

## Catch up: Israel strikes Hizbullah headquarters; Japan's new prime minister



The **Israel Defence Forces** said that it had launched an air strike on Hizbullah's "central headquarters" in Beirut, Lebanon's capital. In an earlier speech before the United Nations General Assembly **Binyamin Netanyahu**, Israel's prime minister, said that his country is "winning" against [Iran and its proxies](#) in the Middle East. He also vowed to [continue fighting](#) Hizbullah's "terror army" in Lebanon and reiterated his demand that Hamas, the militant organisation that runs Gaza, "has got to go". More than 700 people have been killed in Lebanon this week, according to the country's health ministry, after Israel launched a campaign of air strikes against Hizbullah.

[Ishiba Shigeru](#), a former defence minister, won [the race](#) to become **Japan's** next prime minister. He will take over from Kishida Fumio, who announced his resignation last month. Mr Ishiba triumphed over eight other candidates in the highly unpredictable contest for leadership of the ruling Liberal Democratic Party. It was his fifth attempt to bag the top job.

The **Federal Reserve's** [preferred measure of annual inflation](#) fell by more than expected in August. The personal consumption-expenditures price index was 2.2%, compared with 2.5% in July. The Fed, which recently [cut interest rates](#) for the first time since 2020, sets a target of 2% for PCE inflation. America's central bank announces its next interest-rate decision on November 7th.

**Donald Trump** met **Volodymyr Zelensky** in New York City. Although the Republican nominee said the pair shared “a common view” that the [war in Ukraine](#) must end, the meeting was overshadowed by criticism of Mr Zelensky by senior figures in Mr Trump's party. Some accused Ukraine's president of “election interference” after he visited a munitions factory in Pennsylvania alongside Democratic politicians.

**Chinese** stockmarkets made their best weekly gains since 2008 after the government announced measures to buoy the economy. As well as providing [central-bank support for share purchases](#), China is also planning a fiscal boost worth 2trn yuan (\$280bn), or about 1.5% of GDP, including handouts to families with two or more children, according to Reuters.

Inflation in **France** and **Spain**, two of the euro zone's big economies, was lower than expected in September. Consumer prices in France rose by 1.2% year on year, compared with 1.8% in August. In Spain the annual inflation rate was 1.5%, down from 2.3% in August. The data may encourage the [European Central Bank](#) to continue lowering interest rates when it meets in October.

**Dame Maggie Smith** died aged 89. The prolific British actress had a seven-decade career in film and on stage, winning an Academy Award for Best Actress in 1970 for [her performance](#) in “The Prime of Miss Jean Brodie”. She later played Minerva McGonagall in the film adaptations of the “Harry Potter” books and appeared in “Downton Abbey”, a TV series, as Violet, Dowager Countess of Grantham.

**Figure of the day:** 45%, the share of YouTube viewing in America that takes place on TV screens. [Read the full story.](#)

# Japan's next leader



Ishiba Shigeru, a former defense minister, won the ruling Liberal Democratic Party's [leadership race](#) on Friday. On October 1st, he will officially become prime minister, replacing Kishida Fumio who decided to stand down last month. Restoring public trust in the party has been the focus of LDP's election. A recent scandal over the misuse of political funds has many in the LDP worried about losing a big chunk of seats in the next general elections. In a speech after his victory, Mr Ishiba said he would strive to reform the party.

A former defense minister with populist flair, Mr Ishiba has called for an "Asian NATO"; he also wants to revitalise Japan's ageing regions. His victory is a relief for LDP moderates. Takaichi Sanae, a hardcore nationalist, dominated early voting and had entered the run-off with Mr Ishiba. She had pledged to visit the Yasukuni shrine, which commemorates soldiers, including war criminals, who fought in the second world war. That would have infuriated China and potentially undone the diplomatic work of Mr Kishida, who repaired relations with neighbouring [South Korea](#).

