

The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

Markets briefly panicked after reports that **Donald Trump** discussed plans to sack **Jerome Powell**, the chair of the Federal Reserve, with Republican congressmen. The dollar fell sharply and Treasury yields rose following the news on Wednesday. Mr Trump later said it was “highly unlikely” he would fire Mr Powell. The Trump administration has been [pressing the Fed](#) to cut interest rates for months.

Israel launched air strikes on Damascus, **Syria’s** capital, hitting the defence ministry and presidential palace. It vowed to destroy government forces attacking Druze fighters in southern Syria. A ceasefire between the Druze, an [esoteric sect](#), and the Syrian government was announced on Wednesday. Marco Rubio, America’s secretary of state, said “specific steps” had been agreed to end the fighting “tonight”.

[Lee Jae-yong](#), the de facto boss of **Samsung**, was cleared of corruption by South Korea’s top court after a five-year trial. Mr Lee was accused of accounting fraud and stock manipulation during a merger between two of the group’s firms in 2015. The deal paved the way for his rise to the company’s top job. The ruling

draws a line under a decade-long scandal that has plagued the family-run conglomerate.

Republicans in America's Senate passed a rescissions package that would claw back \$8bn in foreign-aid funding and \$1.1bn intended for public broadcasting. America is the world's biggest spender on overseas assistance. Education and infrastructure sectors are among the hardest hit by [the cuts](#). The package will go back to the House of Representatives for approval and must be passed before Friday.

Britain's government said it would lower the country's voting age to 16. The proposed change will face scrutiny in Parliament. Reform UK, which leads in opinion polls but has just four MPs, opposes the changes. Argentina, Austria and Brazil are among countries where 16-year-olds can vote. In Britain over-16s in Wales and Scotland can already vote in local elections.

Germany criticised the European Commission's €2trn (\$2.3trn) budget proposal for the European Union. The commission's plan, unveiled on Wednesday, included a big increase in spending between 2028 and 2034, compared with the previous seven years. Germany said the rise was unacceptable when many of the EU's members were consolidating spending domestically. The budget will be subject to lengthy wrangling.

Canada's **Alimentation Couche-Tard** withdrew a \$47bn bid for **Seven & i**, the Japanese owner of 7-Eleven, because of its "calculated campaign of obfuscation and delay". It would have been the biggest-ever foreign takeover of a Japanese firm. The saga says much about the [difficulty Japan faces](#) making its corporate giants more attuned to the interests of shareholders.

Figure of the day: 0.2%, the proportion of Iceland's GDP that it spends on defence. That could soon change. [Read the full story.](#)



Photograph: Alamy

TSMC rides the AI boom

On Thursday TSMC, the world's biggest chip manufacturer, reported a better-than-expected 61% jump in profit to NT\$398bn (\$13.5bn) in the second quarter. It raised its outlook for this year's revenue growth from 25% to 30%. The Taiwanese firm dominates the production of advanced chips used in artificial intelligence and benefits from surging demand from chip designers such as Nvidia and Broadcom. Donald Trump's tariff threats have yet to dent demand.

Still, problems loom. American officials are investigating whether the chipmaker [breached export controls](#) after TSMC-made chips ended up on gear from Huawei, a Chinese tech giant. TSMC is also expanding beyond its Taiwanese base. In March it pledged \$100bn to build three plants and other facilities in Arizona; it already has one factory in operation there and another two being built. Potential obstacles include high costs and the difficulty of finding skilled workers. But for now, this shovelmaker for the AI gold rush shows no sign of flagging.

