Day: Nisha Arooj Date:

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

## 1) Introduction: ?

History makes it evident that US and India are strategic partners from several decades, especially from the inclusion of India in GSP list from 1975. But their relations are in turmoil, when ? trump imposed 25% tarrifs on 30 June 2025. The 25% tarif further added on the official imposition of previous 25%. The imposition of total 50% tarif on India is a result of Russian imports of oil and India's 39% tarif on all over goods of the world. This surging tarif war poses serious implication

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for global and regional power politics. If this tariff continued, India will further enhance it's trade with regional partners. It leads to stability in region due to bilateral engagement. While in global context, there will be shift in power ballance global market will be effected and policy towards Indo-pacific will also encounter serious changes.

too long and generic

## 2) Economic implication of US double tariff on India in regional context:

India and US are always remain their strategic partners from long time. The changing global dynmics and increasing imports of Russian oil of India causing turmoil in India and US relationships. Due to this US imposed 50% tariff on India in August 2025.

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There are the following regional economic implications of US double tarif on India.

2.1) **Boost in trade with regional partners:**

To stabalize it's economy India will endeavors to make it's bilateral trade relationships with regional power such as China and Russia. This will leads to reduction in regional hostility and provide opportunities for economic stability.

2.2) **India's dependency on US will come to an end:**

As India and US always remain in good rapports with each other, but this imposition of tariff on goods will eventually result into deteriorated relationships. As India exports 18% of global textile products, US

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will face serious ruppercussions due to devastated relations with India. India will emerge as an Independent country and will be free in making it's Indo-pacific strategy.

2. 3) **Global South's economic strength will overshadow west economy:**

India is also an emerging power. It is the world's 2nd populist country and emerging strong economy. Due to it's bad relationship with west, it's attitude will shift toward South partners. This will add an emerging strong economy in ~~west~~ the future alliances in South. By this economic strength of region will improve which curtail the economic idependence on west especially US. ~~eco~~

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## 2.4 Impacts on India's current account and weakening of rupee:

India is a major trade partner of US. Due to tariff issues, there will be decline in trade which will result into trade deficit. It will effects India's current and ~~wea~~ cause devaluation of rupee.

## 2.5) Threat of Job losses and reduction in production capacity:

In India micro, small and medium enterprises may struggle to absorb the tariff costs, potentially leading to Job losses and reduced production capacity.

## 2.6) India's GDP Growth will be affected badly:

GDP growth may decline by 0.2 to 0.5 percent. Some analysts are suggesting that reduction in

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GDP up to 40 points in th financial year in March 2026.

## 3) Global Implications of US double tariff on India in economic and geostrategic context:

### 1) Shift in India's standing in Indo-pacific region:

The US tariff may accelerate India's integration into the global trade network as a reliable partner, particularly in Indo-pacific region.

### 2) US. double tarrif will affect Global Trade Architecture:

The US tarrif on India and other Countries may undermine the global trade architecture. It may potentially leads toward protectionism and bilateralism.

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3) **U'S double Tarrif on India result into Serious trade war:**

The US tarrif may trigger retaliatery measures from Indian Side. It will poses threat to global market. And eventually result into imbalancing of global trade.

4) **India's attitude may shift toward China for economic stability:**

The Recent attending of PM Narendra Modi's attandance at SCO Summit was a clear distinction of changing Indian foreign policy. Due to esclation in tarrif India may further strengthen it's ties with chia for infrastructure and energy related projects.

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## Conclusion:

In conclusion, it is clearly stated that US tariff on India can result into both positive and negative consequences. In positive aspects, India's ties with regional powers will improve, economic dependency on US will curtail and opportunities for India's stability especially in Indo-pacific will increase. while in negative aspects, global market disruption, imbalancing of global stability and shift in global alliances may emerge at the scene.

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