

## India Pushes Back as US Tariffs Escalate

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India's foreign minister confirmed on Saturday that trade negotiations with the United States are still ongoing, but stressed that New Delhi will defend critical economic interests even as new American tariffs threaten to deepen tensions. The development comes just days before Washington's latest round of steep duties is set to take effect on Indian goods.

The United States has imposed tariffs of up to 50 percent on certain Indian imports, citing New Delhi's growing purchases of Russian oil. A 25 percent tariff has already been

enforced, while another 25 percent will take effect on August 27. These levies rank among the highest penalties Washington has introduced against any trading partner in recent years.

Speaking at an Economic Times forum in New Delhi, Foreign Minister Subrahmanyam Jaishankar declared that India would not compromise on key sectors, particularly its farmers and small producers.

“We have some red lines in the negotiations, to be maintained and defended,” Jaishankar said, emphasizing that protecting the rural economy remains a priority. He added that India’s choices would be guided strictly by “national interest.”

A scheduled visit by American trade negotiators from August 25 to 29 was abruptly canceled, ending hopes that talks might delay or reduce the tariffs. The setback underscores the widening rift in economic relations between the world’s largest and fifth-largest economies.

Earlier this year, India and the U.S. failed to reach an agreement after Washington pressed New Delhi to open its vast agricultural and dairy markets. India resisted, citing the need to shield its farming sector from foreign competition. Bilateral trade between the two nations currently exceeds \$190 billion annually, making the dispute particularly significant.

Jaishankar also raised concerns that Washington’s objections over Russian oil purchases were inconsistently applied. He pointed out that other major buyers, including China and members of the European Union, have not faced similar scrutiny or penalties.

“If the argument is oil, then there are other big buyers. If the argument is who is trading more with Russia, then there are bigger traders,” he said, noting that Europe’s commerce with Moscow surpasses India’s.

Economists warn that the escalating tariff conflict could have a measurable effect on India’s economy. Analysts at Capital Economics estimated on Friday that if the full range of tariffs takes hold, India’s economic growth could shrink by 0.8 percentage points in both the current year and the next.

They added that long-term consequences may prove even more damaging. Higher U.S. tariffs could weaken India’s ability to attract global manufacturers seeking an alternative to China, undermining one of New Delhi’s central economic ambitions.

Jaishankar also remarked on the unconventional style of U.S. President Donald Trump's policy announcements, describing them as unusually public.

"We have not had a U.S. president who conducts his foreign policy so publicly as the current one," he said, calling it a departure from traditional diplomatic practice.

Despite the challenges, Jaishankar noted that earlier discussions with Washington had not included the Russian oil issue. It only surfaced publicly after the United States announced the tariffs.

The uncertainty leaves Indian exporters and small businesses bracing for a heavier financial burden. With the latest tariffs set to take effect within days, the standoff underscores the fragile state of U.S.-India economic ties at a time when both nations have sought stronger strategic cooperation.