



## PRESS RELEASE

### India Favourably Positioned Amid U.S. Reciprocal Tariff Regime; ICEA Calls for Urgent Push on Bilateral Trade Agreement

**New Delhi, April 3, 2025** –India Cellular and Electronics Association (ICEA) has acknowledged the recent announcement by U.S. President Donald Trump regarding reciprocal tariffs on imports from trading partners, including India. Under an Executive Order issued by President Trump, a baseline additional ad-valorem duty of 10% will apply from April 5, 2025, escalating to a country-specific duty of 27% for India effective April 9, 2025.

Despite the imposition of these additional tariffs, India finds itself favourably positioned compared to its key competitors in the electronics export sector, particularly China, Vietnam, Thailand, and Indonesia. While India's reciprocal tariff stands at 27%, China's cumulative tariffs, including previous tariff actions, range from 54% to as high as 154%, and Vietnam faces 46%. This strategic advantage, though marginally less favourable than Brazil or Egypt at 10%, still offers India a critical near-term export competitiveness window.

Commenting on these developments, Mr. Pankaj Mohindroo, Chairman of ICEA, said: *"The strategic placement of India in the initial round of reciprocal tariff announcements underscores the extraordinary and relentless efforts made by our negotiators and leadership. Our favourable positioning compared to major electronics-exporting nations, especially China and Vietnam, is a crucial development that we must immediately leverage. However, the genuine long-term inflection point for India's electronics trade with the U.S. lies in the swift and successful conclusion of a comprehensive Bilateral Trade Agreement (BTA)."*

In the last fiscal year (FY 2023 – 24), India exported electronics worth USD 10 billion to the United States, marking a significant milestone in bilateral trade relations. ICEA estimates the potential to grow this figure to USD 80 billion annually across diverse electronics product categories in the coming years, contingent upon sustained policy support and a conducive tariff regime, with bilateral trade crossing USD 100 billion.

Reflecting on the bilateral engagements, Mr. Mohindroo emphasized: *"The ongoing discussions, particularly the recent announcement of 'Mission 500', an ambitious target to more than double bilateral trade to USD 500 billion by 2030 highlight the critical importance of swiftly concluding the BTA. This is now paramount to securing stable market access, tariff predictability, and deeper supply-chain integration for our electronics industry. Successfully finalising this agreement will unlock a USD 100 billion electronics trade potential, significantly enhancing India's strategic role in global electronics manufacturing and trade."*

ICEA is deeply evaluating the comprehensive implications of these reciprocal tariffs, including identifying and harnessing any emerging opportunities that arise from the changed U.S. tariff environment.

India remains committed to deepening its Comprehensive Global Strategic Partnership with the United States, further reinforced by the shared framework under the India – U.S. "Catalysing Opportunities for Military Partnership, Accelerated Commerce & Technology" (COMPACT). ICEA

is confident that robust cooperation under COMPACT and the swift finalization of the multi-sectoral Bilateral Trade Agreement will ensure that trade relations between India and the U.S. continue to be a cornerstone of mutual prosperity and transformative growth.

ICEA stands ready to actively participate in consultations with policymakers, providing critical industry insights and support necessary to navigate and capitalize on these evolving trade dynamics effectively.

\*\*\*

**About ICEA:**

India Cellular & Electronics Association is the apex industry body representing India's electronics manufacturing sector. Committed to driving growth and innovation in the industry, ICEA plays a pivotal role in shaping policies and strategies to strengthen India's position in the global electronics market.

**For more information, contact:**

Website: <https://www.icea.org.in>

LinkedIn: <https://www.linkedin.com/company/india-cellular-electronics-association/>

Twitter: [@ICEA\\_India](https://twitter.com/ICEA_India)

Instagram: [@icea\\_india](https://www.instagram.com/icea_india)