

Catch up: South Korea jet crash kills 167; Putin apologises for plane strike



A passenger jet crashed in **South Korea**, killing at least 167 people. The plane burst into flames after hitting a wall while landing at Muan International Airport in the country's south. The flight was returning from Bangkok with 175 passengers on board; two were Thai nationals and the rest South Korean. Two survivors, both crew members from the South Korean airline Jeju Air, have been rescued.

Vladimir Putin apologised for the shooting down of an **Azerbaijani passenger plane** on Wednesday—his first public comment on [the incident](#). In a call with his Azerbaijani counterpart, Russia's president admitted that his forces were deploying anti-aircraft fire against a Ukrainian drone attack at the time, but did not go as far as accepting responsibility for the strike. At least 38 passengers were killed.

Gazprom, Russia's state-owned energy giant, said it would halt gas exports to **Moldova** from January 1st, citing unpaid debts worth up to \$709m. Moldova, which relies heavily on Russian gas,

claims the debt is just \$8.6m. Dorin Recean, Moldova's prime minister, condemned the move, accusing Russia of weaponising energy. In November, despite Russian interference, [the country re-elected](#) a pro-EU president.

Taliban forces launched strikes on the Durand Line, Afghanistan's disputed border with **Pakistan**, sparking heavy clashes. The fighting killed 19 Pakistani soldiers and three Afghan civilians, according to local media. Afghanistan's defence ministry suggested the attack was in retaliation for Pakistani air strikes earlier this week. Relations between the neighbours remain fraught, with [Pakistan](#) accusing Afghanistan of sheltering militants.

Authorities in **Finland** said they would relocate a seized tanker to a port near Kilpilahti, in the south of the country, for investigation. The vessel, which was boarded on Thursday, is suspected of damaging undersea cables while transporting Russian oil. It is believed to be part of a "shadow fleet" evading [sanctions on Russian oil](#) sales.

China's government said it would lower import tariffs on ethane and certain recycled copper and aluminium raw materials from January 2025. China is adjusting hundreds of import categories in an effort to [promote green industries](#). Tariffs on other items, including molasses, will rise.

Word of the week: Bossman. A name (originating in London slang) for those who run a small shop in Britain. [Read the full story.](#)

2025 in preview: Chip wars intensify

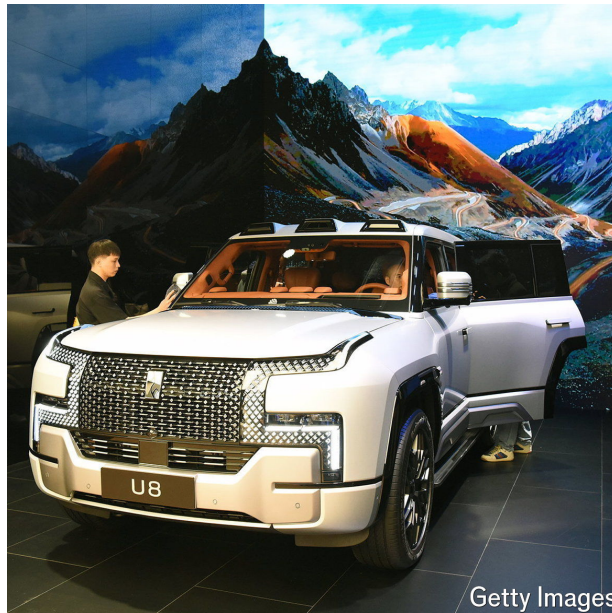


Until January 2nd we are looking ahead to next year's big stories. Today, what will shape business?

Advanced [chipmaking](#) will return to America in 2025, more than a decade after the country lost its edge in semiconductor manufacturing to Taiwan. Ironically it is TSMC, a Taiwanese chip giant, that will lead this comeback by making state-of-the-art chips at its new fabrication plant in Arizona. The government hopes that almost a fifth of all leading-edge chips will be produced in America by 2030.

