

Trump imposes 50 percent tariff on India, demands radical downgrading of its ties to Russia

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Relations between New Delhi and Washington are rapidly deteriorating, with US President Donald Trump threatening to single India out for exemplary reprisals unless it radically downgrades its economic and military-security ties with Russia.

On Wednesday, Trump issued an executive order doubling the US tariff on Indian imports to 50 percent effective August 27. The order justified the 25 percentage-point increase in the so-called “reciprocal” tariff that Trump had announced August 1 and which came into force Thursday with the claim that India’s purchases of Russian oil threaten US “national security.”

In the preceding days, Trump and senior aides had issued a series of comments and social media tweets attacking India for its longstanding close ties to Russia, specifically its oil and weapons purchases.

After lashing out against India, Trump at one point declared on his Truth Social media network, “They (Russia and India) can take their dead economies down together, for all I care.”

The fascist billionaire president also boasted about a newly-inked deal with Pakistan, with which India came to the brink of all-out war in May, to jointly develop that country’s oil resources. Rubbing salt on the wound, Trump declared, “Who knows, maybe they’ll be selling oil to India someday!”

Successive US administrations, including his own, have aggressively courted India, with the aim of harnessing New Delhi to Washington’s drive to strategically encircle China and thwart its rise, including through war if necessary.

Trump is supposed to travel to New Delhi in the coming weeks for the annual leaders’ summit of the Quad—the unofficial, anti-China, Indo-Pacific military-security alliance that unites India with the US and its two principal Asia-Pacific treaty allies, Japan and Australia.

But this has not deterred Trump from provoking a crisis in Indo-US relations, just as he has with Washington’s European NATO partners and its northern neighbour, Canada, which Trump has vowed to make America’s 51st state.

In a desperate bid to arrest the rapid erosion of US imperialism’s global economic and geopolitical power, Trump is threatening, bullying and attacking Washington’s ostensible allies, no less than those it has long identified as its strategic adversaries.

Trump’s attempt to exploit India’s economic vulnerability—the US is India’s single largest market, accounting for more than 10 percent of all its exports—comes as his administration adopts a far more aggressive stance against Moscow, one that could rapidly spiral into full-scale war between Russia and NATO.

Accusing Russian President Vladimir Putin and the Kremlin of

blocking a ceasefire in the US-NATO instigated Ukraine war, Trump announced on July 29 a 10-day deadline for a ceasefire to be agreed upon. Failing that, he vowed to impose “very severe” additional tariffs and sanctions on Russia, along with secondary sanctions on countries that continue to trade with Russia. Trump supporter and confidant South Carolina Senator Lindsey Graham has already tabled legislation in the US Congress that would impose tariffs of 100 percent and higher on India, China and other countries that continue to buy Russian oil.

In a further incendiary provocation, Trump has announced that he is repositioning US nuclear submarines so they are better placed to carry out a nuclear strike on Russia.

Trump’s sudden attack on India’s economy has rattled the country’s ruling elite. It has also incited widespread popular anger.

New Delhi has denounced the tariffs as “unfair, unjustified and unreasonable,” and complained of a double-standard, given that the US and European powers continue to import certain Russian products and Washington is not imposing similar tariffs on other large buyers of Russian oil, like China and Turkey.

“We have already made clear our position on these issues,” declared the foreign ministry. “Our imports are based on market factors and done with the overall objective of ensuring the energy security of 1.4 billion people of India.

On Thursday, Narendra Modi, India’s authoritarian, Hindu supremacist prime minister, made a show of standing up for the country’s small farmers. He told a rally in Delhi, “For us, our farmers’ welfare is supreme... India will never compromise on the well-being of its farmers, dairy sector and fishermen.”

His comments were a reference to pressure from the Trump administration for India to open wide its markets to US agribusiness, which would severely impact the meagre incomes of hundreds of millions of rural poor. Although India’s agriculture sector accounts for little over 15 percent of its GDP, almost half of all Indians are still dependent on agriculture for their livelihood.

This strong public push back notwithstanding, Indian officials have also let it be known that Indian purchases of Russian oil have fallen sharply in recent weeks. They insist this is due to “market reasons”—a shrinking of the discount at which Russia is forced to sell its crude due to the sanctions of NATO powers and their allies—not US pressure.

Trump’s economic attack is clearly causing consternation and apprehension in Indian government and ruling class circles, as they grope to formulate a response.

Access to discounted Russian oil has been a huge boost to India’s

economy, which despite a higher growth rate continues to grow far less in absolute terms than China, and is unable to absorb many of the ten million annual new entrants to the labour force, with socially explosive consequences.

