

## Catch up: Blinken in Egypt for ceasefire talks; Biden's swansong at Democratic convention



**Antony Blinken**, America's secretary of state, arrived in Egypt for further talks over a ceasefire in Gaza. On Monday Mr Blinken said that **Binyamin Netanyahu**, Israel's prime minister, accepted a "bridging proposal" including a ceasefire and the release of Israeli hostages. Hamas said that the proposal was too close to Israel's position. Meanwhile, the **Israel Defence Forces** recovered the bodies of six hostages taken by Hamas in Khan Younis, a city in southern [Gaza](#), in an overnight operation. All but one were known to be dead. Around 110 people taken hostage on October 7th remain in captivity.

**President Joe Biden** closed the first day of the **Democratic National Convention** in Chicago with a speech seen as a symbolic handover to Kamala Harris. "Democracy must be preserved," he told the crowd, while recounting the achievements of his administration. Earlier, [Ms Harris](#) praised the president's "lifetime of service" during an unexpected appearance on stage.

The **European Commission** announced tariffs on electric vehicles manufactured by Tesla, an American carmaker, in China. The bloc will introduce a levy of 9%. The EU says that [China's subsidies](#) allow it to export EVs and other goods at lower prices, which threaten local manufacturers. China has said that these measures constitute a barrier to free trade.

**Russian** air strikes damaged energy facilities across northern Ukraine. In the region of Ternopil a large fire broke out after missiles hit an industrial facility. In Sumy, which borders Russia, more than 18,500 people were without power. Earlier this year Russia began a campaign of attacks on [Ukrainian energy infrastructure](#); the resulting damage could take years to rebuild.

South Korea's armed forces said a **North Korean** soldier defected to **South Korea** after walking across the heavily mined demilitarised zone between the countries. It is rare for North Koreans to make it across the border on foot. The South has been blaring propaganda from loudspeakers on the border for months in response to the North's sending [balloons](#) carrying rubbish south.

**George Santos**, whose short stint in Congress ended in [expulsion](#) for ethics violations, pleaded guilty to wire fraud and identity theft at a [New York federal court](#). Mr Santos, whose CV was largely fictitious, faced 23 felony charges related to stealing money from donors and lying to the government. His plea deal means he will probably face at least two years in prison.

**Mike Lynch**, a tech tycoon dubbed “Britain's Bill Gates”, was one of six people reported missing after a yacht sank off the coast of Sicily. The *Bayesian* was hit by a waterspout—a type of tornado—early in the morning as it was anchored near the city of Palermo. Jonathan Bloomer, the chairman of Morgan Stanley International, was also among those missing. Fifteen others were rescued; eight were transferred to hospital.

**Figure of the day:** 3,500, the estimated daily calorie intake of people in the rich world—well in excess of what their bodies need. [Read the full story.](#)

*As Democrats gather in Chicago for their national convention this week, keep abreast of America's political news by reading [The US in brief](#), our daily update. [Sign up](#) to receive it as a newsletter each weekday.*

## A last push for a Gaza ceasefire?



America's secretary of state, Antony Blinken, is in the Middle East in a last-ditch attempt to achieve a ceasefire in Gaza. On Monday Mr Blinken said that an American proposal presented last week to Israel and Hamas is “probably the best, maybe the last opportunity” for a deal that would end the war and secure the release of Israeli hostages. Both sides accept the basic framework of the agreement. It includes a six-week truce in which some of the hostages would be freed, leading to talks on a more permanent ceasefire.

But an actual deal remains elusive. Binyamin Netanyahu, Israel's prime minister, accepted a “bridging proposal” that would lead to a ceasefire in Gaza and the release of Israeli hostages. Mr Blinken is waiting for Hamas to also accept. But Hamas is demanding a firmer commitment to a permanent ceasefire. Talks will continue this week in Egypt and Qatar. The decision lies with two hardliners: Mr Netanyahu, and Hamas's leader, [Yahya Sinwar](#). Each is focused not only on ending the war, but also on his own political fate.

