

Catch up: Government shutdown looms in America: Russian rates hold steady



America's House of Representatives voted to reject a **Trump-backed spending deal** that would avert a government **shutdown**. Dozens of Republicans defied the president-elect and joined the Democrats in opposing the bill, which would have funded the government through March and [suspend America's debt ceiling](#) for two years. Congress has until midnight on Friday to reach a new deal, after which non-essential government operations will stop.

Russia's central bank surprised markets by keeping its key interest rate at 21%. Despite rates being screwed to their tightest level in decades, annual inflation—stoked by Russia's invasion of Ukraine—is running at more than double the bank's target of 4%. Still, its policymakers said that markets had reacted better than expected to its last hike in October, creating promising [conditions for resumed disinflation](#).

Switzerland's parliament blamed the [demise of Credit Suisse](#) on “long-term mismanagement”. The country's second-largest lender was rescued by UBS, its rival, which Swiss authorities strong-

armed into a merger to save the banking system. The political inquiry, which is Switzerland's fifth ever, also criticised the ineffectiveness of Swiss financial regulators in policing the bank's capital requirements.

American diplomats are expected to hold their first in-person meetings with [Syria's new government](#) in Damascus, the capital, on Friday. America wants the ruling Hayat Tahrir al-Sham, a [rebel faction](#) formerly linked with al-Qaeda, to respect minority rights. Many foreign governments are [rushing to establish relations](#), including those such as Britain and America (and the UN) that blacklisted the Islamists as a terrorist group.

Two marquee names in American business were hit by **strikes** in the run-up to Christmas. At **Starbucks** a union representing about 11,000 baristas called its members to stop their daily grind to demand better [pay and conditions](#). At **Amazon**, workers at seven distribution facilities walked out in a dispute over union recognition; [the company](#) says the distribution of holiday parcels will not be affected.

Australia signed a deal to help the **Solomon Islands** expand its police force. According to Antony Albanese, Australia's prime minister, the agreement revealed that his country remained the "security partner of choice" for the Solomon Islands. Australia has signed a spate of deals with other Pacific-island countries in recent weeks to counter [China's influence](#) in the region.

Hackers stole \$2.2bn from **cryptocurrency platforms** in 2024, according to Chainalysis. In a new study, the research firm revealed that hackers linked to North Korea accounted for more than half the loot. America has accused the [hermit kingdom](#) of resorting to cybercrime to raise funds and to avoid international sanctions. Last week America charged 14 North Koreans for extorting funds from American firms.

Figure of the day: 35,000, the number of independent corner shops in Britain. [Read the full story.](#)

2024 in review: Ukraine's demoralising year



We are looking back on 2024. Today we are examining conflicts around the world, with one notable omission: on Monday we'll publish a special edition on the Middle East.

By the end of 2024 Russia's war of aggression on Ukraine will be nearing its third anniversary. At the start of the year Ukraine's troops were outgunned as allies wavered over providing more military aid. The loss in February of Avdiivka, a town in Donetsk, an eastern region, was a big blow. America's Congress finally approved a \$61bn aid package in April, which increased the supply of munitions. But the delays and manpower shortages meant that the year was mostly one of reverses for Ukraine.

Nonetheless, Ukraine has achieved some successes. In August elite units launched a shock incursion into Russia's Kursk region, initially claiming control of around 1,200 square kilometres of territory. (Russia has since taken some of that land back.) Ukrainians also destroyed Russian warships on the Black Sea—even though it barely has a navy. But Russia appears to have the

upper hand, and Donald Trump's re-election may improve its position. Few understand how he can fulfil his [promise to end the war](#) swiftly without undermining Ukrainian sovereignty.

2024 in review: Sudan's brutal civil war



In April 2023 civil war broke out between Sudan's national army and the Rapid Support Forces, a paramilitary group. The conflict has caused a [catastrophic humanitarian crisis](#): so far almost 30% of the country's pre-war population of 50m has been displaced.

As 2024 began the RSF appeared to have the upper hand. It had taken over much of Khartoum, the capital. Meanwhile almost all of Darfur, in the west, was under its control, though the army clung on to el-Fasher, the regional capital. The RSF's leader, Muhammad Hamdan Dagalo (better known as Hemedti), even embarked on a triumphant tour of African capitals.

But the group's momentum later stalled. Its advances in eastern and southern Sudan got bogged down by summer rains. And the national army began to win back parts of Khartoum. The RSF may yet take control of el-Fasher. But total victory for the group is now [less likely](#).

2024 in review: Myanmar's junta suffers heavy blows



In February 2021 Myanmar's army seized power from the democratically elected government of the de facto leader, Aung San Suu Kyi. Nearly four years later, a civil war between the Tatmadaw, as the army is known, and a coalition of armed groups rages on. In 2024 the junta suffered [significant setbacks](#). It lost control of most of the [crossing-points](#) on its border with China and most of the roads needed for trade with its neighbours. The Tatmadaw is on the back foot in the centre of the country, too.

The biggest winner was the Three Brotherhood Alliance, a network of three ethnic militias. It now governs swathes of the Shan Hills between Mandalay and China, and nearly all of Rakhine state in western Myanmar, where one of the militias is accused of committing atrocities against the Rohingya, a Muslim ethnic group. After a dramatic year, the fall of Myanmar's junta is no longer unthinkable.

2024 in review: Growing tensions in the South China Sea



An uneasy status quo long prevailed in the South China Sea. China stocked bases in the disputed Spratly Islands with troops, ships and aircraft. That served as a warning to other countries that claimed the rocks and reefs on which this military infrastructure was built, notably Malaysia, the Philippines, Taiwan and Vietnam. But Chinese vessels in nearby waters had only a limited remit: commercial shipping was mostly unaffected; a Chinese ban on fishing was not seriously enforced.

Now a [new pattern of escalation](#) and confrontation is emerging. The Philippines has shown the most resistance. Its coastguard and navy vessels have skirmished with their Chinese counterparts (so far no shots have been fired). And in November Ferdinand Marcos, the Philippine president, signed into law a bill setting out the country's maritime zone to include disputed waters. China sent out air and naval patrols in response. America, an [ally of the Philippines](#), is watching closely.

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.

Friday: Which artist drew the Peanuts cartoon strip?

Thursday: Which Victorian poet had a secret courtship and marriage with the writer Robert Browning?

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:

Ronald Murray, Toronto, Canada

Gwern Gwynfil, Cardiff, Britain

Nicola Shadbolt, Ashhurst, New Zealand

They all gave the correct answers of [Peter the Great](#), [potato](#), [human](#), and [Turkey](#). Check back tomorrow for this week's crossword. Our cruciverbalists will then take a short break before normal service resumes in January. You can also try [our special Christmas crossword](#).

Creativity comes from looking for the unexpected and stepping outside your own experience.

Ibuka Masaru