# Catch up: Draghi's plans for the EU's economy; Germany to impose border controls



In a keenly awaited report **Mario Draghi**, former head of the European Central Bank, proposed a set of policies to make the European Union more competitive. He called for common borrowing in the EU, a joint plan for decarbonisation and more aggressive trade policies to reduce the bloc's dependence on America and China. The report also proposes measures to boost the tech sector, such as making it easier for researchers to commercialise ideas. Mr Draghi outlined his plan in a guest essay for *The Economist*.

**Germany** will extend temporary controls to all of its land **borders** in an effort to crack down on illegal migration. The restrictions will be in effect for six months, starting next week. The country is a member of the visa-free Schengen area yet has imposed restrictions on its border with Austria since 2015 and with Czech Republic, Poland and Switzerland since last year.

The EU said that it had "credible information" that **Iran** has supplied **Russia** with ballistic missiles to use against targets in **Ukraine**. The bloc said that, if the deliveries were confirmed, it would impose more sanctions on Iran. Iran has already sent drones, ammunition and artillery shells to Russia, which has recently stepped up its attacks on Ukrainian infrastructure.

**India's** Supreme Court said that striking **doctors** must return to work by Tuesday evening to avoid "adverse action". Doctors have been protesting for safer working conditions following the rape and murder of a trainee doctor in Kolkata, the capital of West Bengal, last month. A lawyer representing the state claimed that at least 23 patients had died as a result of staff shortages.

**Northvolt**, a Swedish battery-maker, announced it would cut jobs as part of a wider restructuring. The manufacturer will scale back operations in its battery storage systems division. Several carmakers have trimmed their **electric-vehicle** plans in recent weeks, including Volvo and Toyota, as they adjust to slowing demand and stiff competition from Chinese rivals.

**Apple** unveiled its latest iPhone, AirPod and watch models. The **iPhone 16** includes new AI features and the addition of a physical button to control camera features. But it might have competition. Figures on Monday suggested that more than 3m people had already pre-ordered Huawei's latest smartphone, a triple-folding device called "Mate XT"; the Chinese tech giant will showcase it at a launch event on Tuesday.

Catherine, **Princess of Wales**, said that she had finished chemotherapy in an emotional video message released by Kensington Palace. It was her first public appearance since revealing in March that she had cancer. The Princess said she will return to limited public engagements in the coming months, but suggested continuing her recovery will be her main focus.

**Figure of the day:** 10%, the year-on-year increase in the number of containers coming through America's ports in May and June. Read the full story.

# America's unpredictable presidential debate



After weeks of wrangling over the format and rules, Donald Trump and Kamala Harris will have their first and perhaps only presidential debate on Tuesday. The former president's advisers, who advocated keeping microphones off outside allotted speaking times, are hoping the Republican nominee sticks to policy rather than personal attacks. Ms Harris, a former prosecutor, will aim to cross-examine her opponent without being dragged into petty spats.

Presidential debates have generally not proved decisive in past elections. But this cycle is unusual. President Joe Biden's disastrous performance in a debate on June 27th precipitated his departure from the race. His replacement as the Democratic nominee, Ms Harris, has had one of the shortest campaigns in modern history. The debate will be crucial for her as a means to introduce herself to millions of Americans. Furthermore, Ms Harris will be meeting Mr Trump for the first time ever, another reason why this event is unusually unpredictable.

#### **Positive signs for Britain's economy**



Closely watched data about British unemployment, wages and GDP are released this week. Inflation figures will follow next week. So far this year Britain's economy has been a good-news story. Growth surpassed most forecasters' expectations in the first half of 2024, hitting 1.5% over that period. The annual inflation rate fell from 4% in January to the Bank of England's target of 2% by May (though core inflation, which excludes volatile food and energy prices, is still above the target rate, at 3.3%).

The question now is whether the good news will continue. In August the Bank of England cut interest rates, from 5.25% to 5%. Financial markets expect another one or two cuts in 2024, which should help growth. Meanwhile, the new Labour government plans to present its first budget on October 30th. That will probably bring a bevy of tax rises, which could reduce growth if they go too far.

## **Brazil's galloping economy**



The Brazilian economy is red-hot, according to data published by the country's statistics agency on September 3rd. Seasonally adjusted, GDP grew by 1.4% in the second quarter, well above market expectations of 0.9%. Year on year, the economy expanded by 3.3%. Excluding the recovery from covid-19 lockdowns, the quarterly rise was the strongest in nearly 12 years. The jobs market has rallied and the government has increased the real minimum wage. That has boosted consumer spending.

But some analysts fear growth is being fuelled by unsustainable government spending, causing higher inflation. The annual inflation rate rose from around 3.7% in April to 4.5% in July. August's figures, due on Tuesday, may show the rate dropping slightly, to around 4.3%. Still, later this month the central bank will probably raise interest rates by a quarter of a percentage point, to 10.75%.

#### Jordan's unpopular election



On Tuesday Jordan holds parliamentary elections. King Abdullah's courtiers have changed election rules to encourage participation. They have allowed political parties, rather than the norm of independent candidates, to contest 41 of the 138 seats. They have also lowered the minimum age of candidates to 25, and increased the quota of women representatives, from 15 to 18.

But few seem enthused, especially in urban areas. In the last election just 12% of Jordanians voted in Amman, the capital; many expect a similar turnout again. Parliament is little more than a talking-shop. The king appoints the government, and determines foreign policy. Constituency boundaries also remain fixed in favour of the East Jordanian tribes, rather than the country's large Palestinian population. The Islamic Action Front, the Muslim Brotherhood's political arm, has tried to rally support by championing the group's Palestinian counterpart, Hamas, which is in effect banned in Jordan. The IAF may emerge as the largest political party. But given parliament's lack of power, even it is struggling to get out the vote.

#### A rare Jewish manuscript on sale



One of the treasures of Judaica, the Shem Tov Bible, goes under the hammer at Sotheby's New York on Tuesday. Rabbi Shem Tov ben Abraham Ibn Gaon, a scholar and kabbalist, produced the illuminated manuscript in the Castilian city of Soria in 1312. At the time Jewish, Christian and Muslim cultures intermingled in Spain. The richly decorated 768-page book contains Hebrew lettering, but also shows stylistic influences from Gothic France and Arab Andalusia.

The book's history is fascinating. In the mid-14th century it surfaced in Baghdad, capital of modern Iraq. Several hundred years went by before it turned up in Libya, where its mystical powers were said to help women in childbirth. In 1909 the Sassoons, a rich trading family of Iraqi-Jewish descent, purchased the tome. They sold it in 1984 and it eventually made its way to Jaqui Safra, the Geneva-based scion of a Syrian-Jewish banking dynasty. Its next owner is expected to pay \$5m-7m.

#### **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. We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Tuesday:** Which former basketball player was nicknamed "the Bread Truck" and "the Round Mound of Rebound"?

**Monday**: Which Hollywood legend won the best actor Oscar for his performance in "The African Queen"?

## **10%**

The year-on-year increase in the number of containers coming through America's ports in May and June.
Read the full story.

No man chooses evil because it is evil; he just mistakes it for happiness, the good he seeks.

Mary Wollstonecraft