

## Catch up: Israel withdraws from Gaza buffer zone; Trump praises Musk



**Israel** withdrew its forces from the Netzarim corridor, a passage across the Gaza Strip that it had occupied. Their departure is one of the terms of a [ceasefire](#) agreement with Hamas. Crowds gathered to cross the former buffer zone, which had cut off southern Gaza from urban areas in the north. Under the ceasefire agreement Hamas has so far released 16 Israeli hostages in exchange for 566 Palestinians incarcerated by Israel. The group has also released five Thai hostages under a separate deal.

**Donald Trump** praised **Elon Musk** as the [Department of Government Efficiency](#) continued to slash spending by federal agencies. The president told Fox News that he would “soon” ask Mr Musk, who leads DOGE, to examine spending at the Education Department, which the president has promised to shut down. Mr Musk would move on to the armed forces. On Saturday a federal judge temporarily blocked Mr Musk’s team from gaining access to sensitive [Treasury payment systems](#). White House officials criticised the ruling.

**China** plans to reduce its subsidies for **green-energy projects**, Reuters reported, after a big increase in its capacity to produce solar and wind power. The country's main agency for economic planning suggested it would introduce "market-oriented" policies to encourage development. The subsidy programme helped China **dominate production** of solar panels and other green-energy infrastructure.

**Saudi Arabia, Egypt and Jordan** rejected suggestions that Palestinians could be moved out of Gaza and the West Bank. The three countries appeared to be responding to remarks by Binyamin Netanyahu, Israel's prime minister, who said in a television interview that Saudi Arabia has "a lot of land" and so could house a Palestinian state. Donald Trump has **called for** the eviction of Palestinians from Gaza and an American takeover of the enclave.

Mr Trump told the *New York Post* that he had spoken to **Vladimir Putin** about **ending the war** in **Ukraine**. Mr Trump did not say how many conversations had taken place, or when. A Kremlin spokesperson said they could neither confirm nor deny the reports. Meanwhile Ukraine's armed forces said that Russia had launched around 150 drones at the country overnight; some 70 were intercepted.

**Mr Trump** signed an executive order to cut financial aid to **South Africa**, accusing its government of "racial discrimination" against Afrikaners, an ethnic group descended from European settlers. The **order** instructs the Department of Homeland Security to promote the resettlement of "Afrikaner refugees". South Africa's government said the directive lacks "factual accuracy" and "fails to recognise South Africa's profound and painful history of colonialism and apartheid".

**Sam Nujoma**, the first president of **Namibia**, died in the country's capital, Windhoek, aged 95. He led the South West Africa People's Organisation, a rebel movement that freed Namibia from rule by

South Africa and became a political party. Mr Nujoma, the last of a generation of African leaders who achieved independence for their countries, was Namibia's president for 15 years from 1990. SWAPO remains in power.

**Fact of the day:** 1.9bn, the number of users TikTok has worldwide.  
[Read the full story.](#)

# China strikes back at Trump's tariffs



Last week Donald Trump announced that imports from China would face tariffs of 10% on top of existing duties. On Monday China's response comes into effect. A range of American energy exports face a 15% levy; other products, including lorries and agricultural machinery, will have a 10% charge. The [package of counter-measures](#) also includes export controls on rare metals, restrictions on two American companies operating in China and an antitrust investigation of Google, an American tech giant.

China's tariffs are temperate: whereas Mr Trump's salvo applies to \$450bn of Chinese imports each year, China's response targets \$20bn-worth of goods. But it hints at how Xi Jinping, China's ruler, plans to parry Mr Trump. The industries singled out for tariffs support between 400,000 and 700,000 American jobs, according to Brookings, a think-tank. Those jobs are mainly in rustbelt counties in the Midwest, Mr Trump's political heartland.

## An AI power struggle in Paris



The French government's Artificial Intelligence Action Summit begins in Paris on Monday. Tech grandees, politicians and NGOs from around the world will wrangle over how to handle the technology's development. Those fearful that AI's rapid progress could be catastrophic for humanity will push for heavy regulation. The "AI-ethics" camp will seek limits on things like deepfakes, algorithmic discrimination, intellectual-property theft and the burning of fossil fuels to power data centres. Others will argue for unleashing innovation in AI to boost productivity.

Advocates of strict, global rules on AI should expect resistance. [China](#) seems disinclined to heed such entreaties; President Donald Trump has torn up his predecessor's sweeping regulations on AI. The gabfest's French hosts want to limit EU constraints on AI in order to compete with the biggest global players. Alongside his summit co-chair, India's Narendra Modi, President Emmanuel Macron is expected to call for big investments in the sector at a dinner for bigwigs on Monday evening.



# Messy talks over America's budget



Elon Musk has captured much attention as the [Department of Government Efficiency](#), which he leads, threatens to shut down federal agencies and cut costs. But the more humdrum task of writing a budget still falls to Congress. Temporary legislation to fund the government lasts until March 14th. Talks to pass a spending bill which would also fund the government in the longer-term are not going well. This week both chambers of Congress are expected to suggest proposals to break the impasse.

Republicans control the House and the Senate, but infighting means they have to rely on Democratic votes to agree on a budget. Democrats have little incentive to help Republicans and the two sides don't agree on the main issues. Separately, Republicans want to establish a framework for passing an extension of tax cuts and other priorities. But the House and Senate remain at odds over whether to pass one large bill or two pieces of legislation. There is no guarantee this legislative drama will be resolved.

# Bangladesh's economic struggles



In August students in [Bangladesh](#) overthrew Sheikh Hasina, the country's autocratic leader. One of their main grievances was corruption; the new government is still trying to recover money the regime allegedly stole. Last month Bangladesh's central bank announced the formation of 11 investigation teams to reclaim assets worth \$17bn, which were allegedly bought with money siphoned off from commercial banks.

Taming inflation is another pressing task. The annual inflation rate has not fallen below 9% in nearly two years; consumer prices rose by 10% year on year in January. The central bank, which makes its next monetary-policy decision on Monday, has raised interest rates five times since the start of 2024, with little effect. Moreover, Donald Trump's tariff threats have driven up the value of the dollar, which could stoke inflation by pushing up the cost of imports. That would make the central bank's work even more challenging.

## Vying for influence over the Cook Islands



The prime minister of the Cook Islands, Mark Brown (pictured), begins an official visit to China on Monday—the first by a leader of the South Pacific state in a decade. China is vying for influence in the region with America and its partners, Australia and New Zealand. The Cook Islands needs investment to diversify its tourism-dependent economy. The prime minister is expected to sign a “comprehensive strategic partnership” with China to increase co-operation in areas such as deep-sea mining.

That has alarmed New Zealand, which has a “free-association” arrangement with the Cook Islands. Cook Islanders have New Zealand citizenship; in return, the country’s government is required to consult New Zealand on foreign and defence policies. New Zealand complains that Mr Brown has flouted those obligations by failing to share details of its deal with China. Still, the many ties between New Zealand and the Cook Islands may ultimately limit China’s influence in the South Pacific country.



## 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](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Monday:** What was the Lone Ranger's famous call to speed his horse into action?

**The structure of a play is always the story  
of how the birds came home to roost.**

*Arthur Miller*