

The world in brief

Catch up quickly on the global stories that matter



Canada's **Alimentation Couche-Tard** withdrew a \$47bn bid for **Seven & i**, the Japanese owner of 7-Eleven, because of its “calculated campaign of obfuscation and delay”. It would have been the biggest-ever foreign takeover of a Japanese firm. The saga says much about the [difficulty Japan faces](#) making its corporate giants more attuned to the interests of shareholders.

Israel launched air strikes on Damascus, **Syria's** capital, hitting the defence ministry and presidential palace. It vowed to destroy government forces attacking Druze fighters in southern Syria. The Druze, an [esoteric sect](#), are strongly represented in Israel's army. A Druze-Syrian ceasefire was announced on Wednesday. Marco Rubio, America's secretary of state, said “specific steps” had been agreed to end the fighting “tonight”.

[Lee Jae-yong](#), **Samsung's** boss, was cleared of corruption by South Korea's top court after a five-year legal battle. The scion of the family that founded the firm in 1989, Mr Lee was accused of accounting fraud and stock manipulation during a merger in 2015 that paved the way for his succession. The country is wrestling with numerous corruption scandals involving powerful family-run conglomerates.

Russia bombed a shopping centre in Dobropillia, in eastern **Ukraine**, killing two people, officials said. The mayor of the town, which is in the Donbas region and close to [the front line](#), said the area was crowded with civilians at the time. Ukraine's president, Volodymyr Zelensky, called the attack "simply horrific", adding that it had "no military logic". Russia has yet to comment.

Canada imposed restrictions on foreign **steel** in order to protect its domestic industry. Mark Carney, the prime minister, set quotas on imports from countries other than America and Mexico, and promised to impose a 25% tariff on imports that contain steel processed in China. Canadian suppliers say they have been [squeezed](#) by cheap imports, as well as tariffs levied by America.

Donald Trump said he would not sack **Jerome Powell**, the chair of the Federal Reserve, after reports that he discussed the idea with Republican congressmen on Tuesday. Mr Trump reportedly brandished a letter demanding [Mr Powell's dismissal](#) in the meeting. The dollar fell and Treasury yields rose amid the reports. The Trump administration has been pressuring the Fed to cut interest rates for months.

Mr Trump berated his "past" supporters for helping Democrats by falling for the "**Jeffrey Epstein Hoax**". Several senior members of the Trump administration had previously [peddled a theory](#) that the state was withholding explosive information about the paedophile's relationships with the powerful, promising to release "secret" files once in office. The administration's attempt to now distance itself from the conspiracy has anguished many MAGA types.

Figure of the day: 0.2%, the proportion of Iceland's GDP that it spends on defence. That could soon change. [Read the full story.](#)



Photograph: Alamy

TSMC rides the AI boom

TSMC, the world's biggest chip manufacturer, reports full quarterly results on Thursday. Revenue for the second quarter was about \$32bn, up by 39% from the same period a year earlier. The Taiwanese firm dominates the production of advanced chips used in artificial intelligence. Surging demand from chip designers such as Nvidia and Broadcom is expected to boost TSMC's revenue by around 25% this year. Donald Trump's tariff threats have yet to dent demand.

Still, problems loom. American officials are investigating whether the chipmaker [breached export controls](#) after TSMC-made chips ended up on gear from Huawei, a Chinese tech giant. TSMC is also expanding beyond its Taiwanese base. In March it pledged \$100bn to build three plants and other facilities in Arizona; it already has one factory in operation there and another two being built. Potential obstacles include high costs and the difficulty of finding skilled workers. But for now, this shovelmaker for the AI gold rush shows no sign of flagging.

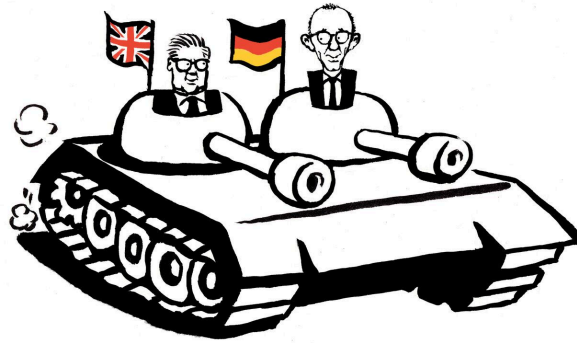


Illustration: David Simonds

A new Zeitgeist: British and German friendship

British tabloids and sporting pundits delight in playing up their country's historic enmity with Germany. Rarely have they seemed more tone-deaf. On Thursday Friedrich Merz, Germany's chancellor, will make his first official visit to Britain. Eighty years since the end of the second world war, Mr Merz and Sir Keir Starmer, Britain's prime minister, will mark the occasion by inking a wide-ranging Anglo-German "friendship" treaty.

