

For India, Buying Russian Oil Just Got Even More Complicated

By ALEX TRAVELLI

NEW DELHI — In India, the timing of the U.S. Supreme Court's ruling against President Trump's use of an emergency law to impose tariffs caused acute whiplash. The country had just escaped a 50 percent tariff with a trade deal announced not even three weeks ago.

One term of that deal has been making India's prime minister, Narendra Modi, particularly uncomfortable.

India agreed to cease buying crude oil from Russia, as Mr. Trump had been demanding since August, when he doubled tariffs on most Indian goods to punish the country, he said, for obstructing his efforts to end the war in Ukraine. Since the deal was announced, Mr. Modi has been accused by his political opponents of bending India's trade policies with third parties, in this case Russia, to appease the United States.

The ruling on Friday makes things even trickier for Mr. Modi.

On one hand, the stick Mr. Trump had used to get India to acquiesce was the International Emergency Economic Powers Act, the same law the Supreme Court declared he was using improperly.

The Trump administration characterized the Russian oil part of the deal as a quid pro quo. A White House document published on Feb. 9 said the punitive tariff was dropped "in recognition of India's commitment to stop purchasing Russian Federation oil."

Yet Indian buyers had been re-

ducing their intake of seaborne crude from Russia for months, and increasing their relatively small import of American energy products. A move by the U.S. Treasury in October to penalize companies that did business with the two biggest Russian oil firms, Rosneft and Lukoil, also discouraged the trade.

India's government has stayed cagey about the reason for that shift, to the point of barely acknowledging the role of the

The ability of the U.S. to impose sweeping tariffs is now in doubt.

Trump-Modi agreement. It would be politically difficult, if not disastrous, to admit that the United States was forcibly changing India's commercial relationship with Russia, an old economic and defense partner. All India has said is that its decisions were guided by "national interests."

On Feb. 12, Randhir Jaiswal, the spokesman for India's foreign ministry, said carefully that the document was "consistent" with what the two countries had agreed. Asked the same thing on Friday, Mr. Jaiswal said at a news briefing "to look at what we said in the last few weeks."

Russia hasn't done anything to ease India's predicament. "We

have no reason to believe that India has changed its position on buying Russian hydrocarbons, from what it was before the tariffs," a spokeswoman for Russia's foreign ministry said on Wednesday.

Other provisions of the trade deal have caused trouble for Mr. Modi.

While India won immediate relief from the 50 percent tariff, Mr. Modi promised to open some of its most coveted agricultural markets — drawing immediate condemnation from India's farmers. He also pledged to spend \$500 billion on American goods over five years, in effect doubling India's imports from the United States, and "to strengthen economic security alignment" between the two countries, in ways that have yet to be spelled out. Mr. Modi's critics called it capitulation.

With the Trump administration's ability to impose such sweeping tariffs now in doubt, India's main opposition party on Saturday called for the entire deal to be put on hold.

At the same time, both countries have interests in working together.

On Friday, hours before the Supreme Court's ruling, the new American ambassador to India, Sergio Gor, welcomed India's entry into a Trump administration program called Pax Silica. The effort, now including 11 other countries, aims to build high-tech supply chains, from critical minerals to cutting-edge microchips, that do not depend on China.



ERIC LEE/THE NEW YORK TIMES

Joint maneuvers against China can be made politically palatable in India, which fought a bloody skirmish along their border less

than five years ago. Taking direction from Washington on Russian oil, however, is touchier. Muyu Xu of Kpler, a shipping-data firm

Prime Minister Narendra Modi of India made a politically difficult compromise with President Trump for a trade deal to avoid a high tariff. That deal is now being tested by a ruling from the U.S. Supreme Court.

based in Brussels, estimated that India was still importing a million barrels a day in February.

Ms. Xu, in an email, wrote that Kpler's analysis shows that Indian refiners will continue buying more oil from sources other than Russia this month, adding that it would take another month to see whether India was cutting off the flow of Russian crude.

It is unclear if any such near-term plans will be affected by the Supreme Court's ruling. Like other world leaders who made compromises with Mr. Trump, Mr. Modi presented the trade deal to the Indian public as a win-win. Jerking around policy now, in accordance with a foreign court's decision, would open him up to fresh criticism from his political opposition.

Mr. Gor, in a speech announcing India's entry to the Pax Silica initiative, indicated that some American officials were eager to get the United States back on the track of its longer-term objectives in India. He compared India's ancient defeat of Alexander the Great's army to the American colonies' defeat of Britain in the Revolutionary War. Today, he was saying, both countries share an abiding interest in containing China's growing power.