

Catch up: Tesla sales underwhelm; Rampage in New Orleans



Tesla's shares fell by around 7% after the electric-vehicle firm reported its first annual drop in deliveries. It sold 1.79m vehicles in 2024—short of the previous year's 1.81m. Competition from Chinese EV-makers and [weaker sales](#) in Europe and China were responsible. Earlier BYD, a Chinese EV-maker and Tesla's closest rival, reported record annual sales of 1.76m.

The FBI concluded that Shamsud-Din Bahar Jabbar, who [killed at least 14 people](#) by driving into a crowd on Wednesday in **New Orleans**, acted alone. Mr Jabbar, a 42-year-old army veteran from Texas, was killed in a shoot-out with police. The FBI is examining his links to **Islamic State**. Prior to the attack, he posted videos expressing allegiance to the Jihadist group.

A **Tesla** vehicle exploded outside the Trump Hotel in Las Vegas, killing the driver and injuring several others. [Tesla's](#) boss, Elon Musk, said that the blast was caused by “very large fireworks and/or a bomb [in the truck]”. Police said they were investigating a

possible connection to the attack in New Orleans, but had so far found no link.

Israeli airstrikes killed at least 63 Palestinians across Gaza on Thursday, medics reported. Eleven people died in a tent encampment sheltering displaced families in Al-Mawasi, a humanitarian zone in the enclave's south. Among them were Gaza's police chief, Mahmoud Salah, and his aide. Earlier Israel's defence minister, Israel Katz, threatened to [intensify strikes](#) after Hamas launched rockets at Netivot, a city in southern Israel.

Euro-zone manufacturing activity continued to fall in December. The S&P's purchasing managers' index, a survey, dropped to 45.1 from 45.2 the month before, well below the 50 threshold for growth. Output declined in France, Germany and Italy, while it grew modestly in [Spain](#). The contraction will probably push the European Central Bank to pursue more aggressive interest-rate cuts at its next meeting on January 25th.

A gunman killed at least ten people, including two children, in a small town in **Montenegro**. The attacker, named as Aleksandar Martinovic, fled the scene before killing himself when surrounded by police. The prime minister, Milojko Spajic, described the murders as a "terrible tragedy" and declared three days of national mourning. Mass shootings are rare in the small Balkan country.

House prices in Britain rose by 0.7% month on month in December, nearing records set in 2022, according to Nationwide, a British building society. Backed by rising real incomes, buyers are rushing to complete transitions before tax changes in April. Globally, [house prices](#) are also near record-highs because of rising migration and limited supply.

Figure of the day: 3%, the amount by which American share prices have increased since Donald Trump's election. [Read the full story.](#)

China's export push



China-watchers find themselves in limbo as they await two announcements that will determine the economy's fortunes in 2025. One concerns the tariffs that Donald Trump, America's president-elect, has threatened to [impose on Chinese goods](#). The other is about the size and style of the fiscal stimulus that China's legislature should approve in March. Reuters, a news agency, suggests that China may aim for an official budget deficit of 4% of GDP, higher than its customary limit of 3%.

The economy seems to be benefiting already from some extra government spending and lending. Construction picked up in December, according to the latest official surveys of purchasing managers. This may reflect an increase in infrastructure investment and government-approved credit for homebuilders. However, a similar survey released on Thursday by *Caixin*, a business magazine, showed a drop in export orders for manufacturers. If 2025 brings both higher tariffs and stronger stimulus, December's pattern of improved domestic spending and deteriorating exports could continue.

China's export push



China-watchers find themselves in limbo as they await two announcements that will determine the economy's fortunes in 2025. One concerns the tariffs that Donald Trump, America's president-elect, has threatened to [impose on Chinese goods](#). The other is about the size and style of the fiscal stimulus that China's legislature should approve in March. Reuters, a news agency, suggests that China may aim for an official budget deficit of 4% of GDP, higher than its customary limit of 3%.

