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Elections, Tensions, and Trade in a Shifting Global Order - May 2025

This edition of the Occasional News Wrap examines pivotal global developments, focusing on recent elections in Australia and Canada, India-Pakistan four-day conflict drama and transformative trade agreements amid U.S. policy shifts.

Australia's Labor Party, led by Anthony Albanese, secured a landslide victory on 3rd May, capitalising on voter rejection of Peter Dutton's Trump-aligned rhetoric. Similarly, Canada's Mark Carney won a minority government on 28th April, bolstered by anti-Trump sentiment. Both elections highlight a global backlash against right-wing populism, driven by Trump's disruptive tariffs. The Philippine midterm elections, held on May 12th were also a critical event, with over 68.4 million registered voters.

Meanwhile, India's precision strikes on Pakistan-based terrorist targets on 7th May signal, under Operation SINDOOR, a robust 'Modi Doctrine' led by successful hammering of Pakistan bases and India emerging as a global power.

The India-UK Free Trade Agreement, finalised on 6th May, marks a strategic economic pivot, reducing tariffs and enhancing mobility. However, the U.S. trade deficit's surge and ongoing trade war with China threaten global growth, with the IMF forecasting a mere 2.8% in 2025. These stories underscore a world navigating geopolitical volatility, economic uncertainty, and a redefinition of multilateral alliances, with implications for stability and prosperity.

Op-eds	Key Takeaways
India-Pak Conflict	
Trump's dive into taking credit for 'mediating a ceasefire' sits uneasily in India <i>The Economic Times,</i> May 12, 2025	On May 10, there was a sudden ceasefire between India and Pakistan following intense cross-border strikes, spurred by a surprise intervention from Donald Trump. India's military achieved significant gains, targeting terror infrastructure across Pakistan and POK. However, Trump's mediation was viewed in India as misguided and biased , reviving internationalisation and Kashmir discourse. While India withheld reviving the Indus Waters Treaty, discontent lingers over lack of transparency on casualties.
Strokes of justice: On 'Operation Sindoor' and after <i>The Hindu</i> May 08, 2025	India carried out precision military strikes across nine locations in Pakistan and Pakistan-occupied-Kashmir early on Wednesday (May 7, 2025). Targets included Bahawalpur, the headquarters of the Jaish-e-Mohammed, and Muridke, a nerve centre of the Lashkar-e-Taiba — terrorist outfits bred by Pakistan to target India.
India's Response to Pahalgam Attack May Usher Age of 'Modi Doctrine' By Vivek Katju <i>The Quint</i> 06 May 2025	On 29 April, Prime Minister Modi granted Defence Chiefs full operational freedom to strike terrorism , including choice of method, target, and timing. While strategic decisions will still require political approval, professional military decisions rest solely with the Defence Chiefs, marking a contrast to the restricted Kargil conflict response in 1999.
TradeWatch	
Win-win for India, UK <i>The Financial Express</i> 08 May 2025	After more than three years of negotiations, India and the UK have clinched a landmark free trade agreement (FTA). This deal, between the world's fifth and sixth largest economies, could well serve as a template for equally ambitious FTAs with the European Union, other developed nations, and a trade agreement with the US.
India-UK FTA: Tariffs on cars, alcohol, high-tech sectors cut by Delhi for more market access & mobility By Keshav Padmanabhan <i>The Print</i> 06 May, 2025	India and the UK have signed a landmark Free Trade Agreement and a Double Contribution Convention, reducing tariffs, boosting trade, easing worker mobility, and saving Indian firms on UK social security. The deal marks India's first bilateral FTA with a Western country and strengthens strategic economic ties.