Reviving advanced chip production is one part of America's semiconductor strategy. The other is keeping China's ambitions in check. Since 2022 America has banned the export of its whizziest chips and chipmaking tools to China. Donald Trump is expected to ramp up such measures. The intensifying Sino-American tussle will feature tariff skirmishes and rule tweaks. The longer the chip war drags on, the more it will test the loyalty of countries and companies caught in the crossfire.

2025 in preview: Chinese EVs surge ahead



The main appeal of a [Chinese electric vehicle](#) (EV) to overseas buyers is obvious: high quality at prices foreign carmakers struggle to match. But Chinese EVs do not just offer a bargain. They also have more impressive features. The styling and technology in their 2025 models show where all cars may be heading.

The Yangwang U8 SUV, made by BYD, a Chinese carmaker, can “tank turn” on the spot by spinning its wheels in different directions, and has a “floating” mode that lets it drive on water in emergencies. The SU7 Max, a new EV from Xiaomi, best known as a maker of smartphones, accelerates like a supercar (0-60mph in 2.8 seconds).

Chinese buyers of new cars, whose average age is around 35 (some 20 years younger than in Europe), are tech-savvy and expect vehicles to be loaded with whizzy features. Chinese firms are giving them what they want. Foreign carmakers may not be able to catch up.

2025 in preview: Conflict shakes up the defence industry



If there is one iconic image from the Ukraine war, it may be that of a small drone damaging a Russian tank. The asymmetry of cost and consequence typifies modern warfare and is spurring a retooling of armed forces. In 2025 Europe's traditional defence businesses will [bump up against start-ups](#). "Defence-tech" is coming of age, thanks to new technologies such as drones and artificial intelligence.

European startups like Helsing, Iceye and Delian Alliance Industries are vying for government contracts. They are encouraged by a landmark EU report that recommended a radical rehaul of defence funding and procurement. Officials are discussing spending an additional €500bn, financed through borrowing.

More pessimistic observers fear that not much will change, however, because of a deep bias towards the status quo. The flood of new funding could entrench incumbents, making life even harder for defence-tech startups. The fight to transform warfare is not just taking place on the battlefield.

2025 in preview: DEI will be slimmed down



If 2020 was the year when [diversity, equity and inclusion](#) schemes ballooned, then 2024 marked the start of the anti-woke backlash. This pummelling will continue in 2025 and spread. Mentions of DEI in earnings calls have already fallen sharply over the past year. In 2019 77% of companies said racial diversity was a high priority. That had dropped to 69% by 2024. Divisive interventions are turning employees against DEI. Bosses fear online backlash, particularly from influencers like Elon Musk. Firms with conservative customers will tone down their rhetoric and gradually phase out some schemes, like diversity-linked bonuses.

Yet smart employers will retain efforts to ensure recruitment draws from broader talent pools and includes fairer ways to evaluate candidates. Nearly three-quarters of workers believe workplaces have become more respectful and inclusive over the past decade, according to Lean In, an NGO, and McKinsey, a consultancy. The aim of making companies fairer and genuinely more inclusive will not die in 2025.

The winners of this week's quiz



The Economist

Thank you to everyone who took part in this week's quiz. The winners, chosen at random, were:

Patricia Poels, Heverlee, Belgium

Katie Cho, Palo Alto, United States

Andy Matterson, Ennetbaden, Switzerland

They all gave the correct answers of: Bleak House, Herald, Holly Golightly, Old Faithful and Silent Spring. The theme is Christmas carols: In the Bleak Midwinter, Hark The Herald Angels Sing, The Holly and the Ivy, O Come, All Ye Faithful and Silent Night.

The questions were:

Monday: Which Charles Dickens novel features the long-running court case Jarndyce v Jarndyce?

Tuesday: Which newspaper title is shared by publications in Miami and Scotland?

Wednesday: Who was the central female character in the book and film "Breakfast at Tiffany's"?

Thursday: What erupts roughly every 90 minutes in Yellowstone

National Park?

Friday: Which 1962 book by Rachel Carson described the harm to nature caused by the pesticide DDT?

Bossman

A name (originating in London slang) for those who run a small shop in Britain.

Read the full story.

If people do not believe that mathematics is simple, it is only because they do not realise how complicated life is.

John von Neumann