

## Catch up: Trump and Zelensky's war of words



**Donald Trump** appeared to blame **Ukraine** for starting **Russia's war** in the country. When asked why Ukraine's president, Volodymyr Zelensky, had been sidelined during talks in Riyadh on Tuesday, he suggested that over the past three years Ukraine's "grossly incompetent" leader "could have made a deal". Mr Trump demanded: "where is all the money that's been given" and suggested that Ukraine hold elections.

**Mr Zelensky** **accused America's president** of pedalling Russia's disinformation and bringing the country's leader, Vladimir Putin, **back from his "long isolation"**. He noted that fighting off invasion had cost Ukraine \$320bn, of which \$200bn had come from America and the EU—well short of the \$500bn in compensation that Mr Trump is seeking to extract from Ukraine's mineral wealth.

Mr Trump said he was considering **tariffs** "in the neighbourhood of 25%" on imports of cars, pharmaceuticals and semiconductors. Many of the **levies** would rise "substantially" over the year, he added. Mr Trump also said there would be room for negotiation

and that the EU had already agreed to lower its barriers to American cars, which the bloc denied.

**Jair Bolsonaro**, Brazil's [hard-right former president](#), was formally charged with trying to stage a coup to overturn the election he lost to Luiz Inácio Lula da Silva (known as Lula) in 2022. The attorney-general accused Mr Bolsonaro—who denies wrongdoing—of leading a “criminal organisation” that falsely discredited the electoral system and encouraged groups of supporters to storm the three branches of government in Brasília, the capital, in January 2023.

**HSBC** is revamping its business to the tune of \$1.8bn. Europe's largest bank by assets plans to restructure its main business units and scale down its investment banking operations. The Britain-based bank plans to save \$300m in 2025 and \$1.5bn in 2026; it will use those funds to cover the upfront costs of the overhaul, such as hefty severance packages for bankers.

The **European Union** is expected to levy new sanctions against [Russia](#). The reported package will target the country's aluminium and further tighten restrictions on crude oil exports. EU ministers are expected to approve the 16th round of measures against Russia since the full-scale invasion of Ukraine three years ago on Monday.

**Britain's** [inflation](#) rose to 3% in January, according to the Office for National Statistics—the highest rate in ten months. That was mostly down to the cost of food, non-alcoholic drinks, transport and the imposition of value-added tax on private-school fees. It means the Bank of England will probably remain cautious over cutting interest rates.

**Figure of the day:** \$18bn. Alibaba's market value gain on rumours that China's leaders are rehabilitating the company's founder, Jack Ma. [Read the full story.](#)

# America and Ukraine struggle to see eye to eye



The arrival in Kyiv of Keith Kellogg, Donald Trump's special envoy for Ukraine, on Wednesday will be an opportunity for his host, President Volodymyr Zelensky, to calm the waters. In the past few days it appeared at times that American officials were [preparing to bully Ukraine](#) into a disadvantageous ceasefire deal.

Mr Zelensky is hoping to take the retired general to the frontlines, to show him things are not as dire as many appear to believe, and that his country is not interested in peace at any price. Over the weekend Ukrainian forces carried out a series of successful counter-attacks near Pokrovsk, a logistics hub sought by Russia.

Mr Kellogg says that America has no intention of [imposing a peace deal on Ukraine](#). But given that he was excluded from recent talks between the Americans and the Russians in Riyadh, it is not clear whether he has much [influence with Mr Trump](#).

# South Africa's pivotal budget



For more than a decade [South Africa's budgets](#) have followed a familiar pattern. The ruling African National Congress pledges to rein in public debt and accelerate economic growth. It then fails to do so.

Debt as a share of GDP has doubled since 2012, from 37.4% to an estimated 75% in 2024. The latest budget, due to be delivered by Enoch Godongwana, the finance minister, on Wednesday, ought to augur a change of direction. The International Monetary Fund is one of several bodies warning that South Africa's current path is economically unsustainable.

That is also true politically. The ANC's main coalition partner, the Democratic Alliance, is requesting a serious effort to reduce the debt ratio as a condition of its staying in the [“government of national unity”](#). But bond markets are sceptical about whether South Africa can reverse course: in the past month ten-year bond yields have spiked to more than 10%, the highest since the government took office last year.



## CPAC is back



Right-leaning Americans will gather in Washington from Wednesday to Saturday for the Conservative Political Action Conference. The long-running event once served Republican politicians (and particularly presidential aspirants) to showcase their [vision of conservatism](#), while activists from around the country networked with each other. Its role has changed in the [Trump era](#).

Like the Republican Party at large, the conference has shifted its focus over the past decade to celebrating the current president. Donald Trump has spoken at the venue in the past but this time has not yet confirmed attendance. This year's event will be overshadowed by accusations that Matt Schlapp, chairman of the American Conservative Union, which runs CPAC, sexually assaulted a man earlier this month—the fourth reported incident of this nature in the past eight years. Mr Schlapp, who is married and has five children, denies the allegations. But the scandal hasn't kept leading Republicans away: J.D. Vance, the vice-president, will address the crowd on Thursday.

# Violence and impunity in Mexico



Mexico's murder problem **continues** unabated, as a report by Human Rights Watch, to be published on Wednesday, sets out. Murder remains **alarmingly common**: the homicide rate is 26 per 100,000 people, over four times that in the United States. But more shocking is the extent of impunity: 90% of murders in Mexico go unpunished. Many of the killings are concentrated in certain towns, which rank among the world's most violent.

Claudia Sheinbaum, who became Mexico's president in October, has pledged to quell the violence. Her strategy focuses on better investigation and intelligence. But so far she has been unable to make a mark. That matters not just to Mexicans. Among the many things **America's president has grumbled** about regarding his southern neighbour are its gangs. Donald Trump's administration seems determined to get tough. It will soon name several Mexican groups as foreign terrorist organisations, potentially paving the way for unilateral military action—something Mexico can ill tolerate.

## A sticky wicket in Pakistan



Pakistan is the second-most populous cricketing country in the world. Despite the legendary fervour of its fans, it has been 29 years since Pakistan last hosted an international tournament. That run ended on Wednesday when the Champions Trophy started in Karachi, the country's largest city.

Pakistan's long-standing political [rivalry with India](#) has necessitated some big compromises. All matches in the tournament between the two are to be played at neutral venues until at least 2028. This time, that means the United Arab Emirates. If both teams reach the final, it will be held in Dubai.

India's financial and bureaucratic dominance of cricket has disadvantaged Pakistan for years. Its players are still unofficially banned from the Indian Premier League, the sport's most lucrative competition, and have few opportunities in other leagues where IPL owners have a presence—a political divide that even a shared love of cricket cannot begin to bridge.

## 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:** Tony Stark is the real name of which Marvel super hero?

**Tuesday:** Which 1980s soft rock hit features the line "Sure as Kilimanjaro rises like Olympus above the Serengeti"?



**The man who cannot visualise a horse  
galloping on a tomato is an idiot.**

*André Breton*