Finance Matters

News, Views & Perspectives on Financial Policies & Institutions

Why Should We Care About Development Finance? ...because it's our money!

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Trump's Tariffs, India's Silence

Harsher tariffs, trade bullying, and open disregard for international cooperation mark Trump's new term. This comes at a time when the world is already struggling—with wars, the aftershocks of the pandemic, and growing inequality. Instead of helping to heal the system, Trump is deepening the cracks. And India, if it continues to follow quietly, will be one of the worst hit.

Trump's new trade war is not really about helping the US economy. His 10% import tax on all goods and tariffs of up to 145% on Chinese items are extreme and short-sighted. They are already hurting American consumers, who are now paying more—about $3,800 more per year—just to cover higher prices. But the bigger goal is control. He's using trade as a weapon to force countries to follow America's rules. South Africa, for example, was punished with tariffs despite aligning with the US. India is now facing similar pressure.

We've already made one-sided compromises. We reduced tariffs on many items, tried to please the US in defence deals, and even agreed to buy outdated military aircraft. Our Commerce Minister went to the US and came back empty-handed. Meanwhile, the US continues to threaten our industries—especially pharma and tech—with tougher standards. Even worse, our students and workers are being sent back from the US like criminals. Other countries sent their planes to bring their people back with dignity.

What's unfolding is not just unfair, it's dangerous. Our private companies are signing deals that may hurt national interests. Jio and Airtel have tied up with Elon Musk's SpaceLink for internet services. While this may sound like progress, it raises serious security concerns. Tesla is getting sweetheart deals to open showrooms in India—at a time when the brand is losing popularity in the US. Why should India become the dumping ground for companies that are failing elsewhere?

Trump's policies are pushing the world towards a major economic crisis—just like the one in 2008. Countries are now pushing back. Big brands like Jaguar, Land Rover, BMW, and Rolex have stopped exports to the US. The dollar is under pressure. If the world moves away from dollar dominance, the US will lose its biggest advantage—easy money with no gold backing.

This is India's moment to think clearly. We are not a weak country. We have the largest population, strong markets, and technological talent. But we are being treated like second-class partners. The more we bend, the more we'll be squeezed. It's time we stopped acting like we need America more than they need us. Because that's simply not true.

-Team CFA

It is not tariff which we should worry about. It is the non-tariff barriers and policies everyone should worry about.

It is interesting to see the havoc created by the tariffs announced by Trump, who became President for the second time after a loss in 2020. He was promoted by the largest corporate oligopolies led by Elon Musk. Recent announcements & speeches by Trump create suspicion about his mental stability. He announced a 26% tariff on India and many other countries but 54% on China, which he increased to 104% & then to 125% when China retaliated. Read More

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FLIP BOOK: Tariff War | The Bull & The Bullied

If we are truly the Vishwaguru, why did we give up on Google Tax to appease Trump? Why don't we speak back to the idea of reciprocal tariffs? A country of our size and strength should not have kneeled! It is not the time to be tarrified! It is the time to speak back to America's bullying! Read More.