Under the formal rubric of an “Indo-US global strategic partnership,” the Indian bourgeoisie has for the past two decades made its alliance with US imperialism the cornerstone of its foreign policy and a key tenet of its class strategy.

Under successive BJP and Congress Party-led governments, New Delhi has aligned itself ever more closely with the US. This has included entering into an expanding network of bilateral, trilateral, and quadrilateral military-security ties with the US, Japan and Australia and working with Washington to counter Chinese influence in Asia and Africa.

India has also sought to position itself as an alternate low-cost production chain-hub to China, and to benefit from Washington’s push for US and western-based firms to curtail their Chinese operations.

At the same time, New Delhi has maintained its longstanding strategic ties with Moscow, both because it values their long tested “all weather” partnership and because it fears US bullying, of which it has been a victim in the past. While India has become a major purchaser of US weapons, India continues to depend on Russian arms and co-production agreements, as well as Russian support for its nuclear industry. It also fears a major downgrade in its relations with Moscow could draw Russia into a China-Pakistan axis against it.

The disruption of Indo-Russian ties and ultimately the severing of the strategic partnership that New Delhi and Moscow forged during the Cold War has been a longstanding goal of US imperialism. However, it has been subordinated to what the Pentagon and CIA consider the more pressing imperative of transforming India into a front line state in its military-strategic conformation with China. The Biden administration was angered by New Delhi’s refusal to line up behind the NATO powers at the onset of the Ukraine war. Yet that did not stop the White House from feting the Hindu supremacist Modi when he visited Washington in June 2023 and, more fundamentally, signing a whole series of new agreements with him to foster closer strategic ties.

With his tariff broadside Trump has announced that he is intent on bullying India into major economic and geopolitical concessions and endure turbulence in relations with New Delhi to prevail.

Even before Trump brandished the threat of a punitive tariff on India due to its Russian oil purchases, trade talks between New Delhi and Washington had derailed due to the latter’s demands for the opening up of India’s markets. The Modi government had reportedly offered trade concessions of \$35-40 billion, but this was dismissed out of hand, with Trump labeling India the world’s “highest tariff country.”

When talks on an “interim deal” collapsed last month, Indian officials none the less expressed relief that the impending 25 percent base rate on Indian goods would be lower than that of China, Vietnam, Bangladesh and other countries India competes with in exporting apparels, pharmaceutical, and electronics to the US.

The situation is now radically different. Indian products risk being priced out of the US market, threatening tens of billions in exports and millions of jobs. When the 50 percent tariff takes effect, the US base tariff on Indian goods will be higher than that of any other country except Brazil. Before targeting India, Trump imposed a 50 percent tariff on Brazil and demanded, as the condition for its removal, Brazilian authorities drop their prosecution of his fascist ally, the ex-

president Jair Bolsonaro, for his 2022-23 coup attempt.

Hitherto India has sought to offset US pressure over Russia, by lining up more closely with Washington in its war drive against China. In 2023, high-level Indian officials let it be known that they were responding with urgency to a US request that New Delhi specify what military support India would provide in the event of the US waging war on China over Taiwan.

However, in what is clearly meant as a signal to Washington amid the current surge in tensions, New Delhi has indicated that Modi will travel to Beijing for the August 31 to September 1 Shanghai Cooperation Organization summit. This would mark the first time India’s prime minister has traveled to China since border clashes in 2020 and the forward deployment by both sides of tens of thousands of troops, war planes, and tanks, which have only been partially rolled back, starting last fall.

Although Modi was only the second foreign leader to visit Trump in his second term, in what was clearly a sign of the priority the administration places on countering China, tensions between Washington and New Delhi have been mounting for several months.

The Modi government has fumed over Trump’s repeated assertions that he brokered the May 11 truce that brought an end to the four days of cross-border attacks between India and Pakistan. This is because it cuts across its bellicose nationalist-communalist narrative that India inflicted a major blow on its arch-rival.

More importantly, New Delhi is angered and apprehensive about a recent warming of relations between the US and Pakistan. In June, Field Marshal Asim Munir, the head of Pakistan’s military and the power behind the throne of its government, met with Trump in the White House during a week-long trip to Washington.

The Democratic Party and powerful sections of the US ruling class have been agitating for Trump to escalate the war on Russia including by appropriating frozen Russian assets and intensifying the sanctions regime. However, there are fears that in singling out India and pressing for New Delhi to radically downgrade its ties with Russia, Trump could imperil a critical element in the US military-strategic offensive against China. “We could be heading into a needless crisis that unravels a quarter century of hard-won gains with India,” exclaimed Ashley Tellis, who as a member of George W. Bush’s National Security Council played a major role in negotiating the anti-China Indo-US Global Strategic Partnership.



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