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## Trump to Impose New Tariffs on Indian Exports

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New Delhi / Washington, Aug 5, Former U.S. President Donald Trump has announced plans to significantly raise tariffs on Indian imports within the next 24 hours, citing India’s continued purchases and resale of Russian oil as justification.

Trump accused India of “fuelling the war machine” by importing discounted Russian oil and reselling it internationally for profit. He criticised the existing 25% tariff, introduced on

July 30, as insufficient and pledged to substantially raise the tariff paid by India,

In response, India's Ministry of External Affairs branded the move unjustified and unreasonable, arguing that oil imports are essential for national energy security. Officials pointed out that both the U.S. and EU continue to have sizeable trade with Russia, even while criticising New Delhi,

India is the world's third-largest oil importer, with over one-third of its crude sourced from Russia, roughly 1.75 million barrels per day during early 2025.. Some refiners briefly paused Russian crude purchases after Trump's threat, but authorities emphasised that this was not a formal shift in policy,

Economists warn that ratcheting up tariffs could imperil Indian exports, especially in textiles, pharmaceuticals, engineering goods, and gems, potentially cutting GDP growth by up to 40 basis points in FY 2025 to 26. The rupee has tumbled toward record lows, trading near ₹88 per dollar amid investor apprehension.

Analysts note that although India remains a strategic partner for the U.S., sustained pressure over its energy policy may jeopardise negotiations for a bilateral trade deal projected to reach \$500 billion by 2030, part of the "Mission 500" framework agreed during Prime Minister Modi's February visit to Washington.

Meanwhile, the currency markets and equities are seeing the effects of heightened trade risk, with foreign investors withdrawing over \$600 million from Indian equities during recent sessions,

With Trump's deadline approaching, pressure is mounting on both governments to seek a diplomatic resolution to avert escalating trade conflict. India maintains that its energy strategy is legally compliant and crucial to domestic stability, even as geopolitical friction intensifies, Reuters.