

The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

Donald Trump said he had agreed “the framework of a future deal” on **Greenland** after a “very productive” meeting with Mark Rutte, NATO’s secretary-general. America’s president dropped plans to impose additional [tariffs on European countries](#) from February 1st. Mr Trump told leaders at Davos that only America could defend [the territory](#) and said it had been “stupid” to return it to Denmark after the second world war.

Mr Trump also said he planned to name a new chair of the **Federal Reserve** soon. Earlier America’s Supreme Court seemed reluctant to side with Mr Trump over his [attempt to fire Lisa Cook](#), a Fed governor he accuses of mortgage fraud (she denies wrongdoing). Dismissing her without review “would weaken, if not shatter” the independence of America’s central bank, one conservative justice suggested.

The **European Parliament** voted to send the EU’s [trade deal](#) with **Mercosur**, a bloc of South American countries, to Europe’s top court. Officials finalised the agreement in January after more than two decades of talks. MEPs now want judges to review several clauses, including one that lets Mercosur challenge EU laws. The

move follows mass farmer protests. A ruling could take up to two years, delaying ratification.

Argentina's economy contracted for a second month in November, following a market selloff sparked by a [close midterm election](#) in October. The country's economic activity indicator, a proxy for GDP, slowed by 0.3% from October to November. The official index was dragged down by sharp slowdown in the fishing sector, as well as declines in manufacturing and retail.

Israeli forces killed at least 11 Palestinians across **Gaza**, local health officials said. The strikes hit a car in central Gaza, killing three journalists; Israel said troops targeted people operating a Hamas-linked drone. Meanwhile a nearby fire and a shooting in Khan Younis, a city in the south, killed two boys. The violence has further strained a three-month [ceasefire](#) already marred by breaches.

Burberry, a British [luxury](#) fashion house, reported better-than-expected results for the final quarter of 2025. Sales rose by 3% year on year, boosted by strong demand in China and a campaign in **Britain** starring local celebrities. Joshua Schulman, the chief executive since 2024, is refocusing the brand on staple items such as trench coats and scarves.

Japan restarted one of seven reactors at the world's largest nuclear power plant, which was taken offline after the Fukushima nuclear disaster in 2011. Tokyo Electric Power, which also operated the Fukushima Dai-ichi plant, switched on a reactor at Kashiwazaki-Kariwa in the country's north-west despite local opposition. Japan has struggled to meet [growing demand](#) for electricity with renewables.

Figure of the day: S\$6,500 (\$5,050), the cost to attend a professional course at SM Universe, a new k-pop training academy in Singapore. [Read the full story.](#)



Photograph: Reuters

Can NATO pull together?

The Supreme Commander of NATO, always an American officer, has a big job at the best of times—they co-ordinate the alliance's response to any external emergencies or threats. General Alexus Gynkewich, who assumed the role in July, is now in the deeply unenviable position of having to contend with an internal crisis as well.

When General Gynkewich joins other NATO military chiefs in Brussels on Wednesday for one of their thrice-yearly meetings, the elephant in the room will be the furore caused by President Donald Trump, his own commander-in-chief. NATO's ability to protect its members relies on the principle of collective defence. That means it depends on keeping America—which has by far the strongest armed forces—on side. But Mr Trump's threats to take control of Greenland, an autonomous Danish territory, have so angered European leaders that several seem prepared to abandon their recent policy of appeasing America in return for its continued support in Ukraine. The rift [threatens the alliance's very foundations](#).



Photograph: Getty Images

A test of the Fed's independence

This month the Trump administration opened a criminal investigation into Jerome Powell, chair of the Federal Reserve, accusing him of misleading Congress over renovations to the Fed's headquarters. On Wednesday Mr Powell sat in on oral arguments at the Supreme Court as it weighed the fate of Lisa Cook, another embattled Fed governor.

