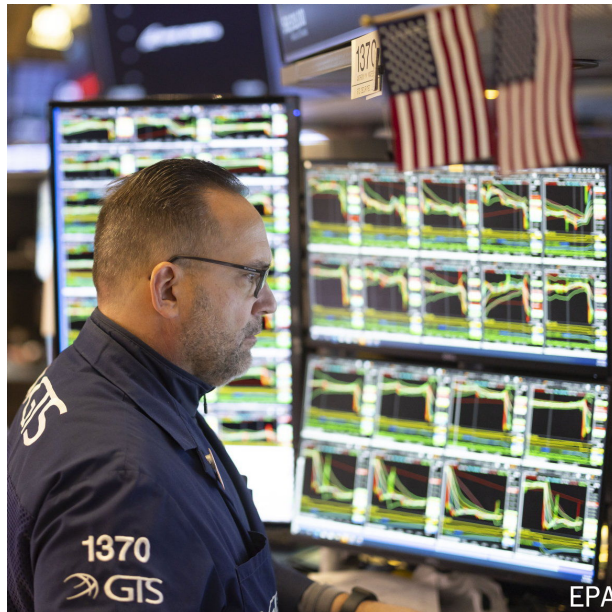


## Catch up: America's inflation eases; Russia awaits ceasefire details



**America's** annual inflation rate fell to 2.8% in February, below forecasts of 2.9%. The core rate, which excludes volatile food and energy prices, was 3.1%. The figures raised expectations that the Federal Reserve would pursue more aggressive interest-rate cuts. However, the data predates most of Donald Trump's new [tariffs](#), raising concerns that price pressures could rise further.

**Russia** said it was waiting to hear from America about a proposal for an "immediate" 30-day ceasefire in **Ukraine**. America agreed the idea in principle with Ukraine during [talks in Saudi Arabia](#) on Tuesday; it also said it would "immediately" unblock the flow of American weapons and intelligence to the embattled country. A Kremlin spokesperson said Russia needed "detailed information" about the talks.

**Canada** announced \$21bn in tariffs on American goods in response to Mr Trump's [steel and aluminum duties](#), which came into effect on Wednesday. On making the announcement Dominic LeBlanc, Canada's finance minister, called America's tariffs "unjustified".

The move follows the European Union's decision to introduce \$28bn in retaliatory tariffs. Shares in American automakers fell on the news.

Meanwhile the **Bank of Canada** cut interest rates by a quarter of a percentage point, to 2.75%, while warning that [Mr Trump's tariffs](#) had caused a "new crisis". The central bank, which has eased rates seven times in nine months, said that uncertainty was already hurting investment. But it said it will proceed cautiously with further cuts, balancing inflation risks with weak growth.

**Northvolt**, a Swedish battery-maker once seen as Europe's best hope to rival Chinese firms, filed for bankruptcy after failing to secure \$1bn in new financing. The company had raised \$15bn from investors including Volkswagen and Goldman Sachs since its founding in 2016. But rapid expansion and high costs drained its funds. The firm's [collapse](#) is a major blow to Europe's electric-vehicle ambitions.

A court in **Georgia** sentenced **Mikheil Saakashvili** to nine more years in prison on embezzlement charges. The country's former president, who calls the charges politically motivated, was already serving a six-year prison term. Mr Saakashvili pursued strong relations with the West during a nine-year presidency, before losing power to Georgian Dream, an [increasingly Kremlin-friendly party](#), in 2013.

**Britain's** financial regulators scrapped plans to impose stricter [diversity, equity and inclusion](#) rules on firms, citing concerns over costs. The government is pressurising such agencies to prioritise economic growth. The Financial Conduct Authority also abandoned proposals to publicly identify firms under investigation; industry groups opposed the move, arguing it could damage companies before wrongdoing is proven.

**Figure of the day:** 1trn yuan (\$140bn), the size of the venture-capital fund that China's government wants to set up for tech-focused investment. [Read the full story.](#)

# Donald Trump's tariffs and inflation



Investors around the world fret that America is slipping towards stagflation: a feared combination of sluggish growth and high inflation. Data on Wednesday provided some reassurance. They showed that consumer prices rose 0.2% month on month in February, down from a 0.5% rise in January. For the moment, that has allayed worries in [financial markets](#).

