

## Catch up: America refuses to rebuke Russia; shares in Alibaba surge



**America** reportedly refused to support a UN resolution that called **Russia** the aggressor in the war in **Ukraine**. According to Reuters, the statement, which marks three years since Russia's invasion, demands the Kremlin withdraw its troops from Ukraine. American officials also opposed similar language in a statement by the G7. It is a further sign that Donald Trump intends to [rehabilitate](#) Russia's president, Vladimir Putin.

Meanwhile Mike Waltz, America's national security adviser, urged **Volodymyr Zelensky** to stop criticising Mr Trump and take a "hard look" at a proposed deal that would hand \$500bn-worth of Ukraine's [natural resources](#) to America. Mr Waltz also defended the decision to exclude Ukraine and European allies from talks with Russia, calling it routine "shuttle diplomacy".

Shares in **Alibaba** surged by 11% on Friday after the Chinese tech giant reported strong quarterly results and vowed to invest "aggressively" in artificial intelligence. Revenues increased by 8% year on year, to 280bn yuan (\$38.6bn), in the three months to

December. It has been a good week for China's tech firms, as Xi Jinping appears to be [warming to them](#) once again.

**Binyamin Netanyahu**, Israel's prime minister, vowed to make [Hamas](#) "pay the full price" for the "cruel and evil" violation of the ceasefire agreement after one of the bodies Hamas returned on Thursday was not that of Shiri Bibas. The militant group handed over four hostages' remains, including her two young children, but failed to return hers.

**Tesla**, a maker of [electric-vehicles](#), said it would recall nearly 380,000 cars in America due to a power-steering assist failure that makes turning harder at low speeds, increasing the risk of a crash. The recall follows a federal probe into such failures. Tesla issued a software update recently to fix the issue, but problems persisted.

**Swedish** police said they were investigating the suspected sabotage of an undersea cable in the Baltic Sea after Cinia, a Finnish company, detected minor damage on a fibre-optic link. A Swedish coast-guard vessel was deployed near Gotland, an island. The EU said that it planned to increase surveillance. Attacks on [undersea infrastructure](#) have risen since Russia's invasion of Ukraine.

Airlines rerouted flights between **Australia** and New Zealand after **China** conducted live-fire naval drills off Australia's east coast. A Chinese task group, including two warships and a supply vessel, had earlier operated within 150 nautical miles of Sydney. While the drills were legal in international waters, [Australia](#) criticised China for failing to provide sufficient prior notification.

**Figure of the day:** \$18bn, the amount America's biggest consultancies received from the federal government last year, up from \$5bn a decade ago. [Read the full story.](#)

## Concrete action in Gaza



The shockwaves from President Donald [Trump's plan for Gaza](#)—which envisaged an American takeover and eviction of Palestinians—continue to be felt across the Middle East. Arab leaders from Egypt, Jordan and several Gulf states are gathering in the Saudi capital, Riyadh, on Friday, to discuss alternatives. Proposals include a \$20bn fund to rebuild the devastated strip over three years and a Palestinian administration independent of Hamas and the Palestinian Authority.

Syria and Lebanon are seeking Gulf funding for their own reconstruction. And there is no shortage of companies, especially in Egypt, eager to profit from contracts. But reconstruction projects will face huge difficulties. Israel is still barring the entry of supplies including surgical gloves, caravans and mobile warehouses, which it thinks Hamas could use for no good. Getting any heavy machinery in will be hard while Hamas still controls affairs on the ground. [Mr Trump's startling initiative](#) galvanised Arab states (as he probably intended). But a post-war plan is still far from settled.

# Japan escapes low inflation



Few central banks hope for signs of sticky inflation. But that is exactly what the Bank of Japan was looking for when the country's statistics agency released inflation data for January on Friday. Core consumer prices, which strip out food costs, rose by 3.2% year on year, up from 3% in December, giving the BoJ what it wanted. The figures are further evidence that the much sought-after “virtuous cycle” of rising wages and prices—which is needed to bury [Japan's deflationary decades](#) for good—remains under way.

That would help the BOJ move away from a policy of ultra-low interest rates, which it has maintained even though inflation has persistently exceeded its 2% target. The bank has been wary of moving too quickly as that would risk a premature appreciation of the yen, which would undermine the inflationary expectations the BOJ has worked so hard to achieve. But lately economic data have co-operated.

## Sudan's parallel governments



The Rapid Support Forces, a Sudanese paramilitary group that has been [fighting the national army](#) for two years, is to formally create a government in the areas under its control. In the coming days some allied rebel groups and politicians opposed to Sudan's government are expected to co-sign a political charter in Kenya's capital, Nairobi. The RSF's deputy leader, Abdul Rahim Dagalo, is expected to attend. His more famous brother and the leader of the RSF, Muhammad Hamdan Dagalo, better known as [Hemedti](#), is believed to be in Nairobi but is not appearing in public. Both warlords are under American sanctions for ethnic cleansing and probable genocide in Darfur.

The rebel government will not rule in Khartoum, Sudan's capital. The Sudanese Armed Forces are on the brink of retaking the city from the RSF. General Abdel Fattah al-Burhan, the SAF's leader and Sudan's de facto president, recently made his first appearance there since 2023. On February 9th the SAF pledged to form a government of "technocrats". Sudan looks like a country on the verge of breaking up.



# The hobbling of USAID



A federal court's pause on the dismantling of [USAID](#), America's aid agency, is due to end on Friday. On February 4th USAID notified its workforce that they would be placed on paid leave. The court said USAID could not do this, but [the agency's](#) office is closed. Thousands of workers, including overseas contractors, have been laid off. Thousands more career civil servants remain in limbo while the courts work out whether Donald Trump has the right to unilaterally dismantle the agency.

The Trump administration had already caused havoc when on January 20th—the president's first day in office—it placed a blanket freeze on USAID payments. Another court order stopped this. But almost all funding remains frozen. The government says its actions are legal because each payment is being reviewed individually. Lawyers representing USAID contractors are having none of that argument: they have tried—so far, unsuccessfully—to hold the government in contempt of court.

## Fending for his music



As his career was rocketing in 2022, Sam Fender did something very unusual. The young singer-songwriter from North Shields, a British town, was already filling arenas. His second album, “Seventeen Going Under”, had in its release week sold more than every other album in Britain’s top ten put together. But in the midst of the North American leg of his tour, he simply stopped, pre-emptively cancelling the remaining concerts to protect his mental health.

Mr Fender’s new album, “People Watching”, vindicates this decision: he has come back stronger. It could even be heard as an attempt to make it up to American fans, so uncannily does it echo the style of 1980s American heartland rock. It follows the tradition of [Bruce Springsteen](#) and Bruce Hornsby, with songs that are impassioned and anthemic yet meticulously crafted, while retaining some distinct tones: Mr Fender’s Geordie accent, and his devotion to his Tyneside roots and neighbours.

## 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:** “The Defiant Ones” and “Guess Who’s Coming to Dinner”, two of the earliest Hollywood movies to tackle racial issues, were directed by which person?

**Thursday:** What rank did Columbo, played by Peter Falk, hold in the Los Angeles police force?



# 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:

**Joel Shapiro**, Toronto, Canada

**Meredith Angwin**, Melbourne, Australia

**Sebastian Agudelo-Restrepo**, Santo Domingo, Dominican Republic

They all gave the correct answers of [Bridget Jones](#), [bishop](#), [Egypt](#), and [stymie](#). Check back tomorrow for this week's crossword.

**All things excellent are as difficult as they are rare.**

*Baruch Spinoza*