

# The world in brief

Catch up quickly on the global stories that matter

**Donald Trump** said America's and China's deal to temporarily lower reciprocal tariffs was complete, subject to his final approval and that of **Xi Jinping**, China's leader. The deal [restores a truce](#) in the countries' trade war, which was agreed in May but later stalled over China's curbs on rare-earth exports. Mr Trump said China would now provide rare earths "up front".

**Los Angeles's** mayor, Karen Bass, imposed a curfew on the city's downtown area in a bid to restore order after five days of protests. She said she wanted to "stop the vandalism, stop the looting". Around 200 people were arrested on Tuesday in anti-deportation protests. California's governor, Gavin Newsom, has sued Mr Trump over his deployment of [4,000 National Guard troops](#).

After a spectacular public brawl with Mr Trump **Elon Musk** sought to placate him. The tycoon wrote on X that some of his [attacks on Mr Trump](#), which included calls for his impeachment, went "too far". Last week Mr Musk threatened to decommission SpaceX capsules used by NASA; he also claimed that the president's name appears in government files on Jeffrey Epstein, a convicted paedophile.

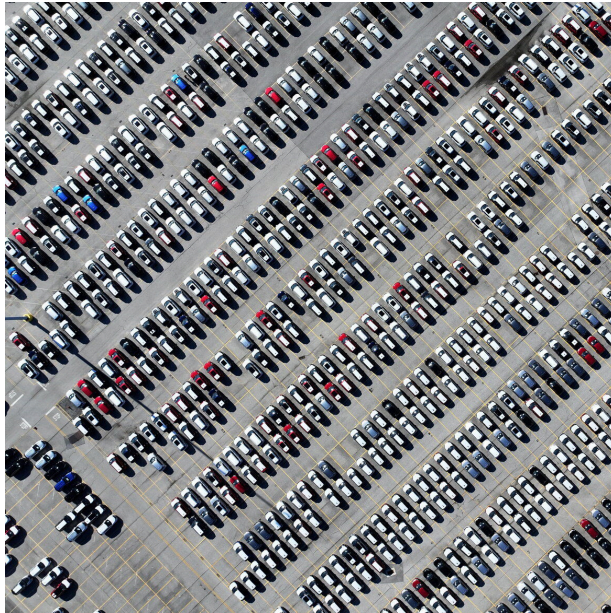
**Argentina's** Supreme Court upheld a [corruption conviction](#) against the country's former president, Cristina Fernández de Kirchner. It sentenced her to a six-year jail term and barred her from politics for life. Ms Kirchner, who has clashed repeatedly with the libertarian president, Javier Milei, had announced plans for a political comeback. Supporters blocked roads around Buenos Aires, the capital, ahead of the court's decision.

Protesters threw petrol bombs and attacked police in Ballymena, a town in **Northern Ireland**. The disorder began on Monday after protests about a serious sexual-assault allegation became violent. Two 14-year-olds, thought to be Romanian speakers, were charged with attempted rape. They reportedly deny the charges. More than 30 police officers were injured in two nights of violence.

Qantas, Australia's flag carrier, will close **Jetstar Asia**, a Singapore-based [budget airline](#) it part-owns, in response to stiff competition and rising airport and supplier fees. That will free up A\$500m (\$326m) for the renewal of Qantas's fleet. The firm will redeploy 13 planes to routes across Australia and New Zealand. Jetstar Asia is expected to lose A\$35m this financial year.

**Britain's** chancellor, Rachel Reeves, revealed the government's departmental spending plans until the 2028-29 fiscal year. Day-to-day budgets will increase by 2.3% in real terms across the period, with [defence and health spending](#) receiving big boosts. But some big departments, such as the Home Office, which has responsibility for policing, border-security and immigration, face real-term spending cuts.

**Figure of the day:** 3m, the number of young Chinese who have gone to study in America since China opened up in the late 1970s. [Read the full story.](#)



Photograph: Getty Images

## Will tariffs push up American inflation?

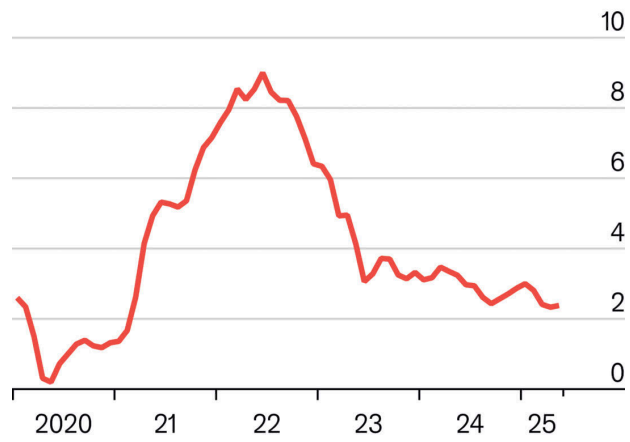
America's statisticians have just released [inflation figures](#) for May. Core inflation (ie, excluding energy and food) rose by just 0.1% on the month, far below economists' expectations. But the good news also marks the beginning of what will become a furious debate: are [tariffs](#) pushing up inflation?

