

The world in brief

Catch up quickly on the global stories that matter



Photograph: AP

Yields on **British** government bonds rose and sterling fell amid worries that **Rachel Reeves**, the finance minister, had lost the prime minister's support. **Sir Keir Starmer** refused to say in Parliament whether Ms Reeves would be in her job at the next election. Ms Reeves was sitting next to him looking upset. This week the government had to abandon **planned welfare cuts** following a rebellion by its own MPs.

America's **House of Representatives** began debating Donald Trump's "**One, Big, Beautiful Bill**" after the Senate **narrowly passed** its version of the **tax-and-spending measure** on Tuesday. The president wants **the bill** passed by Friday—but the road to a final vote could be bumpy. Some House Republicans are unhappy with the Senate's changes, which increase America's budget deficit and cut healthcare spending.

Mr Trump announced a trade deal with **Vietnam**, lowering tariffs on imports from the country to 20% days before **a reciprocal levy of 46%** was due to take effect. A 40% tariff will be applied to products shipped by other countries, such as China, to **America** via Vietnam. Mr Trump added that American exports to Vietnam would not be subject to tariffs.

Tesla delivered 13.5% fewer cars in the second quarter than it did in the same period in 2024—its largest ever decline. Nonetheless, at 384,122 deliveries, Tesla did slightly better than some had expected. The carmaker is facing a [consumer backlash](#) against its divisive CEO, Elon Musk, who has publicly fallen out with Mr Trump. Tesla is now seeking a pivot to autonomous taxis.

Mr Trump claimed that **Israel** has agreed to the “necessary conditions” for a 60-day **ceasefire** in **Gaza**. America’s president credited Egyptian and Qatari officials for the proposal, which they will now deliver to Hamas. Mr Trump urged the militant group to accept the deal, warning that “IT WILL ONLY GET WORSE”. He said the truce would be used to “work with all parties to end [the War](#)”.

Iran said it would suspend co-operation with the UN’s **nuclear** watchdog. The country’s president, Masoud Pezeshkian, said the ban would last until the “security of nuclear facilities and scientists” was guaranteed following the recent Israeli and [American attacks](#). Iran has limited access by the UN to its nuclear sites before, and it is uncertain how strictly this latest ban will be enforced.

In a landmark ruling, an Aboriginal-led inquiry concluded that British colonists committed “**genocide**” from the 1830s in what is now the state of Victoria, **Australia**. The Yoorrook Justice Commission found that violence and diseases reduced the local population by three quarters in just 20 years. The commission took four years, and outlined 100 recommendations for “redress”.

Figure of the day: Three-quarters. The proportion of young Africans who say they cannot find adequate work. [Read the full story](#).



Photograph: Alamy

Who will be the next Dalai Lama?

Tibetan Buddhists consider it inauspicious to discuss what happens after the [Dalai Lama](#), their spiritual leader, dies. But on Wednesday—days before his 90th birthday—the man himself announced how his successor should be chosen. Some believed he would choose to “emanate” as another person while still alive. Instead, he said he would be reincarnated according to Tibetan Buddhist tradition. That holds that after his death, aides and senior lamas should identify a child as his reincarnation. Moreover, he insisted that the choice should be made by the Gaden Phodrang Trust, a non-profit he founded. “No one else has any such authority to interfere,” he added.

That speaks to fears about China. The country’s Communist Party, which seized Tibet in 1951, claims that it alone can approve the next Dalai Lama. It hopes the death of the current one, who fled to India in 1959, will curb international backing for his non-violent campaign for Tibet’s greater autonomy within China. No matter whom the Gaden Phodrang Trust chooses, it plans to appoint a rival successor.



Photograph: AP

Russia's party is over

Figures due out on Wednesday are expected to confirm that [Russia's economy is slowing](#). In 2023 it boomed, defying forecasts of a deep recession. Last year GDP grew by more than 4%. Oil exports surged and the government spent big on defence and welfare. Sanctions, what sanctions?

Now, though, growth has fallen to about 1%. That is in part due to tougher Western sanctions on oil exports. But domestic developments play a role, too. The central bank has raised interest rates to quell high inflation. As a result, consumers have pulled back on spending and companies on investment. And the government is taking its foot off the fiscal accelerator, in part because it no longer sees the need to continue to build up the military. Other statistics due out on Wednesday, from retail sales to real-wage growth, will reinforce the downbeat narrative.



