

## Catch up: Blinken meets Lebanon's PM; Turkey's crackdown



America's secretary of state, **Antony Blinken**, met Najib Mikati, **Lebanon's** prime minister, in London. Mr Blinken vowed to seek a diplomatic solution to the conflict with [Israel](#), but stressed that Hizbullah must be disarmed first. Earlier Lebanon's information minister called an Israeli attack that killed three journalists a "war crime". Meanwhile Israeli and American officials will gather in Qatar this weekend to restart talks over a ceasefire in Gaza.

**Turkey's** interior minister said it arrested 176 people linked to the **Kurdistan Workers' Party**, or PKK, in response to a terrorist attack on an aerospace company that killed five people and injured scores near Ankara, the capital. The [Kurdish militia](#) claimed responsibility. In response to the attack Turkey carried out retaliatory airstrikes on targets linked with the PKK in Syria and Iraq.

Profits at **Mercedes-Benz** fell by 54% year on year in the third quarter. The operating-profit margin in its car division, the difference between its income and pre-tax expenses, halved to

4.7% from the previous quarter. The struggling [German carmaker](#) faces slowing demand for its vehicles and growing competition from Chinese rivals. Its shares fell by more than 3% in early trading.

**America** approved construction of a sprawling [lithium](#) mine in Nevada, overriding objections by environmentalists. The project could quadruple America's lithium output, supplying enough to power 370,000 electric vehicles a year. But it could also cause the extinction of a rare wildflower. America hopes to challenge China, which has 7% of global lithium reserves but 80% of lithium chemical production.

**Vladimir Putin** ended the BRICS summit by praising the [group's](#) role as a counterweight to the West's "perverse methods". More than 36 leaders travelled to the Russian city of Kazan, showing that Mr Putin is successfully defying Western attempts to isolate him. The attendance of the United Nations secretary-general, **António Guterres**, drew sharp rebuke from Ukraine, which said it damaged the UN's reputation.

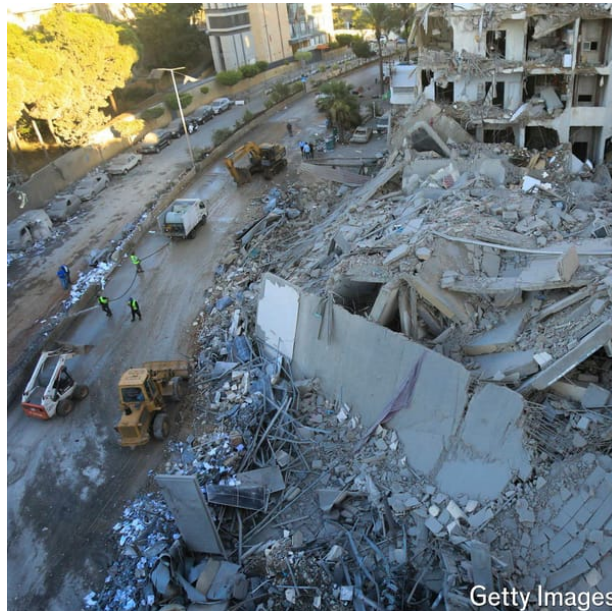
**Britain's** antitrust regulator launched an inquiry into **Google's** reported [investment](#) of \$2bn in **Anthropic**, an [AI startup](#). The watchdog is investigating whether the partnership limits competition. Google said that it does not "demand exclusive tech rights" from Anthropic in exchange for funding. The regulator, which recently approved Amazon's \$4bn deal with the startup, will decide by December 19th whether a deeper inquiry is warranted.

Gang violence in **Haiti** displaced more than 10,000 people over the past week, according to the UN, as [armed groups](#) stepped up attacks on government-held areas. Gangs control around 80% of Port-au-Prince, the capital. Earlier this month a gang attack killed more than 70 people in central Haiti, including women and children.

At a summit of [Commonwealth](#) leaders in Samoa, **King Charles** said Britain must acknowledge its “painful” past. Calls for Britain to make slavery reparations are gaining momentum. On Thursday Sir Keir Starmer, the prime minister, ruled out reparations payments, but not other forms of compensation. Britain enslaved 3.1m Africans between 1640 and 1807.

**Figure of the day:** 80%, the share of company bosses that expect a return to the office five days a week within three years. [Read the full story.](#)

## Israel's next moves



The Middle East is bracing for further escalation of conflict between Israel and Iran. Israel's retaliation against Iran's missile strike on October 1st appears to have been delayed for several reasons. One is the alleged leaking of American-intelligence documents on Israel's preparations. Another is the expansion of Israel's air strikes on Lebanon, which on Sunday included bombing branches of al-Qard al-Hassan, [a bank linked to Hizbullah](#).

