

## Catch up: Trump comments on ceasefire talks; Gold prices surge



**Donald Trump** called talks between Vladimir Putin and Steve Witkoff, America’s envoy to the Middle East, “good and productive”. Mr Witkoff met Russia’s president in Moscow on Thursday to discuss a [ceasefire](#) proposal for the war in Ukraine. Earlier a Kremlin spokesperson said Russia had a “number of questions” about the idea of a 30-day truce. Ukraine’s president, Volodymyr Zelensky, said Russia was deliberately slowing down negotiations.

In a joint statement, **G7** countries, including America, offered “unwavering support” to **Ukraine**, and threatened Russia with more sanctions if “a ceasefire is not agreed”. After a meeting in Quebec, Canada’s foreign minister said that all G7 foreign ministers “agree” with the American proposal for a ceasefire. But the group emphasised the need for assurances that would guard against Russian aggression.

**Gold** prices surged past \$3,000 per troy ounce for the first time, driven by fears that Mr Trump’s tariffs will slow global growth.

The metal has risen by 14% this year as investors seek a [safe haven](#). Purchases by central banks and expectations that the Federal Reserve will cut rates have also fuelled demand (lower rates make non-yielding assets like gold more attractive).

**Britain's** economy unexpectedly shrank by 0.1% month on month in January. A contraction in the manufacturing sector offset a modest rise in services. The figures are a blow to [Rachel Reeves](#), the chancellor, who is expected to introduce spending cuts in her spring statement on March 26th. Markets expect the Bank of England to cut rates twice this year to bolster the economy.

[Mark Carney](#) was sworn in as **Canada's prime minister**. On March 9th Liberal Party members chose him to succeed Justin Trudeau as the party's leader. Mr Carney previously ran central banks in England and Canada. His main challenges will be to defend Canada from Donald Trump's economic onslaught and to prepare the Liberals for an election that must be held this year.

**Friedrich Merz**, Germany's incoming chancellor, reportedly agreed on a spending plan with the Green Party. Earlier this month he [proposed](#) relaxing Germany's constitutional "debt brake" to boost spending by hundreds of billions of dollars, particularly in defence and infrastructure. Mr Merz needs the Greens' support to secure a two-thirds majority when the package goes to a vote in parliament next Tuesday.

The **Trump** administration reportedly asked the Pentagon for "credible military options" to ensure it retains "unfettered" access to the [Panama Canal](#). Donald Trump has repeatedly said that he will reclaim the waterway, which he claims is "ripping off" American consumers with exorbitant transit fees. Panama's government has made [several concessions](#) to Mr Trump, but it has so far received nothing in return.

**Figure of the day:** 74%, the proportion of Ukrainians who favour fighting even without American support, according to a recent poll.  
[Read the full story.](#)

# Carney takes charge in Canada



[Mark Carney](#) was sworn in as Canada's 24th prime minister on Friday. He won a [decisive victory](#) in the race to replace Justin Trudeau as the leader of the Liberal Party on March 9th. Mr Carney is expected to appoint a slimmed-down cabinet as a signal of fiscal restraint. A former governor of the Bank of Canada and the Bank of England, he will be one of the few Canadian prime ministers without prior political experience.

Hoping to secure a fourth consecutive mandate for the Liberals, he will probably call an election within days. The campaign's dominant issue will be Donald Trump's vow to use tariffs as a way to pressure Canada to become America's 51st state. Liberals had been lagging far behind the Conservative Party in opinion polls, but the newest ones suggest that Mr Trump's threat has put them back in the race.

# Trumponomics weighs on America's consumers



Financial markets are [flashing warnings](#) about Trumponomics. Consumers, who drive roughly two-thirds of American growth, are getting nervous, portending a slowdown in spending. The University of Michigan's sentiment index fell to 57.9 in March, down from 64.7 in February and the worst reading since November 2022. Readings that low have often signaled recessions.

Consumers are especially anxious about inflation risks because of Donald Trump's campaign for higher tariffs. According to the survey, consumers now expect prices to rise 3.9% annually over the next five years, the highest reading in more than three decades. That, in turn, poses a problem for the Federal Reserve. So long as consumers fear a run-up in prices, the central bank will be hesitant to cut interest rates even if the economy slows.

## A growing crisis in Tigray



Ethiopia is on the brink of [another civil war](#). Just two years after an agreement ended conflict between the government and the Tigray People's Liberation Front, the ruling party in Ethiopia's northernmost region, fresh violence has erupted. On Tuesday forces loyal to Debretsion Gebremichael, the TPLF's chairman, seized several towns across Tigray. The region's government is led by Getachew Reda, a former TPLF cadre who was expelled from the party last year.

Mr Getachew has urged Ethiopia's government to intervene. But that could restart its conflict with the TPLF. It could also invite a response from Eritrea, which fought alongside the federal government against the TPLF during the previous war, but has since fallen out with Ethiopia. Eritrea has developed ties with Mr Debretsion's TPLF; its army appears to be mobilising. Ethiopia has also moved troops and weaponry towards the Eritrean border. The crisis risks drawing in foreign powers: the United Arab Emirates backs Ethiopia, but Saudi Arabia and Egypt may side with Eritrea.



# Foxconn bets on AI



Foxconn, a Taiwanese electronics manufacturer, reported annual results on Friday. Sales, lifted by strong demand for artificial intelligence, rose 15% year on year in the fourth quarter of 2024. However, profits dropped 13%. The firm assembles data-centre equipment for Nvidia, an American AI chipmaker. Bloomberg Intelligence, a research firm, expects that this segment will become its largest within two years. This week the firm unveiled its own AI software model to improve manufacturing and supply-chain management. It has also expanded into electric vehicles, producing chips and batteries in partnership with Stellantis, a European carmaker (whose largest shareholder, Exor, is part-owner of *The Economist's* parent company).

Yet Foxconn's core [electronics business](#) is under pressure. Growth in smartphones, including those made for Apple, remains weak. Trade tensions pose another risk. In October Foxconn announced plans to build the world's largest server factory in Mexico to supply Nvidia. But the company's dependence on American clients—notably Apple and Nvidia—makes it vulnerable to Donald Trump's tariffs.

# The toughest job in football?



England's football-loving public and tabloid media can quickly turn against the manager of the men's national team, which hasn't won a tournament since the World Cup in 1966. Yet [Sir Gareth Southgate](#) restored faith in the side during an eight-year spell in charge. Before stepping down last year, he led the team to two European finals and a semi-final of the World Cup.

The brief of Sir Gareth's successor, Thomas Tuchel, is simple: to finally reclaim that trophy. The German coach, who names his first England squad on Friday, only has a contract until the World Cup in 2026. He will probably favour experienced players who can achieve that short-term goal over youngsters who might need time to develop. England is blessed with attacking talent; Mr Tuchel's main tactical task will be achieving balance in midfield. Sir Gareth's defeats in the late stages of big tournaments came after England ceded control of the middle of the pitch.



## 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.

**Friday:** Lungo and doppio are both types of which drink?

**Thursday:** What term was given to the series of discussions between Richard Nixon and Nikita Khrushchev in Moscow in 1959?

# The winners of last week's crossword



Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

**Ron George**, Winnipeg, Canada

**Anand Mahajan**, Mumbai, India

**Osamu Senoo**, Izumo, Japan

They all gave the correct answers of [stratosphere](#), [silver](#), [Orban](#) and [exodus](#). Check back tomorrow for this week's crossword.

**Nobody's free until everybody's free.**

*Fannie Lou Hamer*