

## Catch up: Ukraine's minerals deal; Starmer boosts defence spending



**Ukraine** reportedly agreed on terms for a **minerals deal** with **America**. It will not include the security guarantees Ukraine had previously asked for, according to the *Financial Times*. The final agreement, which Ukraine is expected to sign shortly, also apparently does not require Ukraine to pledge \$500bn worth of natural resources as a back payment for military aid—as America [earlier demanded](#).

Sir Keir Starmer, **Britain's** prime minister, pledged to raise **defence spending** to 2.5% of GDP per year by 2027, from 2.3%, with a view to eventually reaching 3%. The initial increase, costing £13.4bn (\$17bn) annually, will be funded by cutting overseas aid. On Thursday Sir Keir will visit the White House to press Donald Trump to not abandon [Ukraine](#) in any peace deal with Russia.

**Russia** launched an overnight attack on **Ukraine**, killing two civilians and injuring 36, according to Ukrainian officials. All of the country was under air-raid alerts as Russia targeted multiple regions with drones and missiles. On Monday Emmanuel Macron

and Mr Trump said that [European troops](#) could serve as peacekeepers in Ukraine, after France's president travelled to the White House.

Twenty-one staffers of Elon Musk's **Department of Government Efficiency** reportedly quit [in protest](#) against the group's [ostentatious budget-slashing](#). The employees, including engineers and data scientists, worked for America's digital-service unit, which became DOGE. They said their skills were being used to "dismantle critical public services". Meanwhile the White House confirmed that Mr Musk would participate in Mr Trump's first Cabinet meeting on Wednesday.

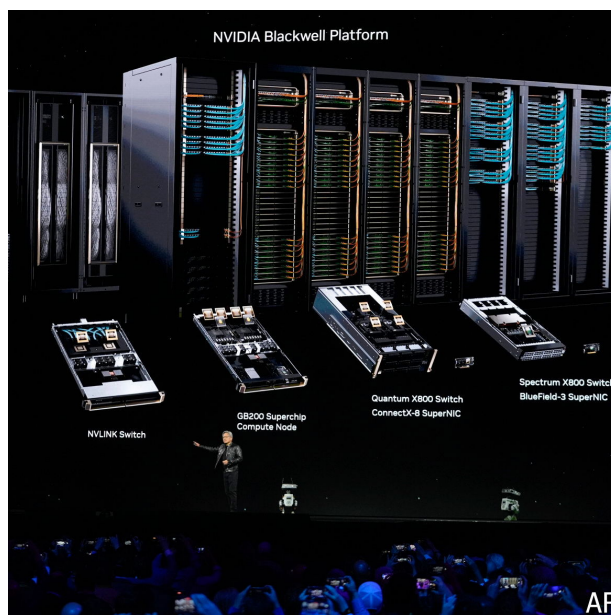
Three hard-right opposition parties in **Romania**—AUR, SOS Romania, and POT—filed a no-confidence motion against the pro-EU government. Signed by 154 members of parliament, it accuses the government of corruption and economic mismanagement. The vote is expected to fail but could raise the parties' popularity ahead of a re-run of the [presidential election](#) in May. The original ballot was annulled over alleged Russian interference.

Hein Schumacher, **Unilever's** boss, said he will step down in March after less than two years in charge. Fernando Fernandez, the consumer-goods conglomerate's chief financial officer, will replace him. Investors had pushed for better performance after weak earnings. The board said Mr Fernandez was better suited to lead a turnaround plan initiated by Mr Schumacher, which includes job cuts and spinning off the ice-cream business.

The World Health Organisation said that an "unknown disease" in the **Democratic Republic of Congo** has infected 431 people, and of those killed 53, since the first cases in January. The outbreak first emerged among three children who developed fatal symptoms after reportedly consuming a bat carcass. A second outbreak occurred days later but "no epidemiological links have been established", the WHO said.

**Figure of the day:** 6%, the lower tariff rate Converse has secured by reclassifying its canvas sneakers as slippers, avoiding rates as high as 48% for other footwear. [Read the full story.](#)

# Nvidia's make-or-break moment



Wall Street is holding its breath ahead of [Nvidia's earnings](#) on Wednesday, fearing a misstep could rattle the stockmarket. It will be the chipmaker's first update since the sudden popularity of DeepSeek, a Chinese artificial intelligence firm whose model apparently requires fewer powerful chips, briefly wiped \$600bn from its market value in January. Nvidia's shares have nearly recovered, and it is expected to report a bumper rise in fourth-quarter revenues to \$38bn. Earnings growth will be slower, and profit margins may shrink as the company invests in ramping up production of next-generation chips.

The real focus will be on its outlook. Investors are eager to hear how it expects to navigate further American restrictions on chip exports to China and whether AI data-centre demand will keep up its breakneck pace. Confidence in Nvidia has been buoyed by hefty capital-spending pledges from big cloud firms. But until strong AI-driven demand materialises, the battle between bulls and bears will rage on.

