

The world in brief

Catch up quickly on the global stories that matter



Photograph: Reuters

Ukraine's army stabilised the front line in Donetsk, an eastern province, according to local officials. **Russian** forces had broken through Ukrainian defences as part of a renewed push ahead of [talks between Donald Trump and Vladimir Putin](#) on Friday. Meanwhile Russia's president said Mr Trump was making "energetic and sincere efforts" to end the conflict.

Bezalel Smotrich, Israel's **finance minister**, said he would approve plans to build an Israeli settlement in the **West Bank**. The long-mooted settlement would effectively sever the territory in two. Mr Smotrich, from a far-right party in Binyamin Netanyahu's coalition, said he had the prime minister's support. Israeli settlements in the West Bank are widely considered illegal under international law.

America's producer-price index rose by 3.3% in the twelve months to July, the largest such increase since February and much more than expected. The rise suggests that producers are feeling the effects of [Mr Trump's tariffs](#) and creates a quandary for the Federal Reserve. The Trump administration has put significant pressure on the central bank to cut interest rates.

Britain's economy grew by 0.3% in the second quarter of the year according to preliminary data. Growth was slower than the

previous quarter, when the economy grew by 0.7%. However it was still better than expected, driven by strong performances in the service and construction sectors. It will be welcomed by the [beleaguered Labour government](#), which has made economic growth its priority.

Klarna, a “[buy now, pay later](#)” firm, posted a net loss of \$53m in the second quarter of the year. The Swedish company, which is soon expected to list in New York, increased the amount of money it set aside to cover bad loans. Still, the firm said its revenues rose 25% compared with the same quarter last year.

Bullish, a cryptocurrency exchange, raised \$1.1bn in an initial public offering of shares in New York. They more than tripled in value, and ended the trading day with a gain of 84%, giving the company a market capitalisation of more than \$13bn. Bullish, founded in 2021, said a “slew” of other crypto firms would also go public; they include Gemini and Grayscale Investments.

Kim Yo Jong, the sister of Kim Jong Un, denied that **North Korea** had removed propaganda-blasting loudspeakers along its border with South Korea. The [dictator's sibling](#) also dismissed the possibility of improving relations with its neighbour. South Korea recently began removing its own loudspeakers, which blasted a mix of news and K-pop, and claimed that the north was doing the same.

Figure of the day: \$1bn, Palantir's revenue in the second quarter of this year, quadruple the figure for the same period in 2020. [Read the full story](#).



Photograph: Alamy

Foxconn's AI fillip

Foxconn, a Taiwanese contract manufacturer, reported results for the first half of the year on Thursday. Second-quarter profits grew by 27% year on year, beating analyst expectations. Once best known for assembling Apple's iPhones, the firm is riding a boom in artificial intelligence. It makes data-centre hardware for chipmakers such as Nvidia and cloud providers like Google. In the first quarter, servers and related kit accounted for 34% of earnings.

But [trade tensions](#) threaten that momentum. America has announced a 20% tariff on imports from Taiwan. In May Foxconn cut its full-year revenue forecast, citing tariffs and currency swings, despite strong first-quarter results. To offset the risk, the firm is expanding in America: this week it pledged to invest \$1bn in manufacturing there over the next decade. Margins are slim—about 3% last year—so investors will seek evidence that Foxconn can weather the tariff storm while capitalising on AI growth.

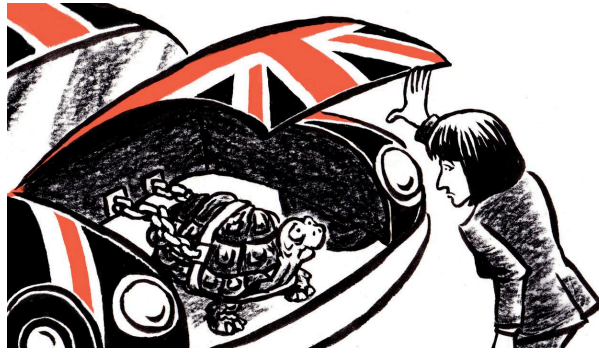


Illustration: David Simonds

Britain's growth grind

Raising Britain's lacklustre economic-growth rate is the chief aim of the chancellor, [Rachel Reeves](#). Thursday's preliminary data, indicating that GDP grew by 0.3% in the second quarter, will have been welcome. Though that reflected a sharp slowdown from the first quarter's surprisingly strong 0.7% (which may have been flattered by a rush to beat new American tariffs), most economists had reckoned on a dismal 0.1% or so.