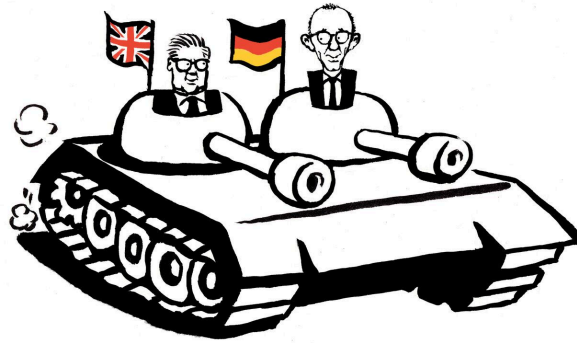


Illustration: David Simonds

A new Zeitgeist: British and German friendship

British tabloids and sporting pundits delight in playing up their country's historic enmity with Germany. Rarely have they seemed more tone-deaf. On Thursday Friedrich Merz, Germany's chancellor, will make his first official visit to Britain. Eighty years since the end of the second world war, Mr Merz and Sir Keir Starmer, Britain's prime minister, will mark the occasion by inking a wide-ranging Anglo-German "friendship" treaty.

Much of the pact will focus on defence and security. Germany and Britain are expected to agree to a mutual-assistance clause, under which both sides would help each other in the event of an attack. It will also build on the Trinity House Agreement signed last year, which encourages greater co-operation between the countries' defence industries and armed forces. The treaty will also address [lingering questions](#) over trade, illegal migration and cultural exchanges, all of which have caused friction since Britain left the European Union.



Photograph: Getty Images

An awkward absence for G20 finance ministers

Scott Bessent, America's treasury secretary, will skip an international meeting of finance ministers on Thursday. Officials from G20 countries, a group of the world's largest economies, are gathering in South Africa amid slowing global growth and ahead of a new round of American tariffs, set to come into force on August 1st. The meeting is an important agenda-setting milestone before G20 leaders meet in November.

That will be the first such G20 summit held in Africa. Cyril Ramaphosa, South Africa's president, wants to use the chance to press for better access to capital for poor countries and stronger action on climate change. But Mr Bessent's absence will preoccupy participants. American officials have [acrimonious relations with South Africa](#). Donald Trump has falsely claimed there is a "genocide" against white farmers in the country. South Africa is also a member of the BRICS group of emerging economies, which Mr Trump has threatened with extra tariffs for being "anti-American".



Photograph: Alamy

Sweden's carmaking giant hits a road bump

The reputation of Volvo's cars is for Scandi-cool design and safety. But global trade wars are putting the Swedish firm at risk; its share price slumped more than 20% in recent months. Second-quarter results released on Thursday showed an operating loss of SKr10bn (\$1bn); revenues also declined 8% year on year, to SKr93.5bn. The firm's Chinese-made cars have been hit by [tariffs on imported vehicles](#) both to America and Europe; delays to a new SUV have added to costs.

Still, the results were slightly better than analysts feared; the firm's share price rose on the news. Volvo recently brought back its former boss, Hakan Samuelsson. He said a "turnaround plan" was on track—the company announced 3,000 job losses in May. The firm must also be hoping that Donald Trump's administration strikes a trade deal with the European Union, which might favour firms such as Volvo with factories in America.



Photograph: Getty Images

A moment in the spotlight for Irish golf

In 2019 Royal Portrush on the coast of Northern Ireland hosted the Open, one of [golf's four majors](#), for the first time in 68 years. One Northern Irish golfer, Graeme McDowell, confessed to having tears in his eyes on the first tee. A player from across the border in the south, Shane Lowry, won the tournament. Portrush's hosting was such a success that the organisers have now brought the Open back after a much shorter time gap. The first round begins on Thursday.

The island of Ireland boasts four former champions in the playing roster: Mr Lowry, Darren Clarke, Padraig Harrington and Rory McIlroy. Of that group, Mr McIlroy has the greatest chance of winning this time, having completed his career sweep of golf's majors at the Masters earlier this year. True, he was off the pace at the us Open in June. But a second-place finish at last week's Scottish Open suggests he has regained his focus.



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.

Thursday: Which martial arts star appears in “Bloodsport”, “Universal Soldier” and “Timecop”?

Wednesday: The Tintin series of stories were created by which cartoonist?

*No society can surely be
flourishing and happy, of which
the far greater part of the
members are poor and miserable.*

Adam Smith