

Q US has imposed double tariffs on India. Critically evaluate its economic and geopolitical implications on regional and global power politics.

## 1. INTRODUCTION:

The new trade tariffs are imposed by US on almost all of its trading partners. Some have got comparatively more tariffs than the other. In this regard, India has been imposed double tariff than the previous value. This trade policy action ~~by~~ by US has posed several implications on the global power politics. Regionally, there are several economic implications which include the shift of India to the regional trade partner as an alternate of US. This has also increased the regional trade of several regions of the world. Moreover, it has increased the possibility of increase in investment and industrial growth among the neighbouring countries for instance increasing attraction in the projects like BRI. Increase in tariffs have also geopolitical implications as it has made possibility of regional allies for countries like India and also increased possibility for creation of regional bloc. In terms of global power politics, this increased trade tariff has increased chances of dedollarization as countries are in search of alternative trade partners. This may also cause the isolation of US from global power politics. Moreover, it will also increase the possibility of increase in economic deals with Russia. In terms of geopolitical implications, the trade partners of US are losing trust in US.



Soft power and as a global hegemon in the world. Moreover, it could also shift the global hegemony to + towards China. Thus, the imposition of new US trade tariffs not only reshapes global power dynamics but also fosters regional realignments, economic shifts and geopolitical uncertainties, making their impact far reaching and complex.

## 2. **US TARIFFS IMPOSITION ON INDIA: TARIFFS MORE THAN EXPECTED:**

India has become most taxed trade partner in Asia, with an increase from 25% to 50% tariff rate.

- Reuters, 12 Sep 2025

US has imposed double tariff on India, which has made India the most taxed trade partner of US in Asia. This step was taken by US in response to India's deal with ~~the~~ Russia for oil export. The ~~the~~ step taken by US have several impacts on the economy of India as major portion of India's exports goes to US. This has caused the shift of India towards the region with several implications on regional & global power politics. As according to PM Modi:

Due to increase in tariff rate the GDP growth rate drop by 0.3% points from its current forecast of 6.3% for the fiscal year ending March 2026.



### 3. ECONOMIC IMPLICATIONS OF INCREASED TARIFF ON REGIONAL POWER POLITICS:

Economic implications at regional level.

Increased trade in region: India focusing on other allies

Ease in intraregional trade routes between countries

Investment in neighbouring countries for industrial growth

Increased focus on BRI projects

### 3.1 INCREASED TRADE IN REGION: INDIA FOCUSING ON OTHER TRADE ALLIES:

The increase in the tariff rate of India by US have forced India to shift towards other countries for its exports. India has started making trade with other countries such as it increased its trade with Russia. Moreover, India also increased its ties with many of its competitor countries such as China. Recently, India met the president of China, Xi, after seven years. According to Modi, this meeting was done due to the tariff "tantrums" of US towards India.



### 3.2 EASE IN INTRA-REGIONAL TRADE ROUTES BETWEEN COUNTRIES:

The increase in tariff rate by US have caused the regions to ease the trade routes to increase exports among themselves. For instance, several countries are in search in oppurtunity to supply their trade to US ~~from through~~ the countries with low tariff rate. In this way, China has also shown interest in Pakistan to supply goods to US through Pakistan. However, this has also increase the prices of the goods for the consumers.

add/highlight references/examples against these arguments.

### 3.3 INVESTMENT IN NEIGHBOURING COUNTRIES FOR INDUSTRIAL GROWTH:

Countries also showing interest to invest in the neighbouring countries ~~for~~ industrialization. In this way, they may counter the US tariff imposition on them and ~~increase~~ their trade through the alternative routes in the state.

### 3.4 INCREASED FOCUS ON BRI PROJECTS:

As the increase in trade tariff have impacted the exports of many countries. Countries are more intrested in projects of BRI. This ~~have~~s increased the shift of countries from US to the investments of BRI projects. These projects ~~providing~~ industrialization will help the countries to increase their exports at cheaper rate and also help increase the job oppurtunities in the country.



## 4 **GEOPOLITICAL IMPLICATIONS <sup>ON</sup> ~~AT~~ REGIONAL POWER POLITICS:**

Formation of new allies : Case on Point India and China

Formation of regional bloc against ~~us~~.

Trade diversion of region towards Europe.

### 4.1 **FORMATION OF NEW ALLIES : CASE ON POINT INDIA AND CHINA :**

The tariff war has one of the most important implication in terms of creation of new allies in the region. As the tariff war has ~~increased~~ decreased the exports of several countries to US. These countries are in search of new trade partners particularly in the region. In such case, the most important ~~example~~ example is of China and India where ~~China~~ India has met the Chinese president Xi after seven years. This meeting was held after the tariff imposition on India and China. In this way, there are new allies forming in the region replacing the need of US as an export partner.

### 4.2 **FORMATION OF REGIONAL BLOC AGAINST US:**

Increased rate of Tariff have also



increased the possibility of ~~the~~ increase in regional blocs. The countries with greater tariff will enhance their relations in their regions which will increase the regional relations and ~~extra~~ increase possibility of regional blocs. Moreover, it will also increase the possibility of ~~increase~~ in interest of countries in international organizations such as ~~SCO~~ SCO, SAARC and BRICS. This will cause the isolation of US in the export ~~and~~ market and relation with the countries.