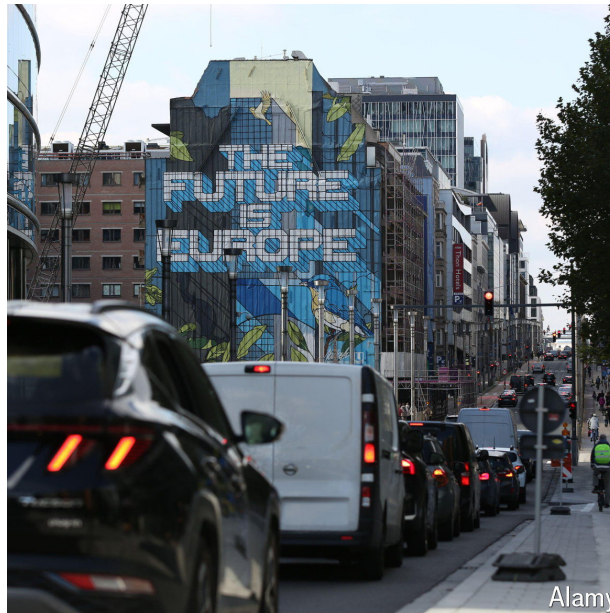
# Trump's war on DEI



One feature of Donald Trump's first month back in office has been a [crackdown](#) on diversity, equity and inclusion policies. Wednesday is an important deadline: it is the end of the 30 days he gave the secretaries of defence and homeland security to submit "detailed guidance" on abolishing DEI in the armed forces. The order includes eliminating preference-based hiring and scrapping DEI-related roles. The secretaries' proposals will come on the heels of a purge of top military commanders, some of whom were black or female.

Other deadlines are looming: on February 14th the Education Department gave schools and universities 14 days to end DEI initiatives or risk losing federal funding. The campaign against DEI has met obstacles: a federal judge blocked much of an executive order that aims to end "equity-related" government contracts. But corporate America appears to be following Mr Trump's lead. Big firms—including Amazon, Walmart, Meta and Goldman Sachs—have scaled back their DEI policies.

# Europe's economy needs a boost



Europe's ability to defend itself [without America](#) depends on its economy. Faster growth makes more money available for defence. But, hurt by high energy costs, Chinese competition and potential trade wars, European companies need a boost. On Wednesday the European Commission will try to provide one in the form of two proposals—one on simplifying reporting requirements of firms on sustainability, the second on helping green industries to grow in Europe.

The vogue for deregulation, which began in America, has come to Europe but it will be a lot less extreme there. The commission's proposals on greening industry will also be less forceful than the subsidy-fuelled Inflation Reduction Act of the Biden administration. The commission will probably relax state-aid rules, giving governments more flexibility to support green industries and stabilise energy prices. It will also propose changes to public procurement rules, enabling governments to favour European suppliers of green technology.



## Will Germany's election lift consumers' spirits?



On Wednesday, GfK, a research firm, will release Germany's consumer-confidence index for February. Consumer sentiment declined in January; both economic expectations and consumers' willingness to spend were lower than in the previous month.

Last weekend's [election](#), however, could lift their spirits. The likely new chancellor, Friedrich Merz, is seen as much bolder and more business-friendly than Olaf Scholz, the outgoing one. The centre-right leader of the Christian Democratic Union has pledged to cut red tape and lower taxes to [boost the economy](#). He wants to simplify immigration rules for skilled foreign workers and encourage more pensioners to remain in the workforce. He has also promised to increase defence spending as part of a plan to make Europe less reliant on America, which could cheer German companies. Any rise in consumer confidence may not be visible in the February figures. But signs of optimism could appear by the end of next month.

# The “Shakiverse” shakes the Americas



Dancefloors around the world erupt when the trumpets of Shakira’s “Hips Don’t Lie” blare from the speakers. The sizzling hit propelled the Colombian singer—and her hips—to fame in 2006. This week she returns to Colombia’s capital, Bogotá, during a world tour to promote her first album in seven years, “Las mujeres ya no lloran” (“Women No Longer Cry”).

Her two concerts are expected to generate 136bn pesos (\$33m) for the wider economy, according to Bogotá’s development office. Fans can also belt out her hits in the Shakiverse, an interactive exhibition celebrating the pop queen. With 15 Grammy Awards, Shakira is one of the most decorated artists of all time. She has also helped Colombia’s music industry to boom. The country is now the sixth-largest exporter of music to the United States; streams of Colombian artists raked in nearly \$100m in 2023. And she has put her hometown on the map, even getting tongue-tied Anglophones to sing: *¡En Barranquilla se baila así!* (In Barranquilla we dance like this!)



## Daily quiz



*The Economist*

We will serve you a new question each day this week. On Friday your challenge is to give us all five answers and, as important, tell us the connecting theme. Email your responses (and include mention of your home city and country) by 1700 GMT on Friday to [QuizEspresso@economist.com](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Wednesday:** Which play by Dylan Thomas is set in the fictional Welsh town of Llareggub?

**Tuesday:** Who co-stars with Steve Martin and Selena Gomez in the TV series "Only Murders in the Building"?

**Music expresses that which cannot be put  
into words and that which cannot remain  
silent**

*Victor Hugo*