

## Catch up: America and Ukraine to sign minerals deal; China's AI race heats up



**Donald Trump** expressed scepticism at the idea of America providing security guarantees to Ukraine as the countries prepare to sign a [minerals deal](#). Volodymyr Zelensky, Ukraine's president, will meet Mr Trump on Friday to finalise the agreement. It commits the countries to the idea of creating a joint fund to manage investments into Ukraine. It appears to have steered away from America's initial brazen, extractive demands.

**Tencent**, a Chinese tech firm, launched a new artificial-intelligence model, Hunyuan Turbo S. It claims the model is faster than **DeepSeek's** R1, which in January triggered a [market selloff](#), hitting chipmakers like Nvidia. Investors feared that more efficient AI models would reduce chip demand. Tencent's move underscores intensifying rivalry in China's AI sector.

**Hamas** said it was ready for talks on a second phase of the Gaza ceasefire deal after **Israel** freed around 600 Palestinian prisoners in exchange for the bodies of four hostages. This completed the first phase of a fragile truce. The second was set to begin this weekend,

but Israel insists it will not proceed with a deal if  [Hamas](#) remains in power.

**Austria's** three main centrist parties agreed to form a coalition government, excluding the [hard-right Freedom Party](#) (FPO), which won the most votes in September's election. The government, Austria's first three-party coalition since the 1940s, could take office next week, depending on a vote among the members of the NEOS party. Herbert Kickl, the leader of the FPO, dismissed it as a "coalition of losers".

**Andrew** and **Tristan Tate** left **Romania** for America on a private jet after prosecutors lifted a travel ban. [Andrew](#), a social influencer, is popular in alt-right online spaces. The pair are under investigation for human trafficking and money laundering, charges they deny. Romanian prosecutors say the case remains open. They also face sexual misconduct allegations in Britain, which they deny.

The share price of **Seven & i**, 7-Eleven's parent company, plunged 10.5% after its founding family abandoned a \$58bn buyout bid, citing financing issues. The failed attempt increases the chances of foreign ownership. The Japanese retailer now faces a potential \$47bn [takeover](#) by Canada's Alimentation Couche-Tard.

**Japan's** birth rate fell to a record low in 2024, with fewer than 721,000 babies born out of a population of about 123m—a 5% drop from the previous year—marking a ninth straight year of decline. Deaths outnumbered births more than two to one. A drop in marriages since the pandemic has contributed to the decline, despite [government efforts](#) to reverse the trend.

**Figure of the day:** 120, the number of public schools in Texas that teach mariachi, the most Mexican of music genres. [Read the full story.](#)

# Starmer brings an offering to the White House



On Thursday Sir Keir Starmer, Britain's prime minister, will meet President Donald Trump in Washington. Sir Keir has good news for Mr Trump. On February 24th he announced that British defence expenditure will increase to 2.5% of GDP by 2027, from 2.3%. Pete Hegseth, the American defence secretary, called that a "strong step from an enduring partner".

When announcing the decision Sir Keir acknowledged obliquely that Europe must rely less on America to protect it: "The historical load we must carry to fulfil our duty is not as light as it once was." Sir Keir has offered the use of British ground troops to enforce any peace deal in Ukraine. On Wednesday Ukraine and America struck a preliminary deal to jointly exploit the former's mineral resources, but the agreement did not appear to include the security guarantees that [Ukraine](#) had wanted. Sir Keir will probably press Mr Trump for them.

## India and the EU huddle up for warmth



A packed agenda awaits Ursula von der Leyen, the president of the European Commission, when she arrives in Delhi on Thursday. During her two-day trip she hopes to improve co-operation with India, which she describes as one of the EU's "most trusted friends and allies".

One focus will be a "common tech agenda", which covers artificial intelligence, green technology and digital public infrastructure. Officials will also discuss trade. Although the EU is India's biggest trading partner, a free-trade deal has been elusive. Discussions began in 2007, but have been stymied by disagreements over issues such as agriculture and labour standards.

