

The world in brief

Catch up quickly on the global stories that matter

Donald Trump said he will impose a 50% [tariff](#) on EU imports from June 1st, claiming that trade talks with the bloc are “going nowhere”. He also threatened a 25% tariff on iPhones made outside America, pressuring Apple to shift production from China and India. The announcements rattled markets: Apple shares fell 4% and Europe’s Stoxx 600 index dropped nearly 2%.

Mr Trump approved a “partnership” between us **Steel** and **Nippon Steel**, a Japanese rival. The president said that, under the deal, the American firm will remain in Pennsylvania, creating jobs and adding \$14bn to America’s economy. In January President Joe Biden [blocked](#) a proposed \$14.9bn takeover by Nippon, supposedly on the grounds that it was a threat to national security.

A judge in Boston temporarily blocked the Trump administration’s effort to revoke **Harvard University’s** ability to enrol international students. She agreed that the move, which Harvard called unconstitutional and politically motivated, would cause “immediate and irreparable injury”. Kristi Noem, America’s homeland-security secretary, said the action follows Harvard’s failure to provide records on alleged misconduct by foreign students; the [university](#) disputed those claims.

Russia and **Ukraine** began their largest prisoner swap of the war, which will involve the return of 1,000 soldiers each over three days. The countries agreed to the exchange at [talks in Istanbul](#) last week, which were the first direct negotiations in nearly three years. Donald Trump prematurely claimed the deal was complete, as he continued to push both sides to agree to a ceasefire.

Israeli airstrikes killed 16 people and injured dozens more across Gaza, according to Palestinian officials. Aid continued to trickle in after months of Israeli blockade, though officials warned that children are dying from starvation. Earlier, **Binyamin Netanyahu**, Israel's prime minister, accused France, Britain and Canada of aiding Hamas after they threatened sanctions over Israel's [military operations](#) in Gaza. He said their stance undermined Israel's security.

RedBird Capital, an American private-equity firm, agreed to buy the group that owns the ***Telegraph*** for £500m (\$673m), ending a two-year ownership battle. Lloyds, a bank, seized the British newspaper after the [Barclay family](#), its proprietors at the time, defaulted on loans. Abu Dhabi's state-backed investment firm will own a minority stake; Britain passed a law that restricts foreign state ownership of national newspapers which blocks it from taking full control.

Japan's core inflation rose to an annual rate of 3.5% in April, the fastest pace in over two years, driven by soaring [processed food prices](#). The index excludes fresh food but includes staples like rice and chocolate. The Bank of Japan faces a dilemma: raise interest rates to curb inflation, or hold steady to shield a fragile economy from Donald Trump's trade war.

Figure of the day: \$385bn, the value of Vietnam's annual exports, which has risen eight-fold since 2007. [Read the full story.](#)



Photograph: AP

A demanding host for NATO

NATO's Parliamentary Assembly is meeting on Friday in Dayton, Ohio. It will be the first time legislators from member countries have gathered in America since 2003. A month ahead of a NATO summit in the Netherlands, European members will seek reassurance that Donald Trump is not about to end America's 76-year [commitment](#) to defend their continent.

Among the speakers will be America's ambassador to NATO, Matt Whitaker, who is a former acting attorney-general believed to have influence with Mr Trump. He recently said America had made no decision about whether its troops would leave Europe but that there "will not be any security gaps". He added that "conversations" would take place with allies.

The assembly will also discuss Mr Trump's demands for higher European defence spending. NATO's secretary-general, Mark Rutte, has reportedly called on members to reach 3.5% of GDP on "hard" military spending and 1.5% on related expenses, such as infrastructure and cyber-security, over the next seven years.



Photograph: AP

The fight for Sudan's skies

At last, according to Sudan's national army, Khartoum is fully free from the Rapid Support Forces (RSF). Most of the Sudanese capital had been in the hands of the mutinous militia group, which stands accused of genocide and other atrocities, since shortly after the outbreak of civil war in early 2023. But the triumphant return of the Sudanese Armed Forces (SAF) to the capital in March this year heralded a new phase in the conflict. Since then they have been mopping up the remaining pockets of resistance in the western district of Omdurman near the capital.

Now the SAF are determined to show that by recapturing the capital they are fully back in charge of the country. On May 19th the army's top brass appointed a civilian prime minister. But earlier this month the RSF carried out [drone attacks](#) on Port Sudan, the SAF's eastern stronghold, for the first time. The message was clear: rather than ending, Sudan's civil war is moving to the skies.





Photograph: Getty Images

What's next for the budget bill

Republicans in America's House of Representatives start their Memorial Day break on Friday with a big win. After an all-night session, on Thursday they passed their "One Big Beautiful Bill" designed to fund Donald Trump's priorities. Appeasing the various wings of the party took last-minute changes, a lot of compromise and some threats from Mr Trump. But the reconciliation bill squeaked through by 215-214, with no Democratic support, two Republicans voting against and one voting "present".

The bill will now [go to the Senate](#), where lawmakers will probably take a red pen to it. Cuts proposed to the social safety-net are especially contentious. A Senate-approved version will go back to the House for another potentially difficult vote. Mike Johnson, the Republican Speaker of the House, wants this all done by July 4th. Turning it into the "One Big Beautiful Bill Act" by that deadline could be one big, ugly scrap.



Photograph: EPA

Tariffs bring the house down

New-home sales data for April, due on Friday, will offer clues about how Donald Trump's economic agenda is reshaping America's housing market. Sales rose by 7.4% year on year in March, but economists expect that momentum to slow. Spring is high season for homebuying. But this year, prospective owners face more difficult choices. Mr Trump's tariffs on Chinese goods have raised construction costs. The National Association of Home Builders, a trade body, estimates they are adding over \$10,000 to the price of each new home. Tariffs on furniture and fittings are pushing interior costs higher, too.

Buyers will need to weigh these increases, as well as mortgage costs that have been rising again since early April. Many are choosing to defer: mortgage applications have fallen, and existing-home sales dropped nearly 6% year on year in March, the sharpest fall since 2022. April's figures will show whether the market for new-home sales is starting to slow, too.



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.

Friday: Which Michael Chabon novel was turned into a 2000 film starring Michael Douglas?

Thursday: Which American painter was nicknamed “Jack the Dripper” for his style?



Illustration: The Economist

The winners of this 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:

Guillermo Garrido, Orlando, Florida

Peter & Jane Harvey, Barcelona, Spain

Ahsan Ulhaq Shah, Budgam, India

They all gave the correct answers of [Ankara](#), [Rafale](#), [eulogy](#) and [Air Force One](#).

*Nature provides exceptions to
every rule.*

Margaret Fuller