

Nikki Haley Urges U.S.-India Unity Amid Russian Oil Rift

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The Trump administration has escalated trade tensions with New Delhi by imposing a 50 percent tariff on Indian imports, a move directly linked to India's continued purchase of Russian crude oil. The new tariff rate, set to take effect on August 27, marks one of the sharpest economic measures Washington has taken against a major partner in recent years.

Treasury Secretary Scott Bessent explained the decision during an interview with CNBC, stating that India now obtains 42 percent of its oil imports from Russia, compared with less than 1 percent before Moscow's 2022 invasion of Ukraine. He argued that India has been "profiteering" from the trade, buying discounted Russian crude and reselling refined products to global markets, which he said undermines international efforts to restrict Moscow's revenue streams.

India has strongly rejected this assessment. External Affairs Minister S. Jaishankar told reporters in New Delhi that India would not alter its energy strategy under foreign pressure. "If you don't like it, don't buy it," he said, stressing that India's purchases were based on national interest and energy security. Indian officials also noted that European nations continue to import significant volumes of Russian energy, raising questions about what they see as double standards in Washington's demands.

The tariffs have triggered warnings from former U.S. officials and analysts concerned about the potential fallout. Nikki Haley, who served as U.S. ambassador to the United Nations, said the move risks weakening ties with one of Washington's most important allies in Asia. In a statement posted to X, formerly Twitter, she urged the administration to balance pressure with diplomacy. "Alienating India at this moment undermines efforts to confront China. Washington should not burn bridges with a strong ally," she wrote.

Other figures have voiced similar concerns. Former trade adviser Peter Navarro told the Financial Times that India has become "a global clearinghouse for Russian oil," describing its role in energy markets as "deeply corrosive." At the same time, he argued that the tariff escalation was overdue. Former National Security Adviser John Bolton warned that punitive measures could backfire, driving India closer to Moscow or Beijing and weakening Washington's strategic position in the Indo-Pacific.

Despite the tough rhetoric, both governments remain engaged in dialogue. Indian trade officials confirmed that discussions are ongoing in an attempt to prevent further deterioration in relations. Last year, U.S.-India trade reached \$191 billion, with the United States serving as one of India's largest export destinations. Economists estimate that the tariff hike could trim India's GDP growth by up to 0.8 percentage points annually if applied across multiple sectors.

Meanwhile, Washington has signaled that diplomacy remains on the table. On August 22, President Trump nominated Sergio Gor as U.S. ambassador to India and special envoy for

South and Central Asia. The appointment is seen as a move to ensure high-level representation during a sensitive moment in bilateral ties.

Both nations acknowledge the importance of their relationship, particularly as a counterweight to China's expanding influence in the region. But with tariffs set to rise within days, the dispute underscores the delicate balance between economic pressure and strategic partnership.