Now Donald Trump's tariffs and foreign policy are pushing the EU and India closer to each other. His frostiness towards Europe has made it desperate for alternative allies. India's relationship with America may be better, but it too is wary of Trumpian turns. Geopolitical uncertainty may finally unblock the India-EU trade talks.

# The two-speed future of Russian sanctions



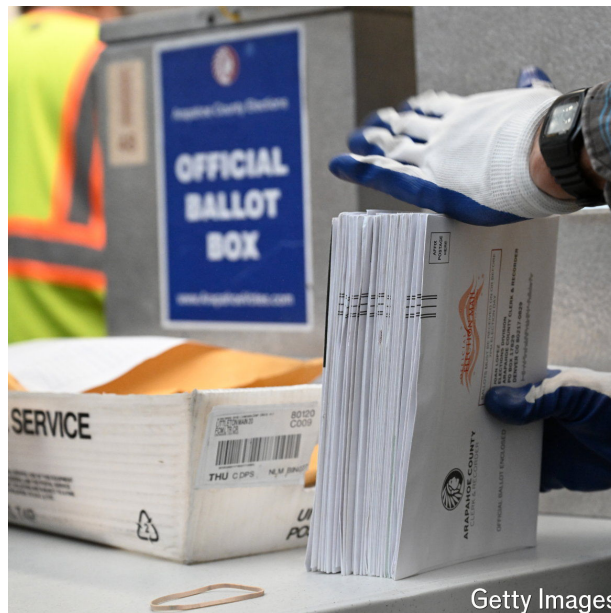
From Thursday American firms are forbidden from providing services to petroleum plants in Russia. The ban is part of a big package of sanctions the Biden administration announced on January 10th which also blacklisted more than 180 vessels and some firms that facilitate Russia's oil trade. So far their effect has been muted: after falling in early February, the country's crude exports have rebounded to near-usual levels.

The European Union and Britain want to keep the pressure on. This week they announced new sanctions that target dozens of tankers as well as firms in third countries, including some exporters of aluminium, chemicals and drones which they accuse of supplying [Russia](#).

The future of American sanctions is less certain. Donald Trump's efforts to rush a deal with Russia could see them lifted. Congress would have to approve, but these days the Republican-controlled Congress is proving rather pliant. The West's economic campaign against Russia might soon become less potent.



# Democracy under threat



The latest [Democracy Index](#) published by EIU, our sister company, on Thursday, shows that [democracy](#) continued to decline in 2024. The global index score dropped from 5.23 (out of 10) in 2023 to 5.17, a record low. It has been falling since the index was first published in 2006. An increase in authoritarianism drove the trend. The number of governments classified as “authoritarian” has risen by eight since 2014; the number of democracies has fallen by five.

EIU’s report discusses two related trends at work. The first is a rise in popular dissatisfaction with democratic political systems. This fuelled a huge anti-incumbent backlash in the unusually high number of elections in 2024. The second is the subsequent, growing support for political insurgents and populists, which is driving political engagement among voters the world over. This threatens to dislodge mainstream parties and upend democratic political systems if voter concerns are not addressed.

## Another British scandal on screen



Television dramas often depict dark episodes of history. Last year “Mr Bates v The Post Office”, an [ITV drama](#), chronicled the wrongful conviction of sub-postmasters in an accounting scandal in Britain. It sparked public outrage.

Jack Thorne, a television writer, has said he hopes audiences will react similarly to his new show, “Toxic Town”, released on Netflix on Thursday. Between 1985 and 1997 Corby Borough Council cleared the site of a former steelworks, moving toxic waste through the town in open trucks. Then children started being born with limb abnormalities. (The number of birth defects reported in Corby, in the north of England, was two-and-a-half times higher than in the surrounding area.)

The four-part drama follows Susan McIntyre (Jodie Whittaker), one of the mothers who took the council to court. Their children won the case, which was the first to link toxic waste in the atmosphere to birth defects.

## 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 GMT 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.

**Thursday:** Which movie series stars Michael J. Fox as the time-travelling Marty McFly?

**Wednesday:** Which play by Dylan Thomas is set in the fictional Welsh town of Llareggub?



**The best way to say anything is just to say it.**

*Johnny Cash*