

Despite US tariffs hike to 15%, most countries better off: Where India, others stand

The 15% tariffs Trump announced on Saturday is the maximum allowed under this never-used trade law in the American statute books. Here's what changes for India, and other countries.

Written by: [Anil Sasi](#) 7 min read New Delhi Updated: Feb 22, 2026 09:33 PM IST



US President Donald Trump at the White House, Saturday, Feb. 21, 2026, in Washington. (Photo: AP)

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Soon after the US Supreme Court struck down tariffs imposed by the Donald Trump administration, the US President said he would impose a 10% levy on all goods coming into America, using another legal provision. Hours later, he jacked this up to 15%.

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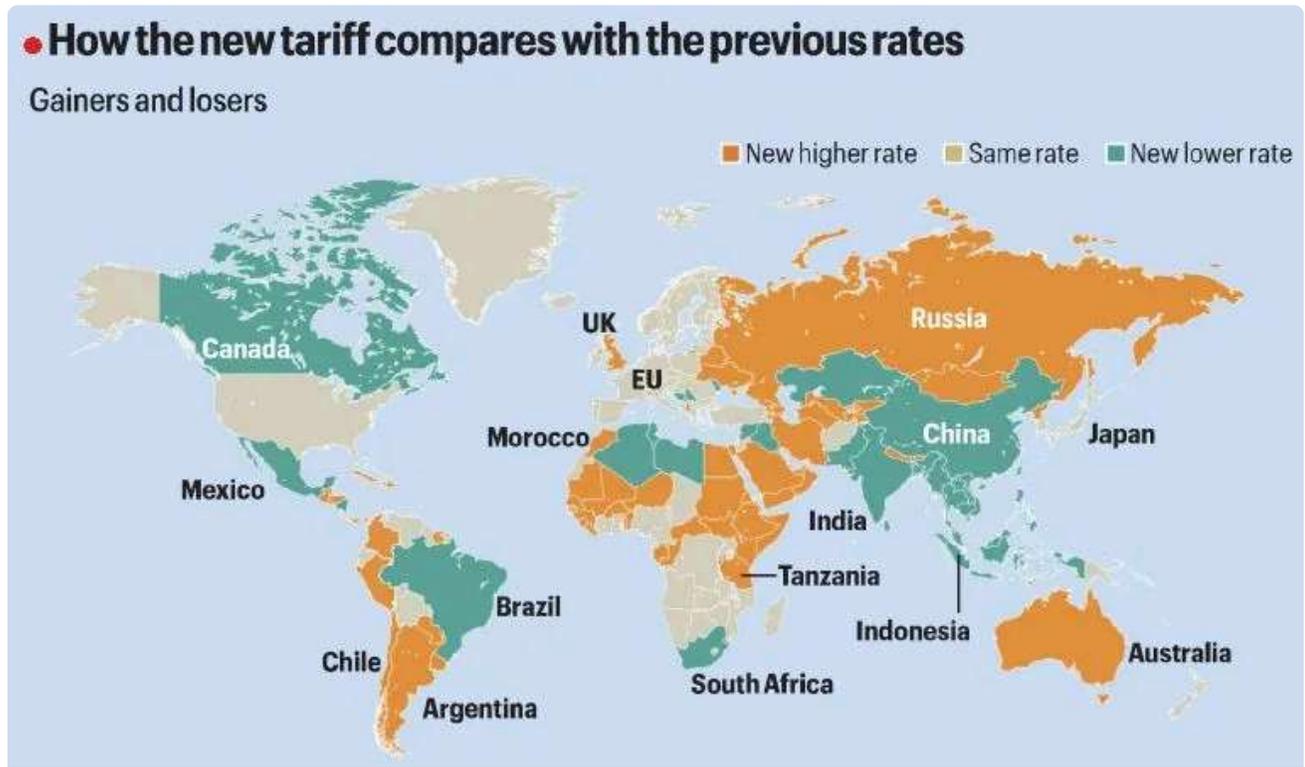
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The 15% tariffs announced Saturday (February 21) are the maximum allowed under this never-used trade law (under Section 122 of the 1974 Trade Act). Secondly, this is temporary, given that the provision only allows the new tariffs to stay in place for around five months. After that, the American government must seek US Congressional approval.

What this means for different countries

At least for now, with this flat rate of 15%, most major countries are in a better situation than before Friday's court ruling. India, China, South Korea, Japan, almost

all of ASEAN, Kazakhstan, Turkey, South Africa, Libya, Brazil, Mexico and Canada are now at a lower rate, to be implemented from February 24.



New vs old tariffs.