Nevertheless, the slower monthly pace of inflation still equates to an annualised rise of about 2.6%, above the Federal Reserve's target of 2%. Moreover, consumers have yet to experience the higher prices caused by Donald Trump's tariffs. Indeed, tariffs of 25% on steel and aluminium only take effect on Wednesday. If Mr Trump follows through on his plans to impose tariffs on far more products early in April, the threat of stagflation will be even bigger.

# Is Syria spiralling downwards again?



Syria has been shaken by its worst sectarian violence since the overthrow of Bashar al-Assad's regime three months ago. Insurgents from the Alawite minority, from which the Assads came, [launched a co-ordinated assault](#) on government buildings across their heartlands in western Syria. Troops loyal to a newly formed Alawite military council and led by one of Assad's former generals ambushed vehicles and seized hospitals.

In response, fighters loyal to Syria's new leader, [Ahmed al-Sharaa](#), along with jihadist factions, began advancing into Alawite-populated territory on March 6th. The Syrian Network for Human Rights reported that at least 779 people were killed—roughly half by pro-government forces and half by pro-Assad militants. Videos posted on social media appeared to show evidence of summary executions of civilians by government security forces. Mr Sharaa has said that a seven-member committee will investigate the violence and report back within 30 days. The attacks pose the most serious threat to date to his rule.

## South Africa's crucial budget



South Africa's budgets are rarely dramatic events. But the statement on Wednesday by Enoch Godongwana, the finance minister, will be one of the most important since the end of white rule in 1994. It will determine whether the country is serious about reversing almost two decades of rising debts and stagnation. Since 2008 the share of debt in GDP has risen more than three-fold, from 24% to 75%, and income per person is lower than it was 17 years ago.

The budget will also reveal much about the Government of National Unity, the coalition that the African National Congress was forced into forming after it lost its parliamentary majority at the [general election](#) last year. Last month, during Mr Godongwana's aborted first attempt at a budget speech, the second-largest party in the GNU, the Democratic Alliance, opposed his proposals. If the ANC fails to win the support of the DA this time, observers may question how long the GNU can last.



## Tusk turns to Turkey



Poland's prime minister, Donald Tusk, heads to Ankara, Turkey's capital, on Wednesday. He will discuss defence and security co-operation with Recep Tayyip Erdogan, Turkey's president. Mr Tusk will want to gauge whether his host would send peacekeepers or provide security guarantees to Ukraine, an idea which Turkish officials have previously suggested.

Alarmed by Donald Trump's pivot to Russia, Mr Tusk has called on [Europe](#) to increase defence spending and reduce its dependence on America. He recently said that Poland would consider acquiring nuclear weapons and more than double the size of its army. Turkey has NATO's second-biggest army. Over the past decade it has developed its own battlefield technology, including drones, and ramped up production of 155mm artillery shells. But Mr Erdogan will expect concessions in exchange for any help with Europe's rearmament. They would probably include visa-free travel or a new customs union with the EU. Europe needs Turkey—and Mr Erdogan knows how to drive a hard bargain.

# An insightful history of abortion



The ancient Greeks believed that vigorous jumping and sneezing could end an unwanted pregnancy. In medieval Europe, purging blood from the foot was considered effective. Abortifacient plants were ultimately the prevailing method: for centuries women consumed pennyroyal, part of the mint family, so that their bodies might reject a foetus. Enslaved women in the American South chewed cotton-root bark.

The message of “Abortion: A History”, a book published this week, is clear: “Abortion does not go away just because it is forbidden.” Women have always sought to control whether they have children, Mary Fissell argues. But attitudes towards abortion have varied widely. (“For most of the past two millennia,” for instance, “the foetus was not at the centre of concern about abortion.”) For anyone dismayed by the rollback of reproductive rights in [America](#) and elsewhere, this insightful medical and social history makes a heartening observation. Over the centuries “periods of extreme repression” have invariably given “way to times of quiet toleration”.



## 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](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Wednesday:** What term, linked to a South American country, was used to describe the series of negotiations that led to the establishment of the World Trade Organisation?

**Tuesday:** Which 1975 Australian film, directed by Peter Weir, concerns the disappearance of a group of schoolgirls?

**Among all the diseases of the mind there is none more epidemical or more pernicious than the love of flattery.**

*Richard Steele.*