International Trade

India and the United States have now initiated a full fledged trade war with India slapping additional tariffs on 28 US products. While the tariffs were announced a year ago, their implementation was repeatedly delayed as the US and India engaged in a series of trade talks. However trade in India is unlikely to be a top of the United State’s list of priorities, with Donald Trump being increasingly occupied by the trade war with China and escalating tensions with Iran. Going forward expect the trade fight between the two countries to simmer, but it is extremely unlikely to significantly escalate.

Foreign Investment

1. With the Indian government planning to ban Delloite, Haskins and Sells and BSR Co. (a group firm of KPMG) for their role in the IL&FS fiasco, there is fear among investors that there might not be enough quality auditors left to replace them.

2. In a meeting with industry representatives this week in preparation of the upcoming G20 summit, Commerce and Industries Minister Piyush Goyal confirmed this week that no foreign firm will be allowed in multi-brand retail and foreign ecommerce firms can only run agnostic platforms.
Geopolitical Insights

Former Egyptian President Mohammed Morsi collapsed and died in a Cairo courtroom after suffering from a cardiac arrest. Morsi’s death brings into sharp relief for far Egypt has regressed into autocracy after the democratic highs of the Arab Spring which forced Hosni Mubarak to step down. Though Morsi was democratically elected, he subsequently proved to be highly unpopular and was deposed by Field Marshal Fattah Al Sisi in a coup. Since assuming the Presidency, Al Sisi has operated a highly repressive regime which has brutally cracked down on any sign of resistance.