doubt help stymie imports, it is just as likely that trade measures imposed by other governments will hobble India's exports.

For it is India's misfortune that Donald Trump's America is its biggest source of trade surpluses. Mr Trump's administration has multiplied the salvos against India, whether decrying supposed export subsidies, making it harder for Indian IT workers to get visas or accusing India of artificially weakening its currency. Unlike many American allies, India has not been exempted from imminent steel tariffs.

India would be seriously damaged by any further escalation in trade conflicts. It needs hard currency from exports not only to finance imports and economic growth, but also to repay external debts. These have swelled to around $500bn, or roughly a fifth of GDP, more than 40% of which is due in less than a year. Economists at DBS, a bank, say that this, together with India's trade slump, has put "external financing risks back on the radar". Keen to woo the investors it needs to fill the gap between exports and imports, India recently made it easier for outsiders to buy short-dated bonds, a move it had previously resisted for fear that investors might pull out suddenly if sentiment turned.

In a benign global macroeconomic environment, none of this matters too much. But investors' appetite for funding emerging-market deficits ebbs and flows. A previous bout of monetary-policy tightening in America in 2013 led to a "taper tantrum" in which money rapidly sloshed out of emerging markets. India used to be shielded from such turns in global sentiment. But its poor trade record means it is becoming more exposed. ■

China's stockmarket

IT, phone home

SHANGHAI

After forcing its tech firms to list abroad, China tries to bring them back

FOR a country that is hugely proud of its high-flying tech firms, China has a funny way of showing it. None of its internet giants—not Alibaba, nor Tencent, nor Baidu—is listed on the domestic stockmarket. Rules that were supposed to help investors have had the perverse effect of forcing firms to go public abroad, mostly in America. The result is that most people in China cannot buy stocks in the country's biggest, most innovative companies. But change is finally at hand. In the coming weeks China is expected to start letting these firms list some of their shares at home. If handled well—a big if—it would be a boon for the young stockmarket.

China's tech darlings initially went abroad because it was their only real option. Chinese regulations forbid dual-class shares, a structure favoured by tech entrepreneurs because it means they can raise capital while retaining control. Companies must also have three years of profits before going public. This is a stumbling block for tech companies, which often burn through cash as they scale up.

But as tech has grown ever more important to China's economy, its absence from the stockmarket has become glaring. The fact that foreigners have easier access to China's most dynamic companies is a long-standing gripe for local investors.

So the government looked for ways to bring them home. It has not been a simple matter: their foreign corporate structures and dual-class shares violate local market rules. Officials finally settled on depositary receipts as the answer. The firms will keep their primary listings abroad but entrust banks with a small portion of their shares; the banks will then offer certificates in China backed by these shares.

The threshold for issuing Chinese Depositary Receipts (CDRs) will be high. Listed companies must have market capitalisations of more than 200bn yuan ($31bn). Companies going public abroad can offer CDRs at the same time if their market cap is expected to be higher than 20bn yuan. The first approvals could come as soon as June. Four companies are mentioned most often as candidates: Xiaomi, a smartphone maker that filed for a flotation in Hong Kong on May 3rd; Alibaba and JD.com, two e-commerce rivals; and Baidu, known for its search engine.

Companies could reap several benefits, says James Wang, the head of Goldman Sachs's equity business in China. CDRs will be good for marketing, because their legions of Chinese users will now be able to own part of them. They will make it easier to include shares in pay packages, which previously had been complicated by capital controls. And they will give companies one more avenue for raising cash, all the more useful since it will be yuan (bringing dollars in from overseas takes time).

Yet there is no doubt that the overriding motive will be political. Keeping regulators happy is a requirement for any company in China. Left to their own devices the tech firms would be in no rush to sell shares in China; foreign listings have served them well. But when the government asks them to do something, they cannot say no.

What might the downsides be? One risk is that, as local investors clamour to buy them, CDRs will trade at a huge premium to their foreign counterparts. Because of capital controls, there is no channel for arbitraging between onshore and offshore markets. If premiums are too high, companies might look exploitative. Sean Darby of Jefferies, an investment bank, says they will need to issue enough CDRs to satisfy pent-up demand. But regulators will want to cap CDRs for fear that cash will be drained from the rest of the market.

Another worry is that companies will have to comply with onerous extra rules after issuing CDRs. One example concerns follow-on offerings. Listed firms in developed markets can go from announcing extra share sales to completing them in a day; in China, the process can take two months since they must obtain shareholder and regulatory approval. Analysts had thought that China would ease rules such as these for CDR issuers, but it appears set to keep them in place. The upshot is that the tech firms that list in China will, for their troubles, face cumbersome new regulations. Welcome home. ■

Student accommodation

Higher earning

BIRMINGHAM

Big investors are giving university digs an upgrade

THE words "Unite Students" are emblazoned on Aston University's residence halls and on signs all over campus. They are the name of a firm that builds, buys and manages student accommodation across Britain. Last year Unite Students bought all 3,000 of Aston's on-campus bedrooms for £227m ($313m) in partnership with the Government of Singapore Investment Corporation, a sovereign-wealth fund. It was thought to be the largest ever one-off purchase of student housing.

Many readers will no doubt recall dingy halls of residence owned by universities, or squalid private digs owned by indi-

The way we were