

Catch up: Ukraine to sign minerals deal; Republicans move ahead with Trump's tax plan



Ukraine and **America** are on the verge of signing the terms of a **minerals deal**. Donald Trump said Volodymyr Zelensky, Ukraine's president, may come to Washington on Friday to [sign](#) the agreement. It does not appear to include the security guarantees the country had wanted. But neither will it require Ukraine to pledge \$500bn-worth of natural resources as payment for supposed past military aid. Instead both countries will establish a joint fund to collect and reinvest revenues from Ukrainian natural resources.

America's **House of Representatives** voted through a **budget framework** to enable Mr Trump's [legislative agenda](#), which includes tax and spending cuts and enhanced border security. Just one Republican dissented, although many had reservations about the proposal. Some Republicans thought it too spendthrift, others considered it too timid. The budget blueprint must now be reconciled with a competing one in the Senate.

Power was restored to **Chile** after an outage left millions without access to electricity. The government had declared a state of emergency on Tuesday. It blamed a transmission-line failure in the north of the country. Gabriel Boric, the president, vowed to punish the companies responsible for the disruption. Several copper mines were also affected. Chile is the world's largest producer of the metal.

South Korea's fertility rate rose in 2024, for the first time in nine years. The average number of births per woman increased from 0.72 to 0.75. That is still the lowest rate in the world and well below the “[replacement rate](#)” of 2.1, at which a population is stable. The jump may have been partly caused by an increase in marriages.

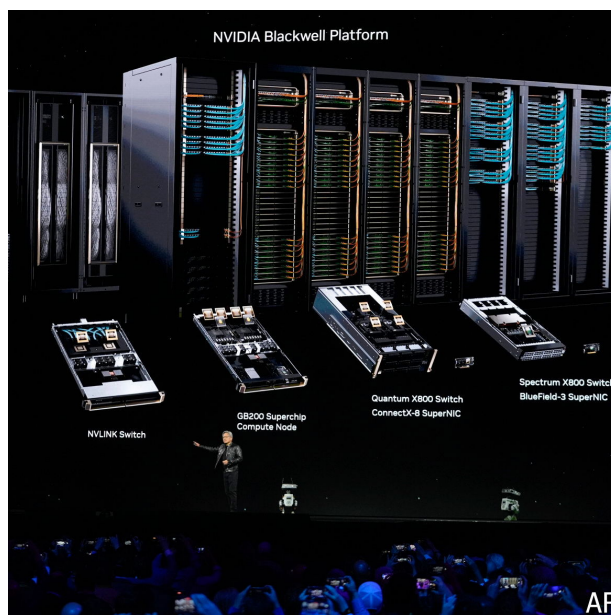
Stellantis, owner of car brands such as Citroën, reported that net profit in 2024 was €5.5bn (\$5.8bn), down 70% from the year before. (Stellantis's largest shareholder, Exor, part-owns *The Economist's* parent company.) Its boss, Carlos Tavares, quit suddenly in December, two months after the firm issued a profit warning. Shares have toppled by around 45% in the past year.

Ahead of a visit to the White House, [Sir Keir Starmer](#), **Britain's** prime minister, pledged to raise annual **defence spending** to 2.5% of GDP by 2027, from 2.3%, with a view to reaching 3%. Sir Keir hopes this will strengthen his negotiating position as he presses Donald Trump not to abandon Ukraine in any peace deal with Russia.

Apple promised to fix a glitch in its voice-to-text function on iPhones that caused the word “Trump” to briefly appear when users dictated “racist”. The [tech giant](#) blamed its speech-recognition model; others smelled sabotage. Videos of the incidents went viral a day after Apple promised to spend \$500bn in America—a pledge that observers view as a way for the company to ingratiate itself with the Trump administration.

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.

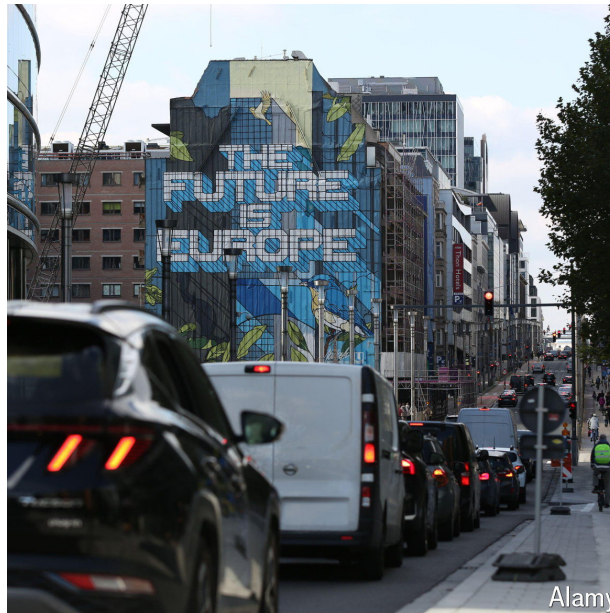
Trump's war on DEI



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, released Germany's consumer-confidence index for March. Consumer sentiment declined in February; 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. 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