

Trump hits India with 25% tariff and penalties for buying Russian oil

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WASHINGTON — President Trump said Wednesday that he will impose a 25% tariff on goods from India, plus an additional import tax because of India's purchasing of Russian oil.

India "is our friend," Trump said on his social media platform, but its tariffs "are far too high" on U.S. products.

The Republican president added that India buys military equipment and oil from Russia, which he said has enabled the war in Ukraine. As a result, he intends to charge an additional "penalty" starting Friday as part of the launch of his administration's revised tariffs on multiple countries.

The new tariffs could put

India at a disadvantage in the U.S. market relative to Vietnam, Bangladesh and, possibly, China, said Ajay Sahai, director general of the Federation of Indian Export Organizations.

"We are back to square one as Trump hasn't spelled out what the penalties would be in addition to the tariff," Sahai said. "The demand for Indian goods is bound to be hit."

The announcement comes after a slew of negotiated trade frameworks with the European Union, Japan, the Philippines and Indonesia — all of which Trump said would open markets for American goods while enabling the U.S. to raise tax rates on imports. The president views tariff revenue as a way to help offset the budget deficit increases tied to his recent income tax cuts and



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IGOR Sechin is CEO of oil producer Rosneft. President Trump is penalizing India for buying Russian oil.

generate more domestic factory jobs.

Although Trump has effectively wielded tariffs as a cudgel to reset the terms of trade, the economic effect is uncertain as most economists expect a slowdown in

U.S. growth and greater inflationary pressures as some of the costs of the taxes are passed along to domestic businesses and consumers.

There is also the possibility of more tariffs coming on trade partners with Rus-

sia as well as on pharmaceutical drugs and computer chips.

Kevin Hassett, director of the White House National Economic Council, told reporters Wednesday that Trump and U.S. Trade Representative Jamieson Greer would announce the Russia-related tariff rates on India at a later date.

Trump's approach of putting a 15% tariff on America's long-standing allies in the EU also is generating pushback, possibly causing European partners as well as Canada to seek alternatives to U.S. leadership on the world stage.

French President Emmanuel Macron said Wednesday in the aftermath of the trade framework that Europe "does not see itself sufficiently" as a global power, saying in a Cabinet

meeting that talks with the U.S. will continue as the agreement gets formalized.

"To be free, you have to be feared," Macron said. "We have not been feared enough. There is a greater urgency than ever to accelerate the European agenda for sovereignty and competitiveness."

Washington has long sought to develop a deeper partnership with New Delhi, which is seen as a bulwark against China. Indian Prime Minister Narendra Modi has established a good working relationship with Trump, and the two leaders are likely to further boost cooperation between their countries.

The Census Bureau reported that the U.S. ran a \$45.8-billion trade imbalance in goods with India last year, meaning it imported more than it exported.

At a population exceeding 1.4 billion people, India is