A third is Israel's recent killing of Yahya Sinwar, Hamas's chief. Israeli officials believe they may have an opportunity to negotiate the release of hostages still held by Hamas in Gaza. In any case, Binyamin Netanyahu, Israel's prime minister, remains determined to strike Iran at some point. And fighting in both Gaza and Lebanon has intensified—although America aims to change that with another round of ceasefire talks in Qatar. Mr Netanyahu said he hopes to reach a deal that would free the Israeli hostages held by Hamas and that the head of Israel's spy agency will attend the talks.

# Germany's charm offensive in India



In 2022 India's foreign minister scolded Europe for ignoring the rest of the world's problems while expecting sympathy for its own. Olaf Scholz, Germany's chancellor, said he had a point. That helps explain why he led a delegation of German ministers to Delhi for consultations with Narendra Modi's government on Friday.

Germany is seeking to “[de-risk](#)” its economic relationship with China. So boosting economic ties with India, a growing Asian democracy, looks like a good bet. Mr Scholz hopes to advance negotiations on a long-stalled EU-India trade deal, despite Indian concerns about European climate and labour standards. Germany will also pursue a migration agreement, hoping to ease its chronic shortage of workers.

Yet [Germany](#) remains troubled by Mr Modi's refusal to condemn Vladimir Putin's war in Ukraine. Indeed, India's prime minister has just returned from a BRICS summit in Russia. The world looks different from Delhi than it does from Berlin.



# A wobbly Russian economy



On Friday Russia's central bank unexpectedly raised interest rates by two percentage points, to 21%. Analysts had expected a single-point rise. The move puts borrowing costs at their highest since February 2003, above even the heights reached in the immediate aftermath of Russia's invasion of Ukraine, when the bank was struggling to stabilise the value of the rouble.

But inflation has been rising once more since mid-2023, causing the bank to hike rates again. Spending on the war effort has added to price pressures. In its latest draft budget, the government increased its projected deficit and [raised military spending](#). The rouble has declined sharply in value against China's yuan, adding to import costs from a big trading partner. A 20% interest rate is unlikely to be the bank's peak. Growth has proved remarkably resilient. But Russian firms are already warning that high rates will crimp investment spending in the months ahead.

## France's budget woes



On Friday Moody's will publish its latest sovereign credit-rating update for France. On October 11th another ratings agency, Fitch, revised the country's economic outlook downwards to negative. Concern centres on the country's debt and its budget deficit, which is set to reach 6.1% of GDP in 2024, well above the 4.4% originally forecast by the government.

Michel Barnier, the conservative prime minister, is now trying to get a [budget](#) through parliament to close the financing gap. He has promised €60bn (\$66bn) in savings: two-thirds from a spending squeeze and a third from tax increases, mostly on the rich and big companies. The budget has to be passed by December. But Mr Barnier runs a minority coalition government. Deputies have introduced over 3,500 amendments, which are now being debated in the chamber. If the government cannot secure parliamentary support, it will have to force the budget through without a vote. That would put the government's survival on the line.

## A modern look for Warsaw



It has been compared to a shoebox, a parcel locker and an unmarked IKEA warehouse. [Warsaw's new Museum of Modern Art](#), which opens on the Polish capital's central junction on Friday, is an emotive topic. Some Varsovians praise the three-storey white box for its cool minimalism. Others say it is a missed opportunity to create a statement building, like the Guggenheim in Bilbao, to beautify a scarred city.

The chaotic central square tells of Warsaw's turbulent history. German occupiers razed 90% of the city's buildings in the final year of the second world war. It was rebuilt with soulless Soviet grandeur, with wide thoroughfares and an ornamental skyscraper. Rather than compete with its imposing surroundings, the new gallery's austerity contrasts with it, nodding to Warsaw's pre-war legacy of modernist architecture. It is part of a push by the city's mayor to revitalise its centre. A matching theatre, in black, is already being erected alongside it.



## 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 BST 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.

**Friday:** Who was the founder of IBM?

**Thursday:** What insect is also known as a “daddy longlegs” or “mosquito hawk”?

# The winners of last week's crossword



Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

**Jane Cunha**, São Paulo, Brazil

**Amelia Cheng**, Coquitlam, Canada

**Axel Ehrström**, Helsinki, Finland

They all gave the correct answers of [San Francisco](#), [Sweden](#), [Al Gore](#) and [office](#). Check back tomorrow for this week's crossword.

**80%**

*The share of company bosses that expect a return to the office five days a week within three years.*

*Read the full story.*

**Patience is a conquering virtue.**

*Geoffrey Chaucer*