Trump tariffs

# Donald Trump to raise tariffs on India over Russian oil purchases

New Delhi describes threat as 'unjustified and unreasonable'

The US said last week it would impose a 25% tariff on India © Julia Demaree Nikhinson/AP

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Published AUG 4 2025 | Updated AUG 4 2025, 23:13

Donald Trump has said he plans to "substantially" raise tariffs on imports from India because of its purchases of Russian oil, in a new escalation of tensions between Washington and New Delhi.

The US president's warning comes after India failed to reach an agreement with the White House to secure lower levies on its exports to America last week, unlike other top trading partners, including the EU.

Trump has also threatened to crack down more aggressively on Russia's ability to finance its war in Ukraine as he struggles to broker a settlement in the conflict between Moscow and Kyiv.

“India is not only buying massive amounts of Russian Oil, they are then, for much of the Oil purchased, selling it on the Open Market for big profits. They don’t care how many people in Ukraine are being killed by the Russian War Machine,” Trump wrote on Truth Social on Monday.

“Because of this, I will be substantially raising the Tariff paid by India to the USA,” he said.

Randhir Jaiswal, spokesperson for India’s foreign ministry, said in response to Trump’s Truth post: “The targeting of India is unjustified and unreasonable.”

“India began importing from Russia because traditional supplies were diverted to Europe after the outbreak of the [Ukraine] conflict,” he added.

“The United States at that time actively encouraged such imports for strengthening global energy markets stability.”

New Delhi has been the biggest market for Russian crude since 2023, importing 89mn tonnes last year, approximately 50 per cent more than China, according to ship tracking data compiled by Kpler.

Last year, Russia supplied India with one-third of its crude oil imports, or about 550mn barrels. The US, by contrast, sent just 52mn barrels during that period, according to data from data provider LSEG.

Washington last week said it would impose a 25 per cent tariff on India out of frustration with the Modi government’s refusal to change its policy on Russian oil purchases.

Ajay Srivastava, a trade policy expert with the Global Trade Research Initiative, denied Trump’s accusation that New Delhi was selling Russian crude on the open market. “India is a net importer of crude oil, and its global exports of crude stand at zero.”

Still, Srivastava said that India exported “refined petroleum products including from Russian oil, such as diesel and jet fuel, after processing crude oil in its refineries”.

The stand-off reflects an extraordinary deterioration in relations between Trump and Narendra Modi, India’s prime minister, in recent weeks.

Until recently, Washington had seen India as a pivotal strategic partner. In February, the two countries announced plans for a new 10-year defence partnership but the draft agreement has yet to be signed.

The US is India's biggest trading partner and the two countries traded goods worth more than $129bn in 2024, according to the office of the US trade representative.

Trump hinted weeks ago that a trade agreement with New Delhi was imminent as India sought to stave off "liberation day" tariffs of 26 per cent.

Late last month, India's trade minister Piyush Goyal told the Financial Times that he was "quite sure we will have a good robust agreement with the United States".

Meanwhile, Trump's involvement in the India-Pakistan conflict in May, after which he claimed to have brokered a ceasefire, soured relations between the two countries.

"So much for the bromance between Modi and Trump and the ostensibly close relationship between two budding geopolitical allies," said Eswar Prasad, a professor of trade policy and economics at Cornell University.

"This is a tough and painful setback for India, which had come close to securing a phased trade deal and had been anticipating significant trade and investment benefits from being seen as a geopolitical ally of the US," he added.

*Additional reporting by Krishn Kaushik in Mumbai, Jyotsna Singh in New Delhi and Tom Wilson and Leslie Hook in London*

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