

18% U.S. tariff on 'Made in India' products, says PM Modi after phone call with President Trump

Agreed to a trade deal between the United States and India, says U.S. President Trump; India will 'buy much more from the United States and potentially, Venezuela', he adds

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KALLOL BHATTACHERJEE



File photo of U.S. President Donald Trump with Prime Minister Narendra Modi. | Photo Credit: Reuters

Indicating a positive turn in a **bilateral relationship** that had been under strain because of multiple issues, Prime Minister Narendra Modi announced that "Made in India" products

will “now” attract a “reduced tariff of 18%” in the U.S., after a telephonic conversation with President Donald Trump on Monday.

The move is expected to significantly reduce the impact of the 50% penalty tariffs that Mr. Trump had imposed on India in August 2025.

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“Delighted that Made in India products will now have a reduced tariff of 18%,” said Mr. Modi thanking Mr. Trump. “When two large economies and the world’s largest democracies work together, it benefits our people and unlocks immense opportunities for mutually beneficial cooperation,” said Mr. Modi in his post on X.



Minutes earlier, Mr. Trump announced on social media platform Truth Social that U.S. and India had “agreed” to a trade deal.

“...we agreed to a Trade Deal between the United States and India, whereby the United States will charge a reduced Reciprocal Tariff, lowering it from 25% to 18%,” said Mr. Trump. He further claimed, “...they will likewise move forward to reduce their Tariffs and Non Tariff Barriers against the United States, to ZERO”.

Commerce and Industry Minister Piyush Goyal welcomed the developments.

The Ministry of External Affairs is yet to respond to some of the questions related to the declaration and the details shared by Mr. Trump. The U.S. President had said in the Truth Social post that during his discussion, India agreeing “to stop buying Russian oil.” He also claimed that India will “buy much more from the United States and potentially, Venezuela”. Mr. Trump said that Mr. Modi had “committed” to increase purchase of U.S. products to \$500 billion.

The two announcements from Mr. Modi and Mr. Trump drew prompt response from the Congress party, with its general secretary (communications) Jairam Ramesh saying, “It appears Mr. Modi has capitulated finally.”

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The telephone conversation between Mr. Modi and Mr. Trump took place as External Affairs Minister S. Jaishankar started a visit to the United States from February 2 to 4, when he will participate in the Critical Minerals Ministerial meet convened by U.S. Secretary of State Marco Rubio.

“The Ministerial will focus on supply chain resilience, clean energy transitions, and strategic cooperation in critical minerals,” said the MEA announcing that Mr. Jaishankar during the ongoing tour “will also hold meetings with senior members of the U.S. administration.” Apart from India, dozens of other countries like Kenya, South Korea, Democratic Republic of Congo that have significant national minerals production will be part of the meeting. The ministerial is aimed at reducing critical minerals dependence on China and create a supply chain that will cover the entire supply chain from mining, processing, recycling, to pricing mechanism. The participating countries are also expected to sign a non-binding document.

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