Trump v Cook began in August, when Mr Trump tried to sack Ms Cook for [alleged mortgage fraud](#), accusations Ms Cook dismissed as “paper-thin”. No other president has tried to fire a member of the independent central bank’s rate-setting board before, and it is supposed to be hard to do—presidents must have “cause”. Ms Cook’s lawyers argued that Mr Trump’s attempt did not meet that standard; the administration countered the president was acting within his authority. Ms Cook has warned that, if the court sides with Mr Trump, Fed governors would be vulnerable to removal whenever their policy judgments upset the president. The justices seemed to agree.



Photograph: Reuters

Britain's inflation progress stalls

Data released on Wednesday showed that Britain's progress in lowering inflation has stalled. Annual consumer-price growth rose by more than expected to 3.4% in December, the first rise in six months. It had eased to 3.2% in November, down from a summer peak of 3.8%. Higher tobacco duties, pricier airfares and the end of Black Friday sales have pushed inflation back up.

That will give policymakers at the Bank of England reason to tread carefully when they meet on February 5th. Having cut the main rate in December from 4% to 3.75%, officials might want more time to assess the effects of that cut before making another move. But any pause is unlikely to last long. The bank expects inflation to fall close to its 2% target by the second quarter, helped by lower energy prices. A cooling labour market, meanwhile, is expected to ease pressure on wages, strengthening the case for further rate cuts later in the year.



Photograph: Reuters

Hong Kong's uncertain economic outlook

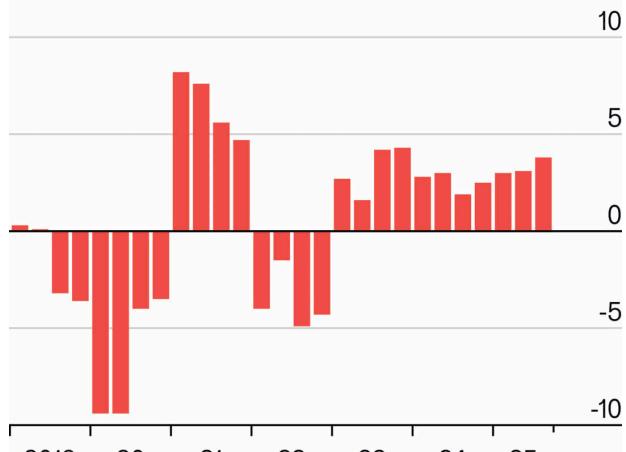
The Future of Hong Kong Economy Conference, an invite-only affair hosted by Hong Kong University, kicked off on Wednesday. Academics, business leaders and policymakers will use it as an opportunity to look into their crystal balls. The future they see will be mixed.

Many signs are positive. The economy is rebounding from a protracted slump triggered by a years-long covid lockdown and widespread pro-democracy protests in 2019, which resulted in a political crackdown. It grew at its fastest clip since 2023 in the third quarter of 2025; full-year growth is expected to have been 3.2%. The city was the world's top IPO venue in 2025, raising more than HK\$285bn (\$36bn) from 119 listings. Tourist numbers rose by 12% compared with 2024, to almost 50m. And exports showed unexpected strength thanks to a persistent demand for electronic products.

But the recovery is dual-speed. A prolonged commercial-property slump, a still-uncertain global trade environment and weak consumer spending is tempering Hong Kong's revival. Government stimulus may provide modest support, but sustained growth will require renewed private demand. Hong Kong is not out of the woods just yet.

Boom and gloom

Hong Kong, GDP, % change on a year earlier



Source: Haver Analytics



Illustration: Sandra Navarro

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 GMT on Friday to [\[email protected\]](mailto:). We'll pick randomly from those with the right answers and crown three winners on Saturday.

Wednesday: Which actor won an Oscar for best supporting actor as a traumatised Vietnam veteran in “The Deer Hunter”?

Tuesday: What was the popular name of the Chinese rebellion against Western occupation between 1899 and 1901?

Every joke is a tiny revolution.

George Orwell