Trump tariffs

# Donald Trump says Narendra Modi pledged India would stop buying Russian oil

Move could ease trade tensions between Washington and New Delhi, which have been in a stalemate since August

Donald Trump calls the pledge a 'big step' and adds: 'Now I've got to get China to do the same thing' © Jonathan Ernst/Reuters

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Donald Trump said Indian Prime Minister Narendra Modi promised that his country would stop buying Russian oil, in a move that could help ease trade tensions between the two nations.

Trump told reporters that Modi pledged in a phone call on Wednesday to halt the purchases, over which Washington had imposed an additional 25 per cent tariff in August. The levy applied on top of Trump's 25 per cent so-called reciprocal tariff.

"I was not happy that India was buying oil, and he assured me today that they will not be buying oil from Russia," Trump said. "That's a big step. Now I've got to get China to do the same thing." China is another major buyer of Russian crude.

Trump said Modi could not stop buying the oil "immediately", but that a "process had

Trump said Modi could not stop buying the oil "immediately", but that a "process had started".

Before leaving for Washington to lead further trade talks, India's commerce secretary Rajesh Agrawal said there was "headroom" for New Delhi to purchase an additional $15bn of US oil at "the right price" while maintaining a diversity of sources.

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US President Donald Trump: 'He's assured me there will be no oil purchase from Russia' © Reuters

Responding to questions over Trump's comments, India's foreign ministry spokesperson Randhir Jaiswal said on Thursday that "discussions are ongoing" between New Delhi and Washington following the Trump administration's "interest in deepening energy co-operation with India".

He later said he was not aware of any call between Modi and Trump on Wednesday. Trump's comments come as the two leaders are expected to meet in Kuala Lumpur for a summit of Asian leaders at the end of October.

Prior to Russia's full-scale invasion of Ukraine, India imported a small amount of Russian crude oil but has since become the largest buyer of seaborne shipments.

The international oil benchmark Brent moved slightly higher after Trump's comments.

Russian oil is still some of the cheapest available to New Delhi, and India has continued its purchases since Trump threatened to impose punitive tariffs in early August. Indian Oil and ONGC, both major state-run refiners, declined to comment. People familiar with Indian refining companies said they had not so far seen any major shifts in crude buying.

Russian crude imports to India this month stand at about 1.8mn barrels per day — the highest level since June — according to ship tracking data compiled by Kpler.

“A full-stop on Russian crude would involve major logistical, political and economic hurdles. At best, India might slowly scale down imports under pressure, but treating this as a done deal would be premature,” said Sumit Ritolia, a lead India analyst with Kpler.

“It is more likely an aspiration or negotiation point than a firm, immediate commitment. Putting that into action quickly would be complicated and costly.”

The alleged promise from Modi may help to unlock tariff relief from Washington and break a stalemate in trade talks between the two nations that has held firm since the summer.

While several large US trading partners have managed to strike deals with the Trump administration to lower the punitive tariffs on their goods, India has failed to clinch any agreement.

The combination of the “reciprocal” tariff of 25 per cent and an additional 25 per cent tariff to retaliate for Russian oil purchases has left many Indian exports to the US facing a 50 per cent tariff. That has made India among the worst-hit of countries in Trump’s second-term trade war, despite exemptions for many of its critical industries.

Semiconductors, consumer electronics and pharmaceuticals are currently offered a carve-out from the reciprocal tariffs, as they may face a different set of duties from the US at a later time.

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