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Britain and India clinch major trade deal in 'new era' of Trump tariffs <i>By Shivangi Acharya and Alistair Smout</i> <i>Reuters, 06 May, 2025</i>	Britain and India finalised a major free trade agreement after prolonged negotiations, reducing tariffs on whisky and cars, improving business mobility, and expanding trade access. Sparked by global tariff pressures, the deal boosts ties post-Brexit and opens Indian markets, though concerns remain over immigration and legal service provisions .
US trade deficit expands in first quarter <i>The Hill</i> <i>06 May, 2025</i>	The US trade deficit surged to \$140.5 billion in March, up 8% from February, driven by a \$17.8 billion rise in imports to \$419.0 billion, while exports barely increased to \$278.5 billion. The year-to-date deficit soared 92.6% from 2024. Escalating trade tensions, particularly with China, spurred imports of vehicles, parts, and industrial goods, despite Trump easing some auto tariffs set for May.
The old global economic order is dead <i>Financial Times</i> <i>06 May, 2025</i>	The US-China trade war involves Trump's protectionist policies and Chinese mercantilism, both threatening global economic cooperation. Global imbalances persist, with China and European creditor nations like Germany running consistent surpluses, while the US faces large deficits, especially in manufacturing, with its net international investment position at minus 24% of global output in 2024
How the US trade war is infecting the global economy <i>By Sam Fleming and Claire Jones</i> <i>Financial Times</i> <i>27 April, 2025</i>	At the IMF and World Bank spring meetings, US Treasury Secretary Scott Bessent defended President Trump's trade policies as a strategic effort to rebalance global trade , despite widespread perceptions of inconsistency and reversals, such as curbing tariffs on China. The IMF warned of weakened global growth (2.8% for 2025) due to trade instability, with China defending multilateralism.
ElectionWire	
Detained in The Hague, Philippines' Duterte wins hometown mayoral election <i>By Karen Lema and Mikhail Flores</i> <i>Reuters</i> <i>May 13, 2025</i>	Former Philippine President Rodrigo Duterte is poised to win the Davao mayoral election by a landslide, despite his detention at the International Criminal Court (ICC) for alleged crimes against humanity tied to his "war on drugs." With 80% of votes counted, Duterte secured eight times more votes than his nearest rival. His sons also triumphed in local races. The victory underscores Duterte's enduring popularity in Davao, though his ICC trial looms. Supporters rallied online, demanding his return, while his daughter, Vice President Sara Duterte, faces an impeachment trial.

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Philippines elections 2025: polls open in midterms as Marcos and Duterte family dynasties vie for power <i>The Guardian</i> May 12, 2025	Millions of Filipinos voted in the 2025 midterm elections , seen as a referendum on the feud between President Ferdinand Marcos and impeached Vice-President Sara Duterte. The Senate race, deciding 12 seats, is pivotal for Duterte's July impeachment trial, which could bar her from office. Despite Rodrigo Duterte's ICC detention, he is set to win Davao's mayoral race. Marcos and Duterte back competing Senate slates, with Imee Marcos joining Duterte's party. Security is tight, with 163,000 police deployed amid reports of election-related violence and vote-buying.
Australia's 2025 Election: Decisive Labor Majority Amid Liberal Collapse <i>Center for Strategic and International Studies,</i> May 05, 2025	The Australian Labour Party secured a landslide victory in the 3rd May election, gaining a strong majority and solidifying Prime Minister Anthony Albanese's leadership. Labour's win, driven by focus on domestic issues like cost of living and healthcare, leaves the Liberal Party in disarray. While foreign policy played a minor role, the result reflects rising scepticism towards the US and growing concern about global instability. Labour remains committed to the US alliance and AUKUS, but challenges around defence spending and US reliability persist. Albanese's strengthened position gives him leeway in both domestic reforms and international engagement.
Australia's voters reject right-wing politics <i>The Economist</i> 03 May 2025	Australia's Prime Minister Anthony Albanese won re-election on 3 May 2025, the first consecutive victory in 21 years, partly due to voters' opposition to Donald Trump's disruptive global policies. This mirrors Canada's election, where dismay at Trump's market disruptions and abandonment of allies favoured left-leaning incumbent Mark Carney. Both left-leaning politicians were facing defeat against candidates who had aped some of Mr Trump's stylings until widespread dismay at the American president's disruption of global markets and abandonment of traditional allies turned the tide.
Six charts that reveal the story of the 2025 election <i>The Globe and Mail</i> April 29, 2025	The 2025 Canadian federal election , held on April 28, saw Mark Carney's Liberal Party win a minority government with 169 seats, just shy of a majority, while Pierre Poilievre's Conservatives secured 143. U.S. President Trump's threats, including tariffs and annexation rhetoric, dominated the campaign, marginalising smaller parties like the NDP and Bloc Québécois. The Liberals capitalised on a collapsing NDP vote and strong Quebec support, despite the Conservatives' improved vote efficiency and 41% vote share. Voter turnout reached 68.65%.

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Canada Election Highlights: Mark Carney Wins New Term as Prime Minister <i>The New York Times</i> <i>April 28, 2025</i>	Canada's 2025 federal election on April 28 saw Mark Carney's Liberal Party secure a minority government with 169 seats, falling short of the 172 needed for a majority, while Pierre Poilievre's Conservatives, hampered by Poilievre's own seat loss, trailed behind. U.S. President Trump's tariffs and annexation threats dominated, boosting Liberal support in key Toronto and Quebec ridings. The hand-counted paper ballot process caused delays, with counting briefly paused overnight.