

# The world in brief

Catch up quickly on the global stories that matter



Photograph: Getty Images

**Donald Trump** threatened to impose a tariff of 35% on **Canadian** goods from August 1st unless a new trade deal [is struck](#). Around three-quarters of Canada's exports go to America, including parts crucial to America's carmaking industry. The Trump administration has already imposed a 50% levy on steel and aluminium, and one of 25% on certain cars and automotive parts.

**Canada's** unemployment rate unexpectedly fell by 0.1 percentage points to 6.9% in June—the first decline since January. Job growth was strongest in sectors less affected by Mr Trump's tariffs, such as healthcare. The labour market's resilience is good news for Canadians worried about a slowdown as uncertainty from Mr Trump's trade war weighs on investment and exports.

Marco Rubio, **America's** secretary of state, met his **Chinese** counterpart, Wang Yi, at a meeting in Malaysia of the Association of South-East Asian Nations. America and China are vying for influence in the region. Ahead of the meeting on Friday, Mr Rubio said he would raise China's support for Russia after a “frank conversation” about the [war in Ukraine](#) with Sergei Lavrov, Russia's foreign minister, on Thursday.

The United Nations said at least 798 Palestinians were killed near aid-distribution sites in **Gaza** between May 27th and July 7th. Last month *Haaretz*, a newspaper, published reports that Israeli soldiers had been ordered to shoot at Palestinians near the [controversial sites](#), which are run by the Gaza Humanitarian Foundation, an American-backed group. Binyamin Netanyahu, Israel's prime minister, called the reports a "blood libel".

**Germany's** governing coalition faced its first serious internal row [since taking office in May](#). The conservative Christian Democratic bloc in parliament balked at approving Frauke Brosius-Gersdorf, a candidate for Germany's constitutional court nominated by its governing partners, the Social Democrats. The conservatives cited plagiarism allegations, but many in their ranks dislike Ms Brosius-Gersdorf's liberal views on abortion. The vote was postponed.

**Britain's economy** shrank for a second consecutive month in May. GDP declined by 0.1% month-on-month after contracting by 0.3% in April. An upward revision from 0.2% to 0.4% growth in the figures for March provides a small bright spot, but the slowdown is still a blow to the Labour government. The results of its first year of economic policymaking [have been disappointing](#).

The **Kurdistan Workers' Party**, a rebel group in Turkey and Iraq, began handing over its weapons in northern Iraq, marking the start of its disarmament. The move follows secret talks with Turkey and a call in February from the group's jailed leader, Abdullah Ocalan, [to disband](#). The conflict has lasted decades and claimed more than 40,000 lives.

**Figure of the day:** 123m, the number of people worldwide who have been forcibly displaced due to war or persecution, as of the end of 2024. [Read the full story](#).



Photograph: Getty Images

## Trump faces blame over Texas

Donald Trump is due to visit Texas's Hill Country on Friday, one week after flash floods [killed more than 100](#) people, including more than two dozen children at a Christian summer camp. His administration has been accused of [contributing to the deadly disaster](#) by firing federal workers at the National Weather Service. The White House has denied responsibility: "blaming President Trump for these floods is a depraved lie," said its press secretary.

She has a point. Texas's weather offices were well-staffed with meteorologists on July 4th. However, the administration's cuts to research will make preparing for and responding to such unpredictable weather much harder in the future. The Atlantic Oceanographic and Meteorological Laboratory in Miami, which sends drones into thunderstorms to collect data, and the National Severe Storms Laboratory in Oklahoma, which conducts flash-flood forecasting, are among the many climate labs that have been stripped of federal funds and are scheduled to close next year.



Photograph: Getty Images

## Chinese cars race to the bottom

China's electric vehicles keep getting **cheaper and cheaper**. A price war among the country's many automakers has seen several companies slash prices in recent months. This is good for consumers. Some sales figures for June show car sales rose for the fifth straight month and that EVs accounted for roughly 53% of those sales. That, in turn, is good news for an industry that needs to eke out revenues with ever-thinning margins.

The China Association of Automobile Manufacturers will release more data on last month's performance on Friday, probably confirming that sales keep going up. But China's car industry as a whole faces big questions in the remainder of 2025. One of those concerns is the increasing number of "zero-mileage" used-car sales, or when new cars are sold overseas as used ones in order to make them more price-competitive, and to inflate sales. In an industry that has been touted as China's next big thing, this is a bad indicator.



Photograph: Getty Images

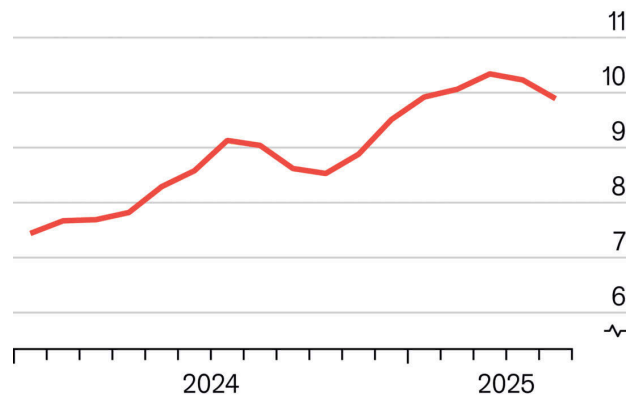
## Russia's economy looks for a landing

Figures out on Friday are expected to show that Russian inflation in June was 9.5% year on year. It continues a streak of two recent declines after reaching a peak of 10.3% in March. Inflation that high is still bad, of course. Still, things are improving as a result of the central bank's doggedly tight monetary policy. Even after a recent cut, Russia's policy rate remains at a painful 20%, making it expensive to borrow and incentivising people to save rather than spend.

The big question for Russia is similar to one faced by many rich countries a few years ago: can it achieve a soft landing, where inflation falls without crushing the economy? Even at this early stage, the omens do not look great. [GDP growth has slowed](#) sharply in recent weeks, as have increases in real wages. Russia could soon learn that when an economy overheats, the needed cooling off can be unpleasant.

## A lighter load

Russia, consumer prices,  
% increase on a year earlier



Source: Haver Analytics





Photograph: Alamy

## **Ain't no party like a political party**

Break out your bowtie, or other young-conservative affectation of choice. Student Action Summit, a three-day celebration of MAGA, starts in Tampa, Florida on Friday. Expect frontliners from the Trump administration, including Pete Hegseth, the defence secretary, and Kristi Noem, the homeland security secretary. Also there will be luminaries of the right-wing commentariat, including Steve Bannon, a bolshie former adviser to Donald Trump, and Jack Posobiec, a booster of the “Pizzagate” conspiracy theory. So will colourful characters like Russell Brand, a disgraced British comedian, and [Ross Ulbricht](#), creator of the first dark-web drug-trading network.

Turning Point USA, the organiser, claims to have a presence on 3,500 campuses. It started in 2012 with a focus on fiscal responsibility and free markets but has since embraced MAGA and Christian Nationalism. The organisation expects 5,000 attendees at their jamboree, all young enough to be extremely online. MAGA machers know that winning them over will reinforce the movement.



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:** Psittacines are another name for what type of bird?

**Thursday:** In Arthurian legend, Sir Galahad finds which sacred object?





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:

**Andrew Kasaine**, Nairobi, Kenya

**Ozlem Sumnu**, Barcelona, Spain

**Andy Cayley**, Mt Claremont, Australia

They all gave the correct answers of [Rwanda](#), lights, scruff and [Rachel Reeves](#).

*Reading well is one of the great pleasures that solitude can afford you.*

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***Harold Bloom***