Some goods with a high share of imported elements are starting to get pricier. The seasonally adjusted price of toys, games and hobby equipment rose by more than 2% on the month. The price of big appliances, such as fridges, rose by more than 4%. That will hit family budgets. But on the whole, tariff effects were hard to tease out. Goods and services that are not bought internationally, and thus unaffected by tariffs, saw weaker inflation. The price of shelter rose only a bit. Airline fares dropped. It is still early days in the tariff wars: many companies have hoarded imports to avoid raising prices. Still, the White House will be pleased.

## Bracing for impact

### United States, consumer prices

% increase on a year earlier



Source: Haver Analytics



Photograph: dpa

## **Hamas's new leaders have new ideas**

On Sunday Israel confirmed the death of Muhammad Sinwar, the military chief of Hamas and the younger brother of Yahya Sinwar, who orchestrated the October 7th attacks. Previously, the killing of Hamas leaders had made little difference to the course of the war in Gaza. But now the dynamics of Hamas's leadership [may be shifting](#), thereby improving the prospects for a peace deal. In recent days Hamas has indicated it is open to discussing new terms.

Now that Israel has all but wiped out Hamas's commanders inside Gaza, a quartet of leaders outside the territory—in Doha, Beirut and Istanbul—have the upper hand. Three are expected to support a deal under which Hamas would relinquish control of post-war Gaza (bowing to a demand by Israel) but continue to exist outside it. That could pave the way for a ceasefire. So too might the continuing destruction of Gaza by Israel's army.



Photograph: EPA

## Britain's economic squeeze

After raising cash at last October's budget with tax rises and higher borrowing, Rachel Reeves now gets to dole it out. Britain's finance minister used a spending review on Wednesday to announce how much government departments get up to the 2028-9 fiscal year. A geopolitical imperative for higher defence spending and a need to turn around the National Health Service swallowed up much of the cash, squeezing the rest of the state.

And looming uncomfortably over the whole process is the question of whether the government's broader spending assumptions, finalised at the Spring Statement in March, are still credible. Donald Trump has since announced his "[Liberation Day](#)" tariffs, endangering Britain's [growth prospects](#). The Office for Budget Responsibility, a fiscal watchdog, is contemplating whether to revise down its rosy assumptions about Britain's long-term growth. That would limit the government's ability to borrow while remaining within its self-imposed fiscal rules. The squeeze isn't going anywhere.





Photograph: Reuters

## Poland's government tries to restore confidence

Hours after the result of [Poland's presidential elections](#) was announced last week, a downbeat Donald Tusk addressed the nation. "Things may be more difficult than many of you imagined when you went to the polls," said the prime minister. His candidate, Rafal Trzaskowski, had lost to Karol Nawrocki, a nationalist backed by Mr Tusk's arch-rivals, the Law and Justice party.

Mr Tusk bears much of the blame. After more than 15 months in power, he has made little progress on his liberal agenda, largely because of disagreement within his own coalition government. In the parliamentary election of October 2023, his camp collectively received 11.6m of the vote; in this election Mr Trzaskowski obtained just 10.2m.

On Wednesday Mr Tusk survived a confidence vote in parliament, which he had called in an effort to reassert his mandate. Next, he is expected to fire some ministers. Then comes the hard part: trying to [win back](#) the trust of his voters alongside a president who may be no more co-operative than the last.



Photograph: Getty Images

## Cricket's test of Tests

On Wednesday at Lord's cricket ground in London, South Africa and Australia began the final game of the World Test Championship. The tournament was created to crown the best team in Test cricket—and to revitalise the traditional, long-format game, which some worried was losing ground to fast-paced Twenty20 leagues. But its design is not ideal—teams play unequal numbers of matches and the points system is convoluted.

It held its first final in 2021, when unfancied New Zealand beat mighty India. South Africa will be underdogs this time. Their captain, Temba Bavuma, became the first black South African to score a Test hundred in 2016. His recent performances have been mixed. But he has led the team ably through a huge turnover of players and, crucially, a clear decision among selectors to prioritise T20.

Australia will field a relatively settled side, including a vastly experienced and fearsome bowling attack. But the Kiwis showed that upsets are perfectly possible in one-off games.





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:** Which actress starred in the 1970s TV series “Police Woman”?

**Tuesday:** What title did Lauren Weisberger give to her novel about life in the fashion publishing industry?

*Wisdom without honesty is mere  
craft and cozenage.*

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***Ben Jonson***