

The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

American **copper** futures jumped by as much as 17% before falling slightly after **Donald Trump** said he would soon impose a 50% tariff on the metal. Traders rushed to secure supply in anticipation of higher prices. America's president also suggested that levies on pharmaceutical imports could be "like 200%" within the next 18 months. Earlier Mr Trump ruled out further delaying his new "reciprocal" tariff deadline of August 1st, after he **extended** it on Monday.

Russia launched its biggest aerial attack on **Ukraine** so far, firing almost 730 drones and around a dozen ballistic and cruise missiles at its neighbour. The strikes mainly targeted central and western Ukraine. The **embattled country's air force** claimed to shoot down most of the drones and around half of the missiles. On Tuesday Mr Trump criticised Vladimir Putin, saying that Russia's leader throws "a lot of bullshit" at America.

America's **Supreme Court** cleared the way for the Trump administration to begin **large-scale cuts to the federal workforce**, lifting a lower-court ruling that blocked the layoffs. Tens of thousands of jobs could now be axed at departments such as the

State and Treasury. Only one judge dissented. Justice Ketanji Brown Jackson called the decision “hubristic and senseless”.

Mr Trump met **Binyamin Netanyahu** for a second time during the Israeli prime minister’s visit to Washington. Beforehand, America’s president said the meeting would “almost exclusively” focus on Gaza. Steve Witkoff, America’s special envoy to the Middle East, suggested a 60-day ceasefire could be [agreed](#) “by the end of this week”. The deal would include the release of ten living hostages and the remains of others.

Financial police raided the headquarters of France’s **National Rally**, according to the hard-right party’s president. Jordan Bardella said that around 20 armed police entered the party’s office in Paris and seized documents related to election campaigns. In March Marine Le Pen, the party’s candidate in the past three presidential elections, was [barred from running for office](#) for five years owing to embezzlement charges.

The **European Union** summoned **China’s** ambassador to the bloc to discuss an incident in which a Chinese warship allegedly targeted a laser at a German military plane during an EU-led surveillance operation in the Red Sea. China denies the allegations. Germany’s foreign ministry also called in China’s ambassador in Berlin on Tuesday, describing the warship’s reported actions as “totally unacceptable”.

Elon Musk’s [artificial-intelligence startup](#), **xAI**, had to rein in its chatbot, Grok, after it shared antisemitic tropes. The company said it had removed “inappropriate” posts and “taken action to ban hate speech”. When asked about the recent floods in Texas, the chatbot praised Adolf Hitler and launched abusive, conspiratorial rants against politicians. **xAI** had been planning to launch its latest version, Grok 4, on Wednesday.

Figure of the day: 10,000 rupees (\$115). The fine for drinking booze without a permit in Mumbai (and up to six months in prison). [Read the full story.](#)



Photograph: Getty Images

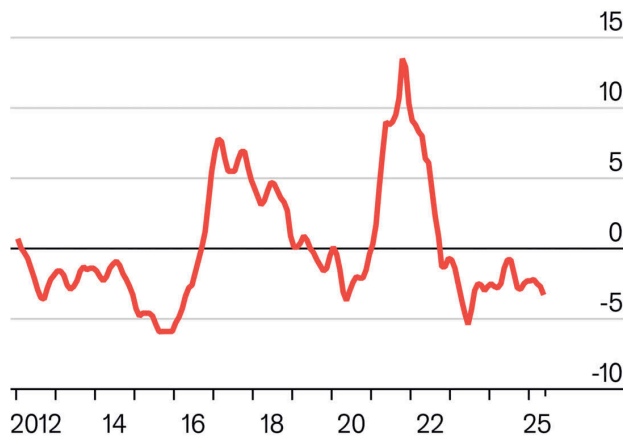
China's self-defeating competition

If people stand up in the theatre, everyone else has to stand up too. They all get tired and no one gets a better view. Similarly if a firm cuts prices, its rivals may have to follow suit. Everyone loses profits and no one gains market share. Both are examples of what the Chinese call *neijuan*, or involution. This self-defeating competition has contributed to [Chinese deflation](#). Official figures on Wednesday showed that China's factory-gate prices fell by 3.6% in June, compared with a year earlier—the 33rd consecutive month of decline.

