

The world in brief, July 2nd 2024



In a 6-3 decision split along ideological lines, America's **Supreme Court** [found that presidents](#) are entitled to “at least presumptive **immunity**” from criminal prosecution for “official” acts but not for “unofficial” ones. The justices were deciding on a [claim filed by Donald Trump](#), who was indicted for conspiring to overturn the presidential election in 2020. Whether Mr Trump's actions on and before January 6th qualified as unofficial or not, the justices left to a lower court to decide, which may [delay the trial](#) until after November. In a dissenting opinion, a liberal justice said that the decision “makes a mockery of the principle...that no man is above the law”.

France's centrist and left-wing parties withdrew several candidates in districts where the other grouping was better placed to beat the **National Rally** in the parliamentary run-off vote later this week. On Sunday Marine Le Pen's party won the first round of France's parliamentary election, with 33% of the vote. The left-wing New Popular Front obtained 28% of the votes. President [Emmanuel Macron](#)'s centrist bloc received 21%.

Consumer prices in **Germany** rose by 2.5% year-on-year in June, down from 2.8% in May. The reading fell to the lowest level since last November. Services inflation remained unchanged at 3.9%, mostly due to high wages set by collective-bargaining agreements that were reached when overall inflation was higher than it is now.

Hurricane Beryl made landfall on Grenada's Carriacou Island, one day after becoming the first Category 4 storm in the Atlantic to have developed in June. America's National Hurricane Service warned residents of islands in the eastern Caribbean that swells caused by the storm were "life-threatening". In May America's weather-forecasting agency [predicted](#) that this year's hurricane season could be the most active ever.

Morgan Stanley, an American bank, will scrap a ban on bonuses for its top bankers in Britain. The [bank's](#) decision follows similar moves in recent months by JPMorgan Chase and Goldman Sachs. Britain's government removed an EU-imposed cap in 2023 to boost competitiveness. Morgan Stanley said it would replace the cap with "an appropriate internal bonus cap".

Boeing reportedly agreed to buy **Spirit AeroSystems**, one of its suppliers, for more than \$4bn. The American planemaker has said that the purchase would help it improve safety in its manufacturing process. [Boeing](#) previously owned Spirit, but spun it off in 2005. According to reports, America's Justice Department is set to charge Boeing with fraud soon, over two fatal crashes.

Norway blocked the sale of the last privately-owned piece of land on Svalbard, an Arctic archipelago, to prevent **China** from acquiring it. Svalbard is part of Norway, but a treaty from 1920 gives countries who are signatories of the Arctic treaty—including China and Russia—the right to exploit its natural resources, including minerals. The [Arctic](#) is increasingly becoming a site of geopolitical tension.

Figure of the day: 94%, Ukraine's expected debt-to-GDP ratio by the end of the year. [Read the full story.](#)

In the run-up to America's presidential election, we've launched The US in brief—a daily update to help you keep on top of the political stories that matter. Sign up here to receive it as a newsletter, each weekday, in your inbox.

Thailand's new senators



The senate in Thailand is not a ceremonial upper house of parliament. It can make or break the government. In 2023 the chamber blocked [Pita Limjaroenrat](#) from forming a government, after his progressive Move Forward Party won the most seats in the lower house in a general election. Now some changes are afoot. The army appointed the previous batch of senators in 2019. But the senate recently held its first election in a decade, in which about 3,000 candidates—representing various professional groups—voted among themselves to select 200 members. The new senators are due to be formally announced on Tuesday.

The revamped senate will no longer be able to help elect the prime minister. But it will retain other crucial roles, including the ability to make judicial appointments. The military conservative establishment will hope that its allies have won many seats—and continue to protect its interests. Provisional results suggest that former generals will be among Tuesday's winners.

A new phase in Israel's war in Gaza



The news from Gaza can seem painfully repetitive. On Monday Israeli troops were fighting again in the north-eastern neighbourhood of Shujaiya, at least their third offensive in the area since December. On the same day [Islamic Jihad](#), a militant group, fired about 20 rockets at towns in southern Israel. If harmless, the barrage was a reminder that nine months into the war the group still has a stocked arsenal.

In the coming days, the Israeli army will probably announce an end to its campaign in Rafah in the south, which began on May 6th, and with it, an end to its big offensives in Gaza. But the Israeli cabinet has yet to make any decisions about the enclave's long-term fate: who will secure and govern it, and how it will be rebuilt. Talks with Hamas over a hostage deal and ceasefire remain stalled. The new phase in the war may end up looking depressingly like the one that came before.

The Netherlands gets a new government



On Tuesday Mark Rutte, the longest-serving Dutch prime minister, will leave office after 14 years. (He will become secretary-general of NATO in October.) The right-wing coalition government that will replace him is complicated even by Dutch standards.

The biggest party, the hard-right Party for Freedom (PVV) led by Geert Wilders, a nativist rabble-rouser, is deeply mistrusted by two of its partners, the centre-right New Social Contract and the Liberals (VVD). And so the parties picked a non-partisan civil servant, [Dick Schoof](#) (pictured), as prime minister. The NSC and the Liberals (Mr Rutte's old outfit) gained control of crucial ministries such as finance, foreign affairs, defence and climate, and have put in experienced ministers who can guarantee some continuity. The PVV took the immigration, infrastructure and health ministries; a small populist farmers' party won agriculture. They have both made promises that are unaffordable or conflict with EU rules. That will trouble Mr Schoof when he heads to Brussels—and when he presents his budget in September.

Falling inflation in the euro zone



After markets have digested the results from the first round of the [French elections](#), they will turn to inflation again. The European Central Bank—which is convening its annual conference in Portugal from Monday to Wednesday—will also be watching the latest batch of euro-zone inflation data, released on Tuesday, to decide whether to cut interest rates for a second consecutive month on July 18th.

Some countries have already reported figures. Germany's annual inflation rate fell to 2.5% in June, from 2.8% in May. Spain recorded a similar drop, from 3.8% to 3.5%. That augurs a decline in euro-zone inflation. Still, the ECB may choose to be cautious. Prices for services are still rising stubbornly. In Germany, they rose by 3.9% in June, compared with a year earlier. And across the euro zone services inflation stood above 4% in May. The ECB knows that the last mile to bring down inflation could be bumpy.

A rowdy Italian horse race



What separates a Caterpillar from a Goose? On Tuesday about 50,000 people will cram into the scallop-shaped Piazza del Campo, a public space in the ancient Italian city of Siena, to find out. Caterpillar and Goose are two of the names of the city's ten *contrade*, or city districts, whose jockeys will contest this year's first Palio, a breakneck horse race around the main piazza. A second Palio is held in August. The first horse to complete three circuits of the course wins—even if it no longer has a mount.

The race is a heated contest: horses often fall on the dangerous course and die. It follows five days of fevered preparation, filled with pageantry and fuelled by the strong attachment of the Sienese to their respective *contrade*. Complicating everything is a web of alliances and rivalries between the *contrade*, often engendered by events long ago. The oldest enmity, between the Turtle and the Snail, began with an almighty brawl in 1686.

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 QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Tuesday: Which comic book character is the archenemy of the Fantastic Four?

Monday: What gift is associated with the 15th wedding anniversary?

94%

*Ukraine's expected debt-to-GDP ratio by the end of the year.
Read the full story.*

Courage is grace under pressure.

Ernest Hemingway