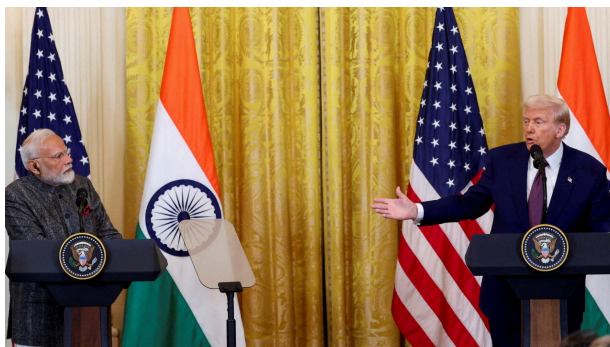


The world in brief

Catch up quickly on the global stories that matter



Photograph: Reuters

America will lower **tariffs** on **Indian** imports after India agreed to stop buying Russian oil. Narendra Modi, India's prime minister, was mum on Donald Trump's claim that India had also committed to buying more American goods. Last year Mr Trump imposed a 25% tariff surcharge **as punishment** for funding "the Russian War Machine". That will be scrapped; a separate "reciprocal" tariff will fall from 25% to 18%.

Elon Musk announced that **SpaceX**, his rocket company, would acquire **xAI**, his **artificial-intelligence startup**. The billionaire suggested the merger—estimated to be worth around \$1.25trn—would help the creation of "space-based data centres" to train AI models. SpaceX is reportedly **considering an initial public offering** this year.

France **finally** adopted a **budget** for 2026 after the centrist prime minister, **Sébastien Lecornu**, secured Socialists' support to survive two no-confidence votes. In exchange the budget freezes the pension reform that President Emmanuel Macron pushed through in 2023, and brings down the deficit by less than Mr Lecornu had originally promised.

Palantir reported bumper quarterly revenue of \$1.4bn, up 70% on the previous year. The data-surveillance firm has drawn criticism from anti-ICE protesters for helping the Trump administration with its anti-immigration crackdown. Revenue from American government contracts rose by 66% over the period. [Alex Karp](#), Palantir's boss, said the firm had safeguards in place to prevent the government intruding into citizens' private lives.

Bill Clinton, America's president between 1993 and 2001, and his wife **Hillary**, a former secretary of state, agreed to testify in a congressional investigation into the **Jeffrey Epstein** affair. American lawmakers had planned to vote on holding the couple in contempt of Congress—a criminal offence—after they initially refused to answer questions on [the government's handling of cases](#) involving the dead sex offender.

American and **Iranian** officials are reportedly planning to meet in Istanbul on Friday in hope of avoiding a military confrontation. Expected attendees include Steve Witkoff, Mr Trump's envoy, and Jared Kushner, his son-in-law, as well as Iran's foreign minister, Abbas Araghchi. Mr Trump has [sent naval forces](#) to the Gulf and threatened to attack Iran if it does not abandon its nuclear programme.

China's foreign ministry called the **Dalai Lama's** Grammy award for best audiobook “a tool for anti-China political manipulation”. Tibet's spiritual leader won for “Meditations: The Reflections of His Holiness the Dalai Lama” at a ceremony on Sunday. China described the aged Nobel peace laureate as a Tibetan “separatist”. It wants to choose his successor; by Tibetan tradition he is either [re-incarnated](#) or “emanates”.

Figure of the day: \$30bn, the approximate amount that America's government was taking a month in tariffs, plus related taxes and fees, by October. [Read the full story.](#)



Photograph: Getty Images

Can Colombia keep Donald Trump happy?

On Tuesday Donald Trump and Gustavo Petro will meet for the first time in Washington, DC. America and Colombia are allies, but the left-wing Colombian president is ideologically opposed to Mr Trump, who in turn appears to despise him. Mr Trump has called Mr Petro an “illegal drug leader” and threatened military action against the country [similar to his operation in Venezuela](#) in January. So far he has held off on such an attack.

Drugs and security will dominate their conversation. Mr Trump wants a crackdown on the coca fields used by armed groups to produce record amounts of cocaine. He may also demand the end of Mr Petro’s peace negotiations with so-called “narco-terrorists”, perhaps in exchange for lifting the sanctions he imposed on Mr Petro last year. For things to go smoothly, Colombia’s leader needs to refrain from provoking his unpredictable counterpart on topics such as the fate of Venezuela’s dictator. It is a tall order.