Much of the pact will focus on defence and security. Germany and Britain are expected to agree to a mutual-assistance clause, under which both sides would help each other in the event of an attack. It will also build on the Trinity House Agreement signed last year, which encourages greater co-operation between the countries' defence industries and armed forces. The treaty will also address [lingering questions](#) over trade, illegal migration and cultural exchanges, all of which have caused friction since Britain left the European Union.



Photograph: Getty Images

An awkward absence for G20 finance ministers

Scott Bessent, America's treasury secretary, will skip an international meeting of finance ministers on Thursday. Officials from G20 countries, a group of the world's largest economies, are gathering in South Africa amid slowing global growth and ahead of a new round of American tariffs, set to come into force on August 1st. The meeting is an important agenda-setting milestone before G20 leaders meet in November.

That will be the first such G20 summit held in Africa. Cyril Ramaphosa, South Africa's president, wants to use the chance to press for better access to capital for poor countries and stronger action on climate change. But Mr Bessent's absence will preoccupy participants. American officials have [acrimonious relations with South Africa](#). Donald Trump has falsely claimed there is a "genocide" against white farmers in the country. South Africa is also a member of the BRICS group of emerging economies, which Mr Trump has threatened with extra tariffs for being "anti-American".



Photograph: Alamy

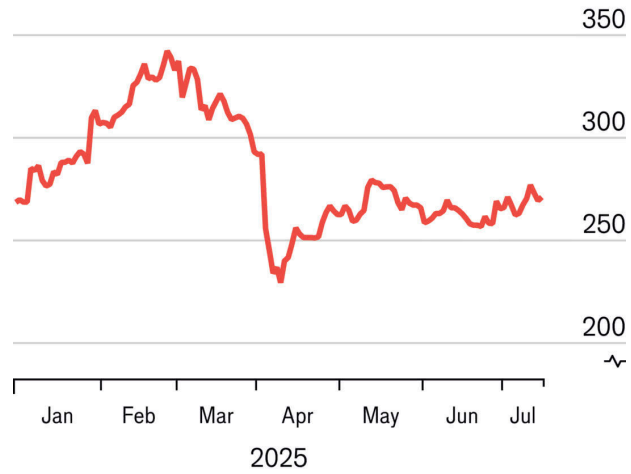
Sweden's carmaking giant hits a road bump

The reputation of Volvo's cars is for Scandi-cool design and safety. But global trade wars are putting the firm at risk. Its share price has already tumbled more than 20% since February. Second-quarter results out on Thursday will probably show sales falling compared with a year ago, and declining profits and margins. The Swedish firm's Chinese-made cars have been hit by [tariffs on imported vehicles](#) both to America and Europe; delays to a new SUV have added to costs.

Volvo recently brought back its former boss, Hakan Samuelsson. He will probably give more details of a cost-cutting plan to go beyond the 3,000 job losses announced in May. The company must also be hoping that Donald Trump's administration strikes a trade deal with the European Union, which might favour firms such as Volvo with factories in America. Otherwise, Volvo may be heading for a crash.

Put the hazards on

Volvo share price, Swedish krona



Source: LSEG Workspace



Photograph: Getty Images

A moment in the spotlight for Irish golf

In 2019 Royal Portrush on the coast of Northern Ireland hosted the Open, one of [golf's four majors](#), for the first time in 68 years. One Northern Irish golfer, Graeme McDowell, confessed to having tears in his eyes on the first tee. A player from across the border in the south, Shane Lowry, won the tournament. Portrush's hosting was such a success that the organisers have now brought the Open back after a much shorter time gap. The first round begins on Thursday.

The island of Ireland boasts four former champions in the playing roster: Mr Lowry, Darren Clarke, Padraig Harrington and Rory McIlroy. Of that group, Mr McIlroy has the greatest chance of winning this time, having completed his career sweep of golf's majors at the Masters earlier this year. True, he was off the pace at the us Open in June. But a second-place finish at last week's Scottish Open suggests he has regained his focus.



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.

Thursday: Which martial arts star appears in “Bloodsport”, “Universal Soldier” and “Timecop”?

Wednesday: The Tintin series of stories were created by which cartoonist?

*No society can surely be
flourishing and happy, of which
the far greater part of the
members are poor and miserable.*

Adam Smith