

OpenVoiceNews Pakistan

Transparent. Unbiased. Yours.

US Tariffs Target Indian Oil Trade with Russia in Bid to Cut Kremlin Revenues

August 10, 2025

— Categories: *Breaking News*



On 6 August 2025, Donald Trump announced a 25 per cent tariff on Indian goods entering the United States, directly targeting India's sharply increased purchases of Russian oil. According to United States trade data, India now imports more than two million barrels of Russian crude daily, a rise of over 50 per cent since the invasion of Ukraine. Days later, Trump pledged to double the tariff to a total of 50 per cent, creating one of the most significant trade penalties the US has imposed in recent years.

The stated aim of the tariffs is to cut into the Russian Federation's energy revenues, which Western intelligence assessments estimate contribute around 30 per cent of Moscow's military budget. Russia's discounted oil, sold at an estimated 15 per cent below global market rates, has found a steady market in India. The White House has

described these imports as undermining American-led efforts to counter “Russia’s harmful activities”, emphasising that energy trade is a lifeline for the Kremlin while Western nations fund Ukraine’s defence.

The move represents a clear example of Washington using trade measures to pursue foreign policy objectives, signalling to third-party nations that continued purchases of Russian oil will carry economic consequences. While many Western leaders have urged reductions in Russian energy imports, the European Union still sources approximately 15 per cent of its gas from Russia, according to Eurostat figures for mid-2025. This is a significant drop from pre-war levels of 40 per cent but still provides billions in revenue to Moscow.

India’s Prime Minister Narendra Modi has criticised the tariffs as “unjustified” and has indicated potential retaliation, including delays to defence agreements with the US. Indian officials have argued that their energy purchases are in line with national economic interests and have pointed to Europe’s ongoing Russian energy imports as evidence of double standards.

The EU has continued to work towards a phased reduction of Russian energy supplies, with public commitments to fully end reliance by 2027. Critics say these long timelines prolong Moscow’s access to vital funds, while more decisive action could deliver faster economic pressure on the Kremlin.

Trump’s trade measures also create new commercial dynamics for the UK. British exports to the US currently face a 10 per cent tariff, lower than the 15 per cent for the EU, 30 per cent for China and potentially up to 56 per cent for countries not complying with US sanctions policy. This difference in tariff rates has been interpreted by some analysts as an opportunity for the UK to strengthen its trade position with Washington while aligning with American-led measures against Russian energy revenues.

The tariff decision comes as the war in Ukraine enters its third year, with no signs of an imminent resolution. By targeting one of Russia’s largest energy customers outside the West, Washington aims to further restrict the Kremlin’s capacity to sustain its military campaign. Whether other Western allies will match the US approach remains uncertain, but the policy underscores the role of economic leverage as a tool in modern conflict.

If implemented fully, the 50 per cent tariff on Indian goods will test both diplomatic relations and the resilience of Russia’s energy export strategy. The measure signals that the US is prepared to incur potential trade and political costs in pursuit of strategic objectives aimed at curbing Moscow’s warfighting resources.