Photograph: EPA

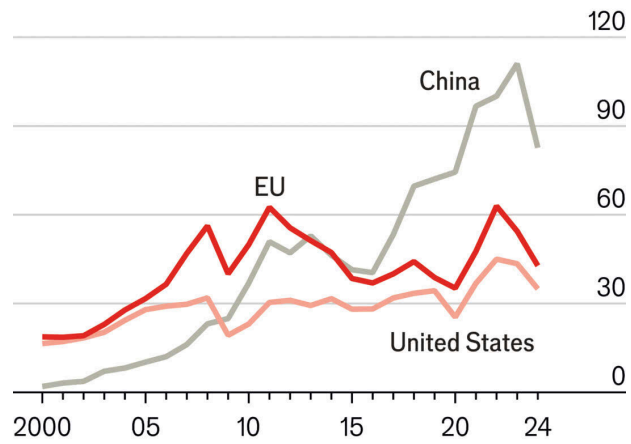
The Middle East divides South America

On Wednesday President Javier Milei of Argentina (pictured) will host a summit of Mercosur, a customs union in the Southern Cone, with the region's presidents. Last year the bloc agreed to a [historic trade deal](#) with the European Union. But the tone of the meeting is unlikely to be triumphant: the deal has not yet been fully ratified in Europe.

And tensions smoulder between the bloc's heavyweights, the libertarian Mr Milei and the leftist [Luiz Inácio Lula da Silva of Brazil](#), known as Lula. The two seldom speak. Their divergent view on the Middle East, in particular, will not make conversation any easier: Mr Milei is a forthright supporter of Israel; Lula is not. Both bang on about it. Lula may also visit Cristina Fernández de Kirchner, a leftist former president of Argentina, who is under house arrest after she was given a six-year sentence for corruption. The leaders of Uruguay, Paraguay and Bolivia would be happy to just chat about trade.

European opportunity

Mercosur*, goods exports, \$bn



*Argentina, Brazil, Paraguay, Uruguay

Source: Mercosur



Photograph: Alamy

Spain's water-pistol moment

Last year a record 94m tourists visited Spain—nearly double the size of the country's population. This year it is on track to receive even more visitors, as data for May, released on Wednesday, confirmed. In May Spain hosted around 9.4m tourists, taking the total for the year so far to 35m, which is 5% more than the same period in 2024. Their spending is contributing to Spain's healthy economic growth.

But with the peak season about to begin not everyone is happy. Last year activists protested against "[overtourism](#)". In one widely publicised incident young women shot water pistols at tourists tucking into their *tapas* on Barcelona's famous *las Ramblas*. This year hard-left groups have already repeated the stunt. Although protests are sporadic, many Spaniards sympathise with them. Tourist apartments worsen an acute housing shortage and visitors choke pavements, they say. For the authorities, the challenge is to allay those concerns without strangling the tourist goose that lays the golden tortilla.



Photograph: Getty Images

Europe's women footballers fight for the crown

Bookmakers have Spain as narrow favourites to win the [UEFA Women's Euro](#) 2025, which kicks off on Wednesday in Switzerland. But England, Germany and France are close behind. Spain are the reigning world champions and have what looks like the strongest squad, which balances [experienced players](#) and fearless young talent. Midfielders Alexia Putellas and Aitana Bonmati have each won the *Ballon d'Or Féminin*, the award for the world's best female player, twice in the last four years.

England won the previous Euros but have had a horrid build-up to the tournament with three important players retiring. Their coach, Sarina Wiegman, is however an expert at negotiating tournament football. Staggeringly, Germany lost only one knock-out match at the Euros between 1991 and 2007. And France, who draw players from some of the world's best clubs, have until now been women's football's great underachievers. They have reached only one semi-final. This year they will have another very talented squad but also the toughest path to victory, with England, the Netherlands and Wales in their group.



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.

Wednesday: What word can mean both an awkward predicament and a narcotic dose for an addict?

Tuesday: Plymouth, Puget and Roanoke are all examples of which geographical feature?

*In every tragedy, an element of
comedy is preserved. Comedy is
just tragedy reversed.*

Wisława Szymborska