

The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

The **United Arab Emirates** said it would pull its troops out of **Yemen** after **Saudi Arabia** backed an ultimatum by Yemen's government for their withdrawal. The retreat follows Saudi strikes on Mukalla, a city on Yemen's eastern coast, targeting Emirati weapons shipments destined for the Southern Transitional Council, a separatist group. Earlier this month the UAE-backed STC [captured territory](#) held by Saudi-backed factions, deepening the rift between the Emiratis and the Saudis.

Warner Bros Discovery plans to reject its rival **Paramount's** bid of \$108bn to purchase the Hollywood studio. According to reports, Warner's board still considers the [\\$83bn offer from Netflix](#) to be superior. Paramount had swooped in with its bid just days after Warner and Netflix had announced their deal. No final decision has been made yet, but Warner's board is expected to meet next week.

Factory activity in **China** increased unexpectedly in December, ending eight consecutive months of contraction. The [country's](#) official manufacturing purchasing managers' index climbed to 50.1, up from 49.2 in November (any value above 50 indicates an expansion). The figures will be a welcome boost for policymakers

following disappointing consumer and investment data released earlier this month.

Protests over **Iran's ailing economy** continued for a third day, reportedly spreading to university campuses. The demonstrations began on Sunday after shopkeepers in Tehran, the capital, went on strike in response to soaring inflation and the collapse of the rial, which has fallen to record lows against the dollar. Masoud Pezeshkian, the president, said his government would listen to protesters' "legitimate demands".

Burkina Faso and **Mali** banned **Americans** from entering their countries. In separate statements, the west African countries said their decision was made in retaliation for a similar move by America. Earlier this month Donald Trump expanded [travel restrictions](#) on visitors to 20 more countries, including Burkina Faso and Mali. His administration said the presence of armed groups in the countries was one reason for the travel ban.

Italy's parliament approved a **budget** for 2026 in a boost for the prime minister, [Giorgia Meloni](#). The budget aims to reduce the fiscal deficit from 3% of GDP in 2025 to 2.8% in 2026. It also includes a moderate tax cut for those earning between €28,000 (\$33,000) and €50,000. The package had been subject to significant wrangling within Ms Meloni's right-wing coalition.

Thieves in Germany stole cash and jewellery worth €30m (\$35m) from a savings bank in the city of Gelsenkirchen. Several men working together reportedly drilled through a concrete wall into the bank's vault to make off with the loot. Police said the crime was "very professionally executed", likening it to the heist in the film "Ocean's Eleven".

Figure of the day: 16,000, the approximate number of buildings destroyed in the fires that tore across Los Angeles County nearly a year ago. [Read the full story.](#)



Photograph: Getty Images

The Democratic Party tries to step up

Until January 2nd we are looking ahead to next year's big stories. Today, what will shape American politics?

Donald Trump's return to the presidency left Democrats in disarray. They lacked leadership and direction. Still, the party notched some impressive wins in state elections in November. And in 2026 its fight back could gain strength. In the midterm elections, Democrats will probably retake the House of Representatives. That would grant the Democrats subpoena power and the ability to go on the offensive. It would end Republicans' lock on Congress and could set the stage for Mr Trump's third impeachment.

A welcome turn of events for the Democrats, then. But the out-of-power party usually gains in the midterms. Democrats' longer-term fortunes will depend on who becomes their standard-bearer and eventual candidate in the 2028 presidential contest. Potential frontrunners include governors such as [J.B. Pritzker in Illinois](#) or [Gavin Newsom in California](#). To succeed, the party will need to work out why voters still trust Republicans more on some of the most salient issues, including crime, immigration and the economy.



Photograph: Getty Images

America's mass deportation campaign intensifies

Mass deportation was never going to be achieved in one year. The money and manpower required to round up thousands, let alone millions, of illegal immigrants would take time to secure. But Donald Trump's first year in office has [laid the groundwork](#). And in 2026 a dollop of cash from the One Big Beautiful Bill Act will fund more immigration agents, detention centres and surveillance technology.

That means the deportation campaign will probably accelerate. But two factors could yet convince the president to ease up. First is potential pressure from businesses. Bosses in industries such as farming or tourism fear a labour shock. Second is public opinion. Approval for Mr Trump's handling of immigration has plunged since he took office. Americans favour deporting criminals, but do not like to see masked agents shoving people into unmarked vans. Republicans up for re-election in November's midterm elections might campaign less relentlessly for deportations than before.



Photograph: Getty Images

The president and the Supreme Court

Since Donald Trump returned to office, the Supreme Court has largely—with the significant exceptions of [a National Guard deployment](#) and a deportation case—blessed his agenda. It has let him ban transgender soldiers from the armed forces, gut the Department of Education and rescind protections for more than 1m migrants. But these judgments have come on the court’s “emergency” or “shadow” docket that produces interim rulings. Several weighty questions are returning as slower-moving “merits” cases, which result in a final judgment.

When the court issues rulings in 2026, the president will find reasons to cheer—and a few to jeer. His biggest wins could include the court formally blessing many of his attempts to sack government officials and employees. As for the losses, the court will probably uphold the 14th Amendment’s [guarantee of birthright citizenship](#), which Mr Trump tried to rescind in an executive order. Meanwhile a ruling on his tariffs is expected in early 2026: a majority of justices expressed scepticism about their legality in oral arguments in November.



Photograph: Getty Images

America's big birthday

In July America will celebrate its 250th birthday. The coming year will feature parades, fireworks and, curiously, an Ultimate Fighting Championship bout at the White House. The celebrations will be a sign of America's political divisions. Two rival commissions are planning events. The "America250 Commission" was created by Congress in 2016 and aspires to a nonpartisan representation of the American story. "Task Force 250" was established by Donald Trump to "honour the history of our great nation".

The past has become a partisan battleground. To Mr Trump, it is the left that struck first, toppling statues of historical figures such as Confederate generals. In March he signed an executive order that complained of a "concerted" effort to "rewrite" America's history to foster "a sense of national shame". It called on officials to audit how the American story is told at federal historical sites and museums. Big anniversaries once provided moments of unity. Now that looks less likely.



Illustration: The Economist

Daily quiz

We will serve you a new question each weekday. On Friday your challenge is to give us all five answers and tell us the theme. Email your responses (and your home city and country) by 1700 GMT on Friday to [\[email protected\]](#). We'll pick three winners at random and crown them on Saturday.

Wednesday: What title is used by both the supervisor of a team of workers in a factory and the spokesman of a jury?

Tuesday: What pen-name was assumed by Charles Lutwidge Dodgson, author of a children's classic?

Rules have no existence outside of individuals.

Henri Matisse