Ms Reeves likes to talk up growth. A bill to speed up Britain's restrictive planning system is before Parliament; the *Financial Times* reports that she is already preparing other legislation to hasten the building of critical infrastructure. Yet her own policies aren't all helping. Labour-market data published on Tuesday showed further declines in both payrolls and vacancies. For that, a rise in payroll taxes that kicked in this April surely bears some blame. Getting Britain growing faster will still be a long haul.



Photograph: eyevine

Jimmy Lai's trial nears its end

On Thursday closing arguments were scheduled to begin in the trial of Jimmy Lai, Hong Kong's most famous political prisoner. (Hearings were adjourned because of Typhoon Podul.) The 77-year-old owned *Apple Daily*, once a popular pro-democracy newspaper. When the government in Beijing imposed a draconian national-security law on Hong Kong in 2020, he quickly became a target. But Mr Lai, a billionaire with British citizenship, [refused to flee](#). Now he faces a maximum sentence of life imprisonment for foreign collusion and sedition. His supporters say his only crime is pro-democracy journalism.

The trial illustrates the dismantling of civil liberties in Hong Kong. Since 2019 the territory has plunged by 67 places to 140th of 180 countries ranked in the World Press Freedom Index, published by Reporters Without Borders, an NGO. Dozens of journalists have been prosecuted; once-punchy outlets have been muzzled or closed. The government insists journalists are free to report if they “do not violate the law”. But today the story is really about the erasure of press freedom.



Photograph: Ingun Alette Mæhlum

High stakes in the high north

Residents of Longyearbyen, the planet's most northerly permanent settlement, will brace for traffic jams on Thursday. The capital of the [Svalbard archipelago](#), part of Norway, is to host high-ranking officials including the prime minister, Jonas Gahr Store, for ceremonies marking 100 years of sovereignty. Norway's control is enshrined by the Svalbard treaty that came into force on August 14th 1925.

More is at stake than history lessons. The treaty grants nationals and companies of other countries, including Russia, rights to settle on Svalbard. Norway, a NATO country, has seen its relations with Russia chill in recent years and is anxious to avoid confrontation. A few hundred Russians live in [Barentsburg](#), a town just 40km from Longyearbyen. Russia declares Norway unfriendly and has accused it, and NATO more generally, of making use of Svalbard for military ends—something the treaty prohibits. Conflict remains unlikely, but as sea ice melts, geopolitical interest in the region is heating up fast.





Photograph: Getty Images

The dark old days of New York

On screen, New York is gritty and rough. To some Republicans, it's a crime-ridden hellhole. In fact it is one of America's safest big cities—but it wasn't always. A new book by Jonathan Mahler —“[The Gods of New York](#)”—takes readers back to the days when homelessness, crack and AIDS bedevilled the city.

Non-New Yorkers will enjoy seeing familiar figures early in their careers: Rudy Giuliani when he was a throat-slittingly ambitious prosecutor; Al Sharpton when he was a rabble-rousing preacher; and Donald Trump when he was a wannabe casino mogul careening heedlessly into debt.

New Yorkers are prone to nostalgia, which Mr Mahler skilfully avoids, and to complaining about the mushrooming of chain stores and the cost of living. But New York really was a worse place to live in the late 1980s. On-screen grittiness is fun; the real thing belongs in the past.



Illustration: The Economist

Daily quiz

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 [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

Wednesday: Which country music star is noted for hits such as “One More Last Chance” and “I Still Believe In You”?

Thursday: What does the L stand for in EFL and NFL, two sports competitions?

To understand God's thoughts we must study statistics, for these are the measure of His purpose.

Florence Nightingale