## Russia hits back against Ukraine's incursion



Ukraine's [shock raid](#) in Russia's Kursk region has boosted morale and shown that Ukrainian forces have developed effective new tactics. But a fortnight after the operation began, progress has slowed and the outlines of a new front line are emerging. Ukraine now appears to be focused on establishing a line of control on the southern bank of the Seim river to the north-west of the town of Sudzha. On Monday Russian officials said Ukraine had struck a third bridge over the river, having destroyed two crossings late last week.

Russia's response, initially sluggish, [is intensifying](#). The Kursk operation has belatedly forced Russia to divert some troops from the Donbas inside Ukraine. Still, Russian forces are maintaining heavy pressure on Pokrovsk, a strategically important town in the Donetsk region. The war is reaching a dramatic moment. Ukraine hopes to sustain its raid, changing the defeatist narrative about a frozen conflict. Russia wants to crush the incursion and press home its assault elsewhere.

# The many problems of Europe's builders



Europe's construction sector is in a bad way. Interest rates are high, making financing of new projects expensive. Real wages, while growing, are lower than they used to be, making buyers stingy. Although supply disruptions have eased, construction costs are higher than before. The rise of working from home has also dented demand for new office blocks. But the EU's construction-output data for June, released on Tuesday, surprised with a strong increase, compared with May.

Might this be the start of a recovery? Recent surveys suggested that a decline in output, which started in early 2023, would continue: new orders are falling and the sector is shedding workers. Firms are also pessimistic about future growth, despite some rebound in house prices in countries such as Germany. The latest data notwithstanding, it will probably take time for the recovery in real wages and falling interest rates to boost the construction sector, and help [Europe's economy grow stronger](#).



## The other side of Turkey's inflation battle



Turkey's central bank has raised interest rates by 41.5 percentage points in [little more than a year](#). Turkey's annual inflation rate is finally falling, from 71.6% in June to 61.8% in July. The bank hopes that figure will drop to 38% by the end of the year. To meet the target, it cannot afford to make any premature interest-rate cuts. At its monthly meeting on Tuesday, the bank's monetary-policy committee held the benchmark borrowing rate at 50%.

But the struggle against inflation has come at a cost. High deposit rates and interventions by state banks have slowed the Turkish lira's slide against the dollar. The currency's depreciation is much lower than consumer-price growth, leading to concerns that it is overvalued. Exporters are pleading with the government to allow the lira to depreciate to regain their competitive edge. Hoteliers are complaining that Turkey is becoming too expensive even for foreigners. Disinflation has its discontents, too.

## An era ends in New Jersey



Bob Menendez's 18-year career as a senator from New Jersey ends in disgrace on Tuesday, when his resignation takes effect. In July Mr Menendez was [convicted of corruption](#). Prosecutors said the [senator took bribes](#)—cash, a Mercedes-Benz, mortgage payments and gold bars—in exchange for advancing the interests of Egypt and Qatar. At the time, he was the chair of the powerful Senate Foreign Relations Committee. The indictment, unveiled last autumn, triggered a race for his seat.

When Tammy Murphy, the wife of the state's Democratic governor, declared her bid for Mr Menendez's seat, she was promptly backed by local party bosses, whose endorsements give candidates favourable spots on the ballot. But charges of nepotism stuck. The underdog—Andy Kim, a Democratic congressman—defeated Ms Murphy in early local contests. Ms Murphy eventually dropped out of the primary, and the easily abused ballot system was [overhauled](#), too. New Jersey politics is notoriously full of scandal. Mr Menendez's downfall seems to be forcing a clean-up.



## 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 BST 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.

**Tuesday:** Which horror film from 1986 was advertised with the tagline “Be Afraid. Be Very Afraid”?

**Monday:** Which George Eliot novel partly concerns the unhappy marriage of Dorothea Brooke and Edward Casaubon?

## 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 BST 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.

**Tuesday:** Which horror film from 1986 was advertised with the tagline “Be Afraid. Be Very Afraid”?

**Monday:** Which George Eliot novel partly concerns the unhappy marriage of Dorothea Brooke and Edward Casaubon?

**A smile is a curve that sets everything straight.**

*Phyllis Diller*