

Catch up: Biden blocks US Steel deal; Police fail to arrest South Korea's president



President Joe Biden blocked **Nippon Steel's** proposed takeover of US Steel, claiming it could threaten America's national security. A government review panel recently failed to agree on whether that was true. Donald Trump **had also vowed** to block the takeover by the Japanese company. In September US Steel's boss said that the firm would have to leave Pittsburgh, Pennsylvania if the deal fell through.

South Korean investigators abandoned an attempt to arrest **Yoon Suk Yeol**, the **impeached** president, after a stand-off with his security unit. The Presidential Security Service also reportedly prevented police from searching Mr Yoon's residence. Investigators want to question Mr Yoon to establish whether he committed an act of insurrection when he declared martial law in December.

Efforts to form a new **Austrian government** collapsed. In September the hard-right Freedom Party **came first** in the country's

parliamentary elections, but no party would form a coalition with it. Since then Karl Nehammer, leader of the runner-up, has been trying to put together a three-party coalition. But the smaller of the two pulled out of talks, citing a lack of ambition for reform.

America's purchasing-managers index for **manufacturing** rose to 49.3 in December. A reading under 50 still indicates overall contraction in the sector, but it was nevertheless the highest result in the industry survey since March. That suggests factory activity is edging closer to recovery after being hit by the Federal Reserve's interest-rate rises in 2022 and 2023.

Nick Clegg, a former deputy **prime minister** of Britain, is leaving his job as **Meta's** president of global affairs. He will be replaced by Joel Kaplan, who has handled the social-media giant's relations with Republicans in America. The switch comes weeks before Mr Trump returns to office. His Facebook and Instagram accounts were suspended after the Capitol riot in 2021, but reinstated in 2023.

Venezuela's government has offered up to \$100,000 for information leading to the arrest of **Edmundo González**. Mr González defeated the incumbent president, Nicolás Maduro, in elections in July. But Mr Maduro refused to relinquish power, claiming he had won the vote. Mr González is now in exile in Spain; Mr Maduro **will be sworn in** again on January 10th.

Robert Fico, **Slovakia's** prime minister, again threatened retaliatory measures against Ukraine after it shut a pipeline that **supplied Europe with Russian natural gas**. Mr Fico called the decision "sabotage" that would deprive Slovakia of €500m (\$518m) in transit fees. He said he was now considering cutting financial support for the 130,000 Ukrainian refugees in Slovakia and halting electricity exports to Ukraine.

Figure of the day: \$29bn, the amount that Americans spent on legal marijuana in 2024. [Read the full story.](#)

America's new congressional session



The 118th Congress, which ends on Friday, was among the most dysfunctional in American history. The 119th, which convenes the same day, could turn out the same.

Senate Republicans quietly chose their leader in November. But Mike Johnson, the Republican [speaker of the House of Representatives](#), faces an uncertain path to re-election. Last-minute budgetary scrambling left much of the party's right wing unhappy with him. Yet there is no clear alternative. And pushing Mr Johnson out may mean Donald Trump's second term starts with weeks of infighting.

Congress has quite a to-do list in 2025. Republicans are looking to pass legislation on immigration, energy and defence. Many of Mr Trump's tax cuts, passed during his first term, will expire unless they take action. And the party must make a tactical decision: lump all of these issues into one massive bill or handle tax separately. That tough call is made tougher by uncertainty about leadership.

The resurgence of Islamic State?



On New Year's Day Shamsud-Din Jabbar, a 42-year-old American, rammed a pickup truck into a crowd in [New Orleans](#), killing at least 14 and injuring 35. The FBI says it was terrorism; Mr Jabbar had an Islamic State flag.

If Mr Jabbar was inspired by IS, the Jihadist group can add the attack to its recent successes. Exactly a year ago, an IS terrorist killed 95 civilians in Iran during a ceremony to commemorate Qassem Soleimani, a top general assassinated by America. Several bloody attacks followed. And American intelligence agents foiled two big plots, one on a Taylor Swift concert.

Why now? Extremism flourishes in chaotic places like Syria, and the past year has provided a bevy of them. While America has focussed on great-power strategy and competition, counterterrorism has been neglected. If IS is back, it would be a blow to both Donald Trump and Joe Biden. Both claimed to have defeated the group.

Erdogan's awful inflation instincts



Turkey's economic team kept interest rates high and credit tight for most of 2024, seeking to quash demand and slow inflation. [It is working](#), but not as quickly as Recep Tayyip Erdogan, the president, might have liked. In November the annual inflation rate slowed less than expected, to 47.1% from 48.6% the month before. In December the rate dropped to 44.3%.

There are some glad economic tidings for 2025. Retailer and consumer confidence all edged up in December (although manufacturers' confidence was down). Mr Erdogan, however, seems determined to return to his unorthodox policy of slashing interest rates in a bid to cut inflation—the very strategy that exacerbated Turkey's inflation woes. Much will depend on whether the central bank technocrats, and Mehmet Simsek, the finance minister, can push back. So far, signs are not encouraging—on December 26th the central bank announced a rate cut of 2.5 percentage points.

Economists descend on San Francisco



The annual American Economic Association conference in San Francisco this weekend will give economists and other social scientists an opportunity to discuss their research with their peers. It's also a chance for a bit of self-congratulation, in the form of awards for research excellence.

Highlights of this year's programme include a presidential address from Janet Currie (pictured), a health economist specialising in child development. And Sendhil Mullainathan, an economist at the University of Chicago whose research uses machine learning to examine human behaviour, will deliver the distinguished lecture.

Jason Furman, chair of former president Barack Obama's council of economic advisors, will host a panel debating inflation. Expect commentary on the rocky "last mile" of disinflation. But the prospects for a resurgence in inflation if incoming president [Donald Trump](#) ramps up trade wars will probably come up. So too will the potential for clashes between the White House and the Federal Reserve over the direction of interest rates.

An old star at the Dakar Rally



Scientific progress—and cold, hard cash—have extended the careers of sporting megastars. European football's two highest-scoring forwards are Robert Lewandowski (36) and Mohamed Salah (32). LeBron James (40) and Steph Curry (36) are the two biggest draws in the NBA. Novak Djokovic is still hungry to win more tennis grand slams at 37. And at 39, [Lewis Hamilton](#) shows no signs of quitting Formula One.

But Carlos Sainz Sr is old enough to be their father. At 62, the Spanish rally driver is looking to win his fifth Dakar Rally, a race across Saudi Arabia which begins on Friday and runs until January 17th. Rallying does not require the rapid reactions of some other motorsports, so older competitors are at less of a disadvantage. But Mr Sainz admits to training harder these days. He took last year's title through being consistent across the stages of the race, a strategy that may also pay off again in 2025.

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.

Friday: What is the name for a baby kangaroo?

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

**Violence is the last refuge of the
incompetent**

Isaac Asimov