

The world in brief

Catch up quickly on the global stories that matter



Photograph: Bloomberg via Getty Images

Israel's security cabinet approved a plan to launch a [full-scale military occupation](#) of Gaza City. Ahead of the vote, Binyamin Netanyahu, the prime minister, said Israel eventually plans to take full control of Gaza and hand governance to Arab forces opposed to Hamas. Israel's army, which already controls around 75% of the enclave, has reportedly warned that a full takeover would endanger the Israeli hostages held there.

OpenAI launched GPT-5, a keenly awaited new artificial-intelligence model. [The American company](#) said the model was better at coding and “agentic tasks” than its predecessor, GPT-4, which it released over two years ago. Tests also showed that the new model experienced fewer hallucinations, the firm added. It said that ChatGPT, its AI chatbot, now has nearly 700m weekly active users.

Ukraine's president, Volodymyr Zelensky, said that **Europe** must be involved in efforts to end the [war with Russia](#). He called European leaders after American and Russian officials suggested Donald Trump could meet Vladimir Putin, his Russian counterpart, soon. Mr Trump also reportedly said that he would arrange follow-up talks between himself, Mr Zelensky and Mr Putin, though Russia's leader later seemed to reject the idea.

Mr Trump nominated **Stephen Miran**, an economic adviser who has [championed the president's tariff policy](#), to temporarily fill a vacancy on the **Federal Reserve's** board of governors. If confirmed by the Senate, Mr Miran would serve on the committee until the end of January. Last week two Trump-appointed members voted to lower interest rates, in a [rare double dissent](#) from the majority opinion.

Mr Trump called on Lip-Bu Tan, the chief executive of **Intel**, to resign. The president said the [new boss of the beleaguered chipmaker](#) was “highly CONFLICTED”, but did not elaborate. Earlier this week, one of Mr Tan's previous companies admitted violating American chip-export controls by selling chip designs to a Chinese university. Intel's shares fell more than 3% following Mr Trump's comments.

The **Bank of England** cut interest rates by a quarter of a percentage point to 4%, their lowest level in more than two years. The cut, which was expected, comes after prices spiked in June. The bank's monetary-policy committee said it expects the annual inflation rate to peak at 4% in September, before moving closer to its target of 2%. It added that trade uncertainty had “diminished somewhat”.

Shares in **Crocs** plunged by 29% to their lowest level in nearly three years after the shoemaker said it expects revenue to fall by around 10% year on year in the third quarter. It warned that American consumers are “super cautious” about discretionary spending and it risks being tripped up by Mr Trump's trade policies, which are increasing costs.

Figure of the day: 900, the number of immigrants being housed in Alligator Alcatraz, Florida's newest immigration detention facility. [Read the full story.](#)



Illustration: David Simonds

China dodges Trump's new tariffs (for now)

The “reciprocal” tariffs that Donald Trump [unveiled last week](#) will impede trade with dozens of America's trading partners. But China, for now, has mostly been spared. The 10% rate it negotiated in May will probably be renewed on August 12th for another 90 days. This tariff truce has been a boon to China's exporters. Trade data released on Thursday showed that its exports to the world grew by more than 7% year on year in July.

But although the new levies do not apply to China directly, they could [affect it indirectly](#). For example, higher tariffs on Asian economies such as Vietnam and Thailand could weaken demand for both their finished goods and the Chinese-made components they contain. Mr Trump has also threatened 40% tariffs on “transshipments” through Vietnam from places like China (without defining the term). In bilateral talks, China's tough negotiating tactics have kept America in check. But it cannot avoid the fallout entirely.



Photograph: EPA

Will SoftBank's AI gamble pay off?

SoftBank, a Japanese investment giant, reported a net profit of \$2.9bn for the first quarter on Thursday. To investors those gains signal that Masayoshi Son, its billionaire founder and chief executive, is making progress on his push into artificial intelligence.

Last quarter the group posted a \$3.5bn profit, its strongest in five years, thanks to a rebound in telecoms stocks and rising valuations for private tech holdings. Since then, Mr Son has ramped up his bets on [AI firms](#). SoftBank has invested billions in Nvidia, TSMC and Oracle, and agreed to buy Ampere, an American firm specialising in AI chips, for \$6.5bn. He is also co-leading “Project Stargate”, a \$500bn plan to build [AI data centres](#) in America. Analysts want to know how the project will be financed, given high borrowing costs and setbacks over power providers and site selection. Meanwhile the Ampere deal is under national-security review by regulators. Mr Son may be driving the vision—but the obstacles ahead aren't entirely his to control.



Photograph: Alamy

An opening at the Federal Reserve

A vacancy appeared at the Federal Reserve last week when Adriana Kugler, a governor, resigned five months early. Her departure led to speculation that Donald Trump would fill the seat with his pick to succeed the Fed's chair, [Jerome Powell](#), whose term ends in May. Mr Trump has sharply criticised Mr Powell and urged the Fed to cut interest rates. By law, his replacement must be a sitting Fed governor.

In the event, Mr Trump kept his cards close to his chest. On Thursday he said he would nominate Stephen Miran, his economic adviser, to fill the vacant seat until the end of Ms Kugler's term, which ends in late January. He said he was still looking for a permanent replacement, suggesting the race to succeed Mr Powell remains open. Figures that Mr Trump is reportedly considering include Kevin Warsh, a former governor, and Kevin Hassett, the director of the National Economic Council. Christopher Waller, another contender, is already a Fed governor.



Photograph: Getty Images

Cambodia and Thailand hold tense border talks

On Thursday defence ministers from Cambodia and Thailand met in Kuala Lumpur, Malaysia's capital, to discuss how to defuse tensions over their [disputed border](#). Last month, the two countries engaged in five days of fighting—including artillery shelling and air strikes—that left at least 43 people dead and displaced 300,000. Cambodia is incensed that Thailand is yet to release 18 soldiers that it detained, an issue that is expected to dominate the talks.

The clashes took place near a stretch of frontier dotted with ancient Hindu temples perched on cliffs, which both countries claim as part of their cultural heritage. But it is not clear who fired the first shot, or why the fighting escalated so quickly. Both Cambodia and Thailand have accused the other of violating the ceasefire, and of making preparations to renew hostilities. A return to war cannot be ruled out.





Photograph: Jeremy Deputat

Inside Eminem's loyal army of "stans"

In 2017 the word "stan" was added to the Oxford English Dictionary. Coined by Eminem, an American rapper, the term describes "an overzealous or obsessive fan". In his song "Stan" (2000), an imagined devotee called Stanley Mitchell writes tormented, increasingly angry letters to Eminem and winds up killing himself and his pregnant girlfriend.

"Stans", a documentary released in selected cinemas on Thursday, showcases Eminem's real superfans. Luckily they are less enraged than eccentric. One woman has Slim Shady's face tattooed on her body 22 times; another fan took three months off school to grieve the death of DeShaun Dupree Holton, Eminem's best friend, in 2006. The film provides a fascinating look at the culture of fandom and the parasocial relationships people form with celebrities. (The stans speak about Eminem as if they personally know him, and can reel off every detail of his life.) Perhaps unsurprisingly, the tone of the documentary is cringingly fawning. The stans will no doubt be pleased.



Illustration: The Economist

Daily quiz

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 BST on Friday to [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

Thursday: Which film concerns the Muppets' attempt to conquer Broadway?

Wednesday: What term is generally used for Picasso's artistic style in the years 1901-04?

A mind all logic is like a knife all blade. It makes the hand bleed that uses it.

Rabindranath Tagore