China's policymakers are finally taking notice. “‘Involutionary’ competition has caused great harm,” said a party journal this month. But China's deflation is not just the product of excess competition. It also reflects inadequate demand. Consumer confidence is low, household saving is high and not enough people are buying property. Too many firms are standing up in their seats. But too many customers are also avoiding the show altogether.

Groaning tables

China, producer prices,
% change on a year earlier



Source: Haver Analytics



Photograph: Getty Images

The annual billionaires' bash

On Wednesday media and technology moguls will gather for what is dubbed the billionaire summer camp in Sun Valley, Idaho. Organised by Allen & Co, an investment bank that tries to keep the guest list and programme secret, its regulars have included Jeff Bezos and Bill Gates. The pair and many other tycoons were only recently at [Mr Bezos's star-studded wedding](#) in Venice in late June, which may have upstaged the Sun Valley shindig.

Unsurprisingly, [Donald Trump](#) will be a topic of conversation. His [latent tariff threats](#) on imports from cogs in the semiconductor supply chain, such as Japan and South Korea, will affect the tech industry. Media barons will gossip about [Paramount's decision last week](#) to pay \$16m towards the president's future library to settle a lawsuit related to a CBS interview. Perhaps the most touchy subject concerns tech firms' use of copyrighted media content to train artificial-intelligence models. After recent court rulings in favour of Anthropic and Meta, tech is winning that battle for now.



Photograph: Reuters

Trump's fuzzy deadline for British steel

It is a flip of a huge steel coin. On Wednesday Britain's steelmakers may learn whether they will face a tariff of 50% on exports to America—or sell at least some tariff-free. In May, when Sir Keir Starmer, the prime minister, and President Donald Trump announced a trade deal, it seemed that a quota of British steel would incur no levy. But when Mr Trump jacked up general steel tariffs to 50% last month, he set Britain's rate at 25%. Negotiations would continue, with a final decision on or after July 9th.

According to Jonathan Reynolds, Britain's business secretary, the obstacle to a deal is America's insistence that steel be “melted and poured” in Britain to merit preferential treatment. But one company, Tata Steel, is for now only processing imported solid [steel in Britain](#). Mr Reynolds is worried about the home front too. As Mr Trump's tariffs divert other countries' steel from America, he is tightening Britain's own import quotas.



Photograph: Reuters

Spain's Sánchez in a sea of troubles

With two of his right-hand men in the ruling Socialist Party [charged with corruption](#), and one of them detained pre-trial last month, Pedro Sánchez faces the worst crisis of his seven years as Spain's prime minister. His efforts to turn the page at a party meeting on July 5th did not go as planned either. One of his nominees for a top job resigned following allegations of sexual harassment.

On Wednesday Mr Sánchez will explain his plans for “regeneration” to parliament. He will try to persuade his hard-left and nationalist allies to keep him in office. Even if he buys time until the autumn, his troubles may not be over. Many believe there is more dirt involving party figures to come. Calls are mounting for him to submit to a motion of confidence. He will resist as long as he can, at the cost of political paralysis for Spain. His reliance on allies means he has struggled to get much done in this parliament. His chances of pushing through meaningful legislation are fading fast.



Photograph: dpa

Museum Island in Berlin at 200

On July 9th, 1825 the foundation stone was laid for Germany's first purpose-built art museum. Five years later, the *Altes Museum* (Old Museum) dazzled the public with Prussia's collection of classical works from ancient Rome and Greece. It was the first of the six that make up Berlin's Museum Island, in the middle of the River Spree, today.

A five-year celebration of 200 years of Museum Island begins on Wednesday. A special exhibition will include paintings and drawings from the museum's founding period, as well as 19th-century photographs of the site before it was destroyed during the second world war. There will also be sculptures and statues from the museum's first exhibition in 1830. The real highlight **won't come until 2037**, though, with the long-awaited reopening of the jewel in the Museum Island crown: Pergamon Museum, which has a first-class collection of ancient near-eastern, Hellenistic and Islamic art. Though its southern wing will open in 2027 already, the full refurbishment is now more than **40 years behind schedule**.



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.

Wednesday: Which Scottish actor has portrayed both Hannibal Lecter and Logan Roy?

Tuesday: Which singer-songwriter is best known for the song "Fast Car"?

*Thought can never capture the
movement of life, it is much too
slow.*

U. G. Krishnamurti