

Vital Briefing—Tariff Insights

Trump directs his anti-Russian ire at India, sets 50 percent tariff rate for the subcontinent

By Thomas Thompson

On Wednesday, August 6, President Trump [issued](#) an executive order targeted at doubling the tariff on U.S. imports from India. The new tariff is tied to India's practice of purchasing oil from Russia and, in many cases, reselling it abroad after refining it. The order is titled "Addressing Threats to the United States by the Government of the Russian Federation."

The White House fact sheet accompanying the order [stated](#), "By imposing a 25% tariff, President Trump aims to deter countries from supporting the Russian Federation's economy through oil imports and impose serious economic consequences on the Russian Federation for its ongoing aggressions."

The order "stacks" a new 25 percent levy on top the 25 percent tariff set by the president last week. The new tariff is planned to come into effect 21 days after the order was issued. The first tariff rate began being charged on August 7.

Observers have noted that the 21-day delay provides plenty of time for the extra penalty to be rolled back.

India is the second largest buyer of Russian oil, after China, having sharply increased

its purchases after the West imposed sanctions on Russian oil. Western countries imposed a price cap of \$60 per barrel after Russia invaded Ukraine in 2022. India opted out of the sanctions regime.

India joins Brazil with a 50 percent tariff rate, the highest "reciprocal" rate announced so far outside of China. In both of those cases, Trump defended his extraordinary tariff level by pointing to political, non-trade reasons: Brazil for its litigation against its former president Jair Bolsonaro and now India for buying Russian oil.

Warm relations. India, with 1.4 trillion people, the largest country in the world by population, enjoyed an almost \$46 billion trade surplus on a total of \$129 billion in trade with the United States in 2024. At more than \$7.8 billion per year, the U.S.'s largest category of exports to India includes oil and gas while the U.S. imports a diverse schedule of products to the subcontinent.

Trump welcomed Prime Minister of the Republic of India Narendra Modi as one of the first world leaders to visit the White House in Trump's second term. At a White House press conference with

"India joins Brazil with a 50 percent tariff rate, the highest 'reciprocal' rate announced so far outside of China. In both of those cases, Trump defended his extraordinary tariff level by pointing to political, non-trade reasons: Brazil for its litigation against its former president Jair Bolsonaro and now India for buying Russian oil."

Modi on February 13, 2025, Trump [said](#), "There is truly a special bond between the United States and India,

“Despite the warm words in February, India was not exempted from Trump’s April 2 Liberation Day tariffs or the subsequent revisions. During a press conference on July 1, White House Press Secretary Karoline Leavitt told reporters Trump and Modi had a strong and friendly relationship adding, ‘India remains a very strategic ally in the Asia Pacific and the President has a very good relationship with Prime Minister Modi, and he will continue to have that.’”

the world’s oldest democracy and the world’s largest democracy.”

Announcing new cooperative initiatives Trump also said, “And today, the Prime Minister and I are announcing a framework to strengthen those ties even further economically.” He added, “The U.S.-India Compact is a historic initiative that will deepen every aspect of our partnership and our friendship.”

Russia was not mentioned in public remarks.

Despite the warm words in February, India was not exempted from Trump’s April 2 Liberation Day tariffs or the subsequent revisions. During a press conference on July 1, White House Press Secretary Karoline Leavitt told reporters Trump and Modi had a strong and friendly relationship [adding](#), “India remains a very strategic ally in the Asia Pacific and the President has a very good relationship with Prime Minister Modi, and he will continue to have that.”

There was widespread speculation at the time that a U.S.-India trade and tariff deal was imminent.

New tensions. Apparently Trump’s feelings cooled by the end of the month when on July 31 he [wrote](#) on Truth Social, “Remember, while India is our friend, we have, over the years, done relatively

little business with them because their Tariffs are far too high, among the highest in the World, and they have the most strenuous and obnoxious non-monetary Trade Barriers of any Country.”

On Monday, August 4, Trump [wrote](#) about India, “They don’t care how many people in Ukraine are being killed by the Russian War Machine. Because of this, I will be substantially raising the Tariff paid by India to the USA. Thank you for your attention to this matter!”

Far from creating a wedge between the U.S.’s adversaries and India, Trump’s tariff moves may be reinvigorating India’s relations with Russia and China.

According to an August 6 article in Reuters, Modi plans to take part in a multilateral Shanghai Cooperation Organization (SCO) meeting that begins on August 31, in Tianjin, China.

The upcoming meeting will be Modi’s first visit to China since 2018. For the first time since then, Modi met with Chinese President Xi Jinping during a BRICS summit in Russia in October 2024.

The SCO, a regional political and security association, includes Russia. The same Reuters article included a report that India’s National Security Adviser Ajit Doval is currently on a scheduled visit in Russia.