On the other hand, Russia, Australia, the UK, Saudi Arabia, the UAE, Qatar, most of north and central Africa, Argentina and Colombia are now at a higher tariff rate. The EU and the Scandinavian nations are at where they were under the earlier differential tariffs slapped under the International Emergency Economic Powers Act (IEEPA), which the top court struck down.

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India has been facing a cumulative tariff of 50% into the US since August 2025 (reciprocal tariff plus additional tariffs for import of Russian oil), which meant that its effective incidence of duties into the US was marginally higher than China.

After the framework for a trade deal was agreed upon by both sides earlier this month, the rate currently being levied on Indian goods is 25%, given that the Russian oil penalty has been removed. This was further slated to come down to 18% — the ‘reciprocal tariff’ decided after the deal was to kick in.

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Meanwhile, China was faced with reciprocal tariffs, as well as the fentanyl tariffs under IEEPA (alongside Mexico and Canada), all cumulatively adding up to 45%. With IEEPA now gone, the prospect of a flat 15% means it could be even-stevens for India and China, at least till Trump pushes for new tariffs under other laws on either or both countries.

Trump weakened

However, with IEEPA use outlawed by the American SC, the days when Trump could impose tariffs of his choosing through a Truth Social post or a signed executive order are gone. The other options at Trump’s disposal are more limited and require government agencies to produce detailed reports to justify imposing tariffs on countries, besides being limited in their scope and applicability.

The SC decision, while diluting Trump’s air of invincibility, substantially enfeebles him when trying to bulldoze other countries to make concessions to the US. America’s trading partners may play hardball with the US now that Trump’s tariff powers have been curtailed. Add to that the possibility that the Trump administration may have to give back much of the tariff revenue it collected over the past year, something that rubs in the insult.

Other judicial reverses

There could be more trouble in store for Trump, given that there are several other cases on the Court's roster that the administration in [DC](#) will have a tough time winning, including Trump's effort to end birthright citizenship and his attempts to fire a member of the Federal Reserve Board.

For Trump to regain his free hand in imposing tariffs, he would have to ask the US Congress for explicit authorisation, which the Supreme Court said was necessary for IEEPA tariffs to work. But with the thin Republican majorities in the House and the Senate, and the looming midterm elections, this looks highly unlikely.

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Given that Trump's tariffs have had an inflationary impact by imposing some costs on consumers, Republican candidates in key battleground states and key Congressional districts could potentially side with the Democrats, who are opposing Trump's policies. That could widen the cracks within the Republican Party.

The removal of IEEPA levies could lower America's effective tariff rate at least by about half, according to calculations by the Yale University's [Budget Lab](#). US Treasury Secretary Scott Bessent has said that combining Section 122 tariffs with other provisions such as Section 232 and Section 301 tariffs "will result in virtually unchanged tariff revenue in 2026", essentially making up for the loss of the IEEPA tariffs.

Section 232 of the Trade Expansion Act of 1962 allows tariff actions on national security grounds and Section 301 of the 1974 Trade Act enables the American government to slap tariffs citing anti-competitive trade policies. Section 232 has already been deployed in the case of steel, aluminium, semiconductors and other products, and the administration could take recourse to this even more. But that boast may be difficult to convert into reality, given the multiple checks on the administration built into these legal provisions.

New realities

Partner countries may now reconsider — or abandon — agreements negotiated under tariff pressure, according to [Delhi](#)-based trade think-tank GTRI's Ajay Srivastava. "About 55% of India's exports to the US will be freed from the 18% reciprocal duty and revert to standard MFN (most favoured nation) tariffs," he said.

Section 232 tariffs, however, remain, which includes 50% on steel & aluminium and 25% on certain auto components. Roughly 40% of exports — including smartphones, petroleum products, and medicines — remain exempt. The takeaway for India is that "this (IEEPA) ruling reshapes the global trade landscape. It must prompt a review of India's trade deal with the United States. Reciprocal Tariffs were the US leverage. With that leverage gone, the negotiations become useless. Trade policy is entering a new phase — one defined less by executive action and more by legal limits, legislative authority, and strategic recalibration," said Srivastava.

India is still in the process of negotiating a deal with the US. With multiple uncertainties looming after the court order, the visit of Indian team of negotiators to Washington starting Monday for wrapping up the text of the India deal has now been put off. Government sources said "the two sides are of the view that the proposed visit of Indian Chief Negotiator and the team be scheduled after each side has had the time to evaluate the latest developments and its implications". No fresh dates have been announced.

The view in New Delhi is that the administration in DC will resort to other means to slap tariffs on countries, given that this is Trump's most important foreign policy leverage tool.

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