exported from India. The Confederation of Indian Industry (CII) also reiterated the need for testing labs.

Access to input material & regulatory costs

While a MSME representative said prices of domestic raw materials remain 15-20 per cent higher than international prices, representatives from the textiles sector said that “the energy costs for spinning and manufacturing were higher by around 15-20 per cent, which needed to be compensated”.

“An industry representative indicated that the Bureau of Indian Standards (BIS) standards were being made applicable even for products, which are being exported to the US and the European Union, in line with their standards, as in respect of certain items, BIS standards are more complex,” the minutes of the meeting showed.

The Gem and Jewellery Export Promotion Council (GJEPC) said restrictions on gold, platinum and silver were a source of concern. GJEPC sought an automatic route where duty benefits are not available. The council pointed out that the restriction has “made component imports more expensive”. “The representative from the ceramics industry in Morbi mentioned that the District Export Committees need to be monitored since the meetings were not being held regularly,” minutes of the meeting showed. Another industry representative said: “MSMEs had challenges with quality control orders (QCOs), stating that QC inspectors must be facilitatory.”

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