

Catch up: Trump's tariffs rock markets; USAID's future in doubt



Asian stockmarkets slumped and the value of the dollar surged as **Donald Trump's tariffs** on [Canada](#), [Mexico](#) and [China](#) sparked fears of a [global trade war](#). The greenback jumped to its highest-ever value against the Chinese yuan in offshore trading, while also rising against the Canadian dollar and Mexican peso. All three countries have vowed to retaliate. Mr Trump admitted that Americans could feel “some pain”. He also promised to slap tariffs on the European Union.

Mr Trump cast doubt on the future of **USAID**, accusing it of being “run by a bunch of radical lunatics”. Over the weekend the Trump administration continued its [purge of the aid agency](#) by removing two high-ranking officials. Its website was also shut down. Some reports suggest that USAID could be absorbed into the state department, a move that could reduce funding for development programmes abroad.

OpenAI launched a new artificial-intelligence agent that can help users on its ChatGPT platform generate in-depth research reports

on complex topics. Deep Research, as the service is called, promises to scour the internet for information, scanning images and PDFs. Last month OpenAI launched Operator, an agent that helps users buy things online.

Marco Rubio, America's secretary of state, told Jose Raul Mulino, **Panama's** president, that China's "position of influence and control" over the **Panama Canal** was unacceptable. Mr Rubio warned that America may "protect its rights" under the treaty governing the canal unless Panama curbed Chinese influence. Mr Mulino downplayed the warning, saying he did not see "any real threat" from America.

UniCredit, Italy's second-biggest bank, said it had bought a 4.1% stake in **Generali**, the **country's biggest insurer**. UniCredit revealed that it had bought the shares over time but had no "strategic interest" in Generali. Last year UniCredit amassed a 28% stake in Commerzbank, a German lender, and launched a takeover bid for Banco BPM, an Italian rival.

Police in **Georgia** made several arrests at a protest against the **country's Russia-friendly ruling party**, Georgian Dream. Nika Melia, the leader of a pro-European party, and Gigi Ugulava, a former mayor of Tbilisi, the capital, were among those detained. The protesters called for fresh parliamentary elections after Georgian Dream's victory last year was rejected by the country's opposition.

Beyoncé became the first black artist to win a **Grammy** for best country album. "Cowboy Carter" provoked a backlash among some country-music fans, who claimed the singer—more often associated with R&B—lacked authenticity. The Country Music Association did not nominate her for its awards. (We **argued** she has legitimate country roots.) Other big winners at the Grammys included Charli XCX and Kendrick Lamar.

Figure of the day: 90,000, the number of Americans who died from drug overdoses, mainly involving fentanyl, in the year to August 2024. [Read the full story.](#)

Europe's inflation headache



Donald Trump's promise to impose tariffs on imports from the European Union, shortly after he ordered levies of 25% on those from Canada and Mexico, poses a challenge for the European Central Bank. On January 30th the ECB cut interest rates after GDP figures showed weak growth in the [euro zone](#) in the final quarter of 2024. But how much lower can rates go if inflation stays above target and the EU retaliates against America with tariffs of its own, stoking further price rises? On Monday inflation figures for January will give a hint as to how much of a headache the ECB has in store.

The figures for December were concerning. The seasonally adjusted inflation rate between November and December was 2.7% on an annualised basis, above the ECB's 2% target. Services were 4% dearer than the year before. Low growth and stubborn inflation were already a problem for the ECB. Tariffs may soon make matters worse.

Greenland's parliament reconvenes



Greenland's 31-member parliament, the Inatsisartut, will convene on Monday for the first time since Donald Trump plunged the [Arctic island](#) into a geopolitical storm. The agenda will be fairly humdrum, including proposals on school reform, rental housing protections and reducing corporate tax. But Mr Trump will loom large. Last week he reaffirmed that America would “get” Greenland: “I think the people want to be with us.”

Greenlanders say otherwise. In the first survey since Mr Trump renewed his claim to the island, 85% of respondents said they did not want to be part of America. So has the territory's prime minister. Denmark, which has [sovereignty over Greenland](#), has repeatedly insisted that it is [not for sale](#). France has even discussed sending troops to the island in support. Still, Mr Trump's designs on the island have sharpened debates over independence. The topic of Greenland's sovereignty is likely to dominate the island's elections, which must be held by April 6th.

Netanyahu arrives in America



Binyamin Netanyahu has arrived in Washington, DC, for meetings with American officials. On Tuesday he will meet Donald Trump. The Israeli prime minister's early slot on the new president's schedule is a sign of the close relationship between the pair, as well as the urgency of the issues they must address.

Mr Netanyahu's arrival comes as talks over the next stage of the ceasefire in Gaza are scheduled to begin. Although some in Mr Netanyahu's government are eager to resume the war against Hamas, Mr Trump wants the war to end for good. Israel also wants to [stop Iran from getting a nuclear weapon](#)—if necessary, by using a military strike—while Mr Trump favours using sanctions to force Iran to make a deal. Mr Netanyahu will also discuss whether Israel could join a grand alliance with Saudi Arabia. For that to happen, though, he would have to make concessions to the Palestinians that could anger his ultra-nationalist coalition back home.

Europe's divided leaders talk defence



On Monday leaders of the European Union's 27 member states will meet in Brussels to discuss the [new world order under Donald Trump](#). Sir Keir Starmer, Britain's prime minister, will join the summit alongside Mark Rutte, NATO's secretary-general. America's president has demanded Europeans spend 5% of their GDP on defence, up from a target of 2%. His threat to take control of Greenland, an autonomous territory of Denmark, has baffled the continent—and rekindled debates over whether it can depend on American support.

Europeans need to consider how to support Ukraine if Mr Trump decides to cut off military assistance. The shape of potential security guarantees as part of a peace deal with Russia, including whether European troops could be deployed to Ukraine, will feature in the discussion. But the continent is split. Some countries, led by [Poland](#), want to prioritise preserving relations with America. Others, such as France, want Europe to be able to stand up for itself.

The future of the WHO



On Monday the World Health Organisation's executive board will meet in Geneva. They will discuss progress on universal health coverage, a report on the ethical migration of health workers, climate change and air pollution.

But the shadow of [America's departure from the agency](#), which Donald Trump announced on January 20th, will hang over proceedings. America pays an annual membership fee of \$126m and provides the WHO a total of \$1.3bn a year, mostly to support specific programmes of its choosing. The loss of all that money would leave the organisation with a budget shortfall of 18%.

Although America will save money by withdrawing from the WHO, it will suffer, too. It will lose access to global-health data, such as those American drug firms use to help design annual flu vaccines. And its departure may give China the chance to increase its soft power by leading the world on health.

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.

Monday: Which Hollywood film, set in the Middle Ages, stars Heath Ledger as a character named William Thatcher and Paul Bettany as Geoffrey Chaucer?

**Whenever one tries to suppress doubt,
there is tyranny.**

Simone Weil