#### 4.3 TRADE DIVERSION OF REGION TOWARDS EUROPE:

As the countries are in search of alternate trade partners for their exports to US, many countries will diverge their trade towards Europe. Moreover, several countries might ~~reoffer~~ the invitation to reconsider the ~~offers~~ offers of Russia for the oil in exchange of their export good. This may cause the negligence towards US and more interest of countries towards Europe and Russia.

#### 5 ECONOMIC IMPLICATIONS ON GLOBAL POWER POLITICS:

Possibility of Dedollarization

Increase in Projects isolating US

Possibility of more economic deals with Russia



### 5.1 POSSIBILITY OF DEDOLLARIZATION:

After the increase in tariff rate of US towards most of the countries, the countries will lose their trust in the trade with United States. This loss of trust will cause countries to move towards other countries and also deal in their respective currencies. This arises the possibility of dedollarization as previously also there are several discussions on International organizations such as BRICS regarding the trade in currencies other than dollar.

### 5.2 INCREASE IN PROJECTS ISOLATING US:

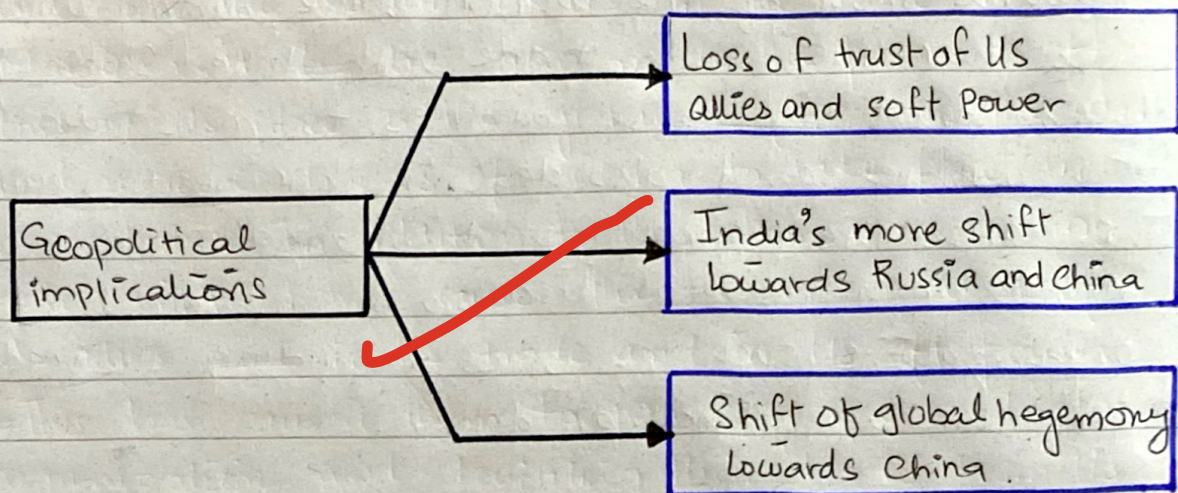
As there is increase in relations among many countries after the increase in tariff rate, it will help them to sign economic projects together. This may cause the isolation of US economically in the world.

### 5.3 POSSIBILITY OF MORE ECONOMIC DEALS WITH RUSSIA:

The increase in tariff rate with India has caused the loss of trust of several countries in United States. This negative impact may cause the countries to ~~make~~ sign more economic deals with US. This will cause the loss of US as the most important trade partner of many countries which will internally cause negative effect on US as hegemon of global power politics.



## 6 GEOPOLITICAL IMPLICATIONS ON GLOBAL POWER POLITICS:



### 6.1 LOSS OF TRUST OF US ALLIES AND SOFT POWER:

The sudden change in the trade policies of US towards both its Allies and Competitors have eroded ~~its~~ trust of US allies. This has caused US allies to reconsider their allies and belief of US soft power. Several ~~countries~~ have been shifting to other trade partners and regional bloc organizations.

Only 33% of Europeans views US leadership favourably in 2025, down from 50% in 2020  
— Brookings - 2025.

### 6.2 INDIA'S MORE SHIFT TOWARDS RUSSIA AND CHINA:

With the increase in trade tariff towards India from 25% to 50%. India is actively choosing



other countries for its trade networks. India has mediated its talk with China after seven years. Moreover, the country has been actively participating in oil deals with Russia even after increase in tariff rate. This is a major sign from India to US that it may find alternatives of US soon.

India's foreign minister called the US Tariff hike as unfair, unjustified and unreasonable.

The Guardian, 2025.

### 6.3 SHIFT OF GLOBAL HEGEMONY TOWARDS CHINA:

There is a possibility of shift of global power hegemony towards China after the Tariff hike. As several countries are requesting to be added in the regional and international organization. Moreover Asian Allies' such as ASEAN have ~~been~~ accelerating discussion regarding free trade talks among the countries. Moreover, China has been expanding its interest in multilateral bodies which will aim it towards global hegemony.

### 7 CONCLUSION:

Increase in trade tariff by US have caused several implications on global and regional power politics. It has affected the trade of countries in US thereby decrease in export towards US ~~More~~



This has several implications as it may cause shift in US allies exports towards US competitors. and cause the isolation of US in the trade market. Moreover, it ~~has~~ has also made the possibility of loss of US place as the global hegemon in the world and increase chances of China to take place in the near future. In addition to this, this increase in trade tariff have cause the erosion of trust of US allies ~~and~~ in US trade and in US soft power. This has caused them to join regional and global organization and deviating their trade from US to other alternate countries such as Russia and Europe.

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good structure and arguments.

length of the answer is also fine.

improve the references and the paper presentation part.