# America fortifies its Chinese tariff wall



America is sending [tariffs on China](#) sharply upwards. On Friday it will impose higher levies on a range of Chinese-made products: up to 100% on electric vehicles, 50% on solar cells and semiconductors, and 25% on EV batteries, steel, critical minerals and more. The decision, which President Joe Biden's administration first announced in May, stemmed from a review of the tariffs initially slapped on China by Donald Trump when he was in the White House.

Mr Biden's approach is more targeted than Mr Trump's. Whereas the tariffs four years ago sprawled to cover \$350bn-worth of imports from China, the new tariffs only hit about \$18bn-worth. Yet their effects may be more dramatic. There are few Chinese EVs on American roads now, and with 100% tariffs in place, the market will remain all but closed to them. That may help American carmakers. But it will hinder America's transition towards a greener economy.

# The G77 pushes for financial reform



On Friday foreign ministers of the G77, a big group of developing countries, will gather in New York on the sidelines of the UN General Assembly. High up the agenda will be the [widening economic gap](#) between G77 members and developed countries and the impact of climate change on poor states.

The group also wants to push for an overhaul of the [world's financial architecture](#). Some leaders argue that the high cost of capital for poor countries reflects unfair risk premiums. Part of the problem, they say, is that developing countries have too little clout at multilateral institutions like the International Monetary Fund.

The G77, often considered a marginal geopolitical force, has been emboldened by shared anger at Western countries among many of its members for doing too little to counter rising debt burdens and to reduce poverty. China is benefiting from this frustration. Although it is not a member of the G77 it has provided financial aid and diplomatic support to it.



## A sweet spot for Spain's economy



Spain's politics are increasingly dysfunctional but its economy is performing strongly. This week the government raised its forecast for GDP growth in 2024, from 2.4% to 2.7%, and from 2.2% to 2.4% in 2025. These growth rates are more than double the average growth rates expected in the [euro zone](#). This strong performance has improved the public finances; the fiscal deficit was just 3.6% of GDP last year. Business-confidence data, released on Friday, will probably reflect this rosy outlook.

The robust growth is mostly thanks to a post-pandemic boom in tourism, an influx of aid from the EU and swift job creation. Many of the new jobs are going to immigrants, with more than 1m arriving in the past three years. Pedro Sánchez's minority centre-left coalition failed to get a budget through parliament this year and is unlikely to next. But the strong economic numbers give it some room for manoeuvre.

# Sweden's running jamboree



The Lidingoloppet, an annual cross-country foot race, will draw as many as 20,000 competitors to Lidingo, a rocky island suburb of Stockholm, Sweden's capital, from Friday. Launched in 1965, the Lidingoloppet is part of the so-called Swedish Classic, a set of four challenges—including running, swimming, cross-country skiing and cycling—that must be completed within a 12-month period.

The main event is a 30km (18.6 mile) race across difficult terrain that includes steep climbs and descents. The unpredictability of Swedish weather adds to the difficulty. Isaac Chemobo of Kenya set the men's record for this dash, 1:33.33, in 1998. It has stood for longer than most sports records. Yet the reward for winning may mainly be satisfaction. The prize of just \$3,000 is relatively mere.



# 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 BST 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.

**Friday:** Bone ash, feldspar and kaolin play are used to make what upmarket household product?

**Thursday:** Which cricket trophy is the subject of a regular battle between England and Australia?

# The winners of last week's crossword



Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

**Eric Fay**, Warsaw, Poland

**Danae Penn**, Condom, France

**David M. Livingstone**, Winterthur, Switzerland

They all gave the correct answers of [silicon chip](#), [Saturn](#), [Oxford](#), and [pastor](#). Check back tomorrow for this week's crossword.

**45%**

*The share of YouTube viewing in America that takes place on TV screens.*

*[Read the full story.](#)*

**We cannot make events. Our business is wisely to improve them.**

*Samuel Adams*