Photograph: Getty Images

Turkey's strongman visits Saudi Arabia

On Tuesday Turkey's president, [Recep Tayyip Erdogan](#), will meet Muhammad bin Salman, Saudi Arabia's crown prince, in Riyadh. The pair are expected to discuss trade, defence co-operation and Syria. Turkey has been in talks with Pakistan and Saudi Arabia about a possible defence agreement.

Mr Erdogan and the crown prince have come a long way. Less than a decade ago, they were barely on speaking terms. Saudi Arabia and Turkey fell out over [the murder in Istanbul of Jamal Khashoggi](#), a journalist, on orders of the Saudi regime in 2018. They also clashed over the war in Libya, where they backed rival factions.

But regional upheaval has brought them together. Both support Ahmed al-Sharaa, Syria's president, and are investing in his country. Fears that [America could strike Iran](#) will loom over the talks. Both leaders will hope that America can seal a deal with the Iranian regime—and avoid a regional conflict.



Photograph: Reuters

America's jobs conundrums

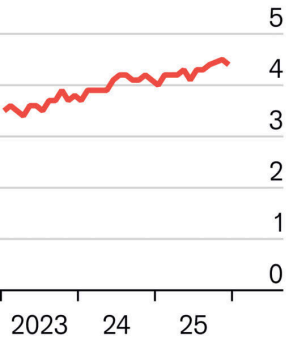
After a wobble last year, America's jobs market seems to be steadying. The unemployment rate is 4.4%, not high in historical terms. Jobless claims remain low, and have actually fallen a little over the past few months. Jerome Powell, the chair of the Federal Reserve, talked of a "stabilisation" in jobs while explaining the Fed's decision at the end of January to leave interest rates unchanged after months of cuts.

A mystery during the second half of 2025 was the divergence between economic growth (booming) and the [jobs market \(sagging\)](#). They usually move together. If the stabilisation that Mr Powell points to continues, it could help clear up the picture. But the partial government shutdown, which began on Saturday, will prolong the uncertainty. Labour-market data releases due out on Tuesday and Friday have been delayed. Congress will have to pass a funding package that covers the Bureau of Labour Statistics before those figures trickle out.

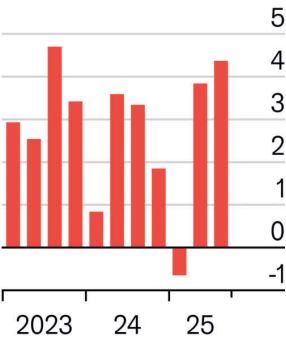
Contrasting fortunes

United States

Unemployment rate, %



GDP, % change on previous quarter*



Source: Haver Analytics

*Annualised



Photograph: Reuters

An activist investor shakes up PepsiCo

PepsiCo reports its fourth-quarter earnings on Tuesday. Analysts expect revenue for the quarter to rise to \$29bn, a year-on-year increase of 4.3%, but this is unlikely to ease pressure on the board. The firm's share price has fallen by more than 8% over the past two years, while that of its rival, Coca-Cola, has risen by 26%. In September Elliott Management, an activist hedge fund, revealed that it had slurped up about 2% of PepsiCo's shares, giving it leverage.

Elliott considers the firm bloated. While Coke focuses on drinks, [PepsiCo](#) is a vast food-and-beverage conglomerate, with products including Doritos chips in addition to its namesake cola. Elliott's demands include ditching the underperforming Quaker Oats brand and outsource bottling and distribution. For now, the board has agreed to trim the number of products by around 20% in 2026 to cut costs—enough to mollify the fund and spare itself a time-consuming fight. But Elliott's activism will persist, even if some at PepsiCo would rather they can it.



Illustration: Sandra Navarro

Daily quiz

We will serve you a new question each weekday. On Friday your challenge is to give us all five answers and tell us the theme. Email your responses (and your home city and country) by 1700 GMT on Friday to [\[email protected\]](#). We'll pick three winners at random and crown them on Saturday.

Tuesday: Which African country is by far the most populous?

Monday: Mokha, the port that gave its name to mocha coffee, lies within the borders of which modern country?

*Prejudice is more violent the
blinder it is.*

Elizabeth Blackwell