The economy seems to be benefiting already from some extra government spending and lending. Construction picked up in December, according to the latest official surveys of purchasing managers. This may reflect an increase in infrastructure investment and government-approved credit for homebuilders. However, a similar survey released on Thursday by *Caixin*, a business magazine, showed a drop in export orders for manufacturers. If 2025 brings both higher tariffs and stronger stimulus, December's pattern of improved domestic spending and deteriorating exports could continue.

Russian gas stops flowing through Ukraine



The last shipment of Russian gas flowed through Ukraine to Europe on Wednesday, after a [contract for its transit](#) expired. Ukraine had warned in advance that it would allow the agreement to lapse. Volodymyr Zelensky, Ukraine's president, said he would not give Russia "the opportunity to earn additional billions on our blood".

The decision has annoyed Hungary and Slovakia, which together import 4bn cubic metres of Russian gas per year through Ukraine. They are scrambling to respond. Slovakia's prime minister, Robert Fico, has threatened to stop supplying power to Ukraine during blackouts caused by Russian bombing. Hungary's strongman, Viktor Orban, has suggested that it might purchase gas inside Russia, "so it would be Hungarian gas" by the time it crossed into Ukraine. The two leaders were already Ukraine's most vocal critics in the EU. Expect them to become louder.

A bleak start to the year in Gaza



Like so many times in the past year, optimism that fresh talks would result in a breakthrough in Gaza has dissipated. In December some hoped that a last push by the outgoing Biden administration, coupled with pressure from the incoming Trump one, would secure a ceasefire deal and the return of 100 Israeli hostages still held by Hamas. (Israel believes a third of them are already dead.) But old obstacles remain insurmountable. The militant group demands that Israeli forces withdraw from Gaza and won't commit to releasing all the hostages. Israel refuses to lay down arms while Hamas still controls parts of the territory.

So Israel's military campaign continues. The armed forces are trying to wipe out the remaining Hamas fighters in the northern part of the strip. Meanwhile more than 1.7m refugees are huddled in a "humanitarian zone" to the south. As winter sets in, babies are dying of hypothermia.

Georgian nightmare



On New Year's Eve demonstrators in Tbilisi, Georgia's capital, held a *supra* (a traditional feast) outside the parliament. They were not only welcoming in 2025 but expressing, yet again, their outrage at the ruling Georgian Dream party. In November, after winning a dodgy election, it halted EU-accession talks. The protesters, who will probably assemble for a 36th consecutive day on Thursday despite attempts to dissuade them with beatings, water cannon and tear gas, want a fresh vote to get Georgia back on a pro-Western track.

Meanwhile a constitutional crisis is intensifying. On Sunday Mikheil Kavelashvili, a hard-right Georgian Dream ally, was inaugurated as Georgia's president. But his pro-Western predecessor, Salome Zourabichvili, is refusing to step aside, claiming that the parliament that helped to install Mr Kavelashvili is illegal. Last week America introduced sanctions against Georgian Dream's founder, Bidzina Ivanishvili, a billionaire who made his fortune in Russia. [International pressure is welcome](#), but unlikely to sway the government.

Lockerbie re-examined



In 1988 Pan Am flight 103 exploded over Lockerbie, a town in Scotland, killing 270 people. Twelve years later three Scottish judges convicted Abdelbaset al-Megrahi, a Libyan, of mass murder. But doubts persist about the official account of Britain's deadliest terrorist attack. Jim Swire lost his daughter, Flora, in the bombing. Now 88 years old, the former doctor has spent decades investigating, eventually concluding that Megrahi was innocent and that a Palestinian militant group based in Syria were behind the attack.

"Lockerbie: A Search for Truth", a five-part series released on Sky Atlantic in Britain and on Peacock in America on Thursday, dramatises Dr Swire's search for answers. Colin Firth plays him as a man driven both by grief and a hunger for truth. Yet Dr Swire's theories are controversial; some bereaved families believe in Megrahi's guilt. The show is cautious. It concludes that the truth may never be known.

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. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Thursday: Which actress wrote and produced the first series of the tv show “Killing Eve” and wrote and starred in two series of “Fleabag”?

Wednesday: Which is the second most-used internet search engine?

Why not question everything?

Lynn Conway