

The world in brief

Catch up quickly on the global stories that matter



Photograph: Bloomberg via Getty Images

America's **federal government** shut down for the first time in nearly seven years after Democratic and Republican lawmakers failed to agree on a stop-gap spending proposal. Russell Vought, the director of the Office of Management and Budget, asked government departments to “execute their plans for an orderly shutdown”. Hundreds of thousands of workers are expected [to be furloughed](#).

Italy withdrew support for an international flotilla seeking to deliver aid to **Gaza**. The Global Sumud Flotilla is carrying 500 people on 40 civilian boats, including Greta Thunberg, a Swedish activist. Giorgia Meloni, Italy's prime minister, said the aid effort would jeopardise [Donald Trump's proposal](#) to end the war in Gaza, which he announced on Monday.

Lee Jae Myung, **South Korea's** president, said that annual defence spending would increase by 8.2% in next year's budget. That would take it to 66.3trn won (\$47.2bn), or 2.3% of GDP. Donald Trump has pressed America's allies, including South Korea, to spend more on defence. The [threat from North Korea](#), meanwhile, is growing.

Argentina's peso fell by more than 6% on Tuesday, forcing the central bank to sell dollars to support the currency. The peso later recovered most of its losses. The fall was partly triggered by the end of a tax break for farm exports, which brought more dollars into the country, as well as investors' growing doubts over [Mr Trump's willingness to support the peso](#).

The **euro zone's** annual inflation rate for September was 2.2%, rising slightly on August's 2% rate. It was nudged up by a slower fall in energy costs compared to previous months and a rise in the price of services. It was above the European Central Bank's 2% target but rate-setters are expected to hold interest rates when they meet on October 30th.

The UN Security Council backed a proposal by America and Panama to deploy more forces in **Haiti** to fight local [gangs](#). Since the assassination of President Jovenel Moïse in 2021, armed criminal groups have taken over much of Port-au-Prince, the capital, forcing 1.3m people to flee their homes. China and Russia have accused America of contributing to the chaos by failing to halt the flow of weapons into Haiti.

[OpenAI](#) launched **Sora 2**, an artificial-intelligence model that allows users to create hyper-realistic videos. The model, which builds on a version released last year, will be first made available in North America via invitation. The firm also released an app called Sora, which resembles social-media platforms, such as TikTok, and lets users upload and view videos.

Figure of the day: \$4.2bn, the size of a deal America's army signed to upgrade its fleet of tethered military balloons. [Read the full story](#).



Photograph: Getty Images

Hopes for an end to the war in Gaza

On Wednesday night Israel will pause for Yom Kippur. But even on the holiest day of the Jewish calendar, politics will not be far from mind. Miles away in Doha leaders of Hamas will be discussing [Donald Trump's 20-point plan](#) to end the Gaza war. The militant group is unlikely to reject the proposal, which Binyamin Netanyahu, Israel's prime minister, has accepted. But it will probably ask for changes to and clarifications of the skeletal plan. Days or weeks of negotiations will be needed to determine the details.

Until then, the war will continue. At least 40 Palestinians were reportedly killed on Tuesday. A few hundred kilometres to the west, an international flotilla carrying aid and activists is sailing toward Gaza's shores. The Israeli navy will probably intercept it before it reaches the enclave. The ceasefire plan promises an end to the fighting and a surge of humanitarian aid, but it has to be agreed to first.



Photograph: Reuters

The costs of America's shutdown

Several federal agencies began running out of money on Wednesday. And with Congress seemingly unable to agree on a stopgap funding bill, the fallout of a shutdown will be quickly felt. Economic policy-making could take the first hit. Key reports from the Bureau of Labour Statistics, including data on employment, due on Friday, will be delayed. That will leave the Federal Reserve groping in the dark.

The furloughing of roughly 900,000 federal employees will also push short-term unemployment up and growth down. Those effects are normally reversed when employees return to work after a shutdown. But this time could be different. [Russell Vought](#), the director of the Office of Management and Budget and one of the architect's of Donald Trump's second term, is threatening to use the shutdown to fire thousands of federal workers and gut government programmes.



Photograph: Getty Images

Britain junks food advertising

“Fancy a McMuffin in the morning? McNuggets for lunch? Get them delivered right here.” Ads like this will become sparser in Britain on Wednesday, when thousands of [unhealthy foods and drinks](#) will no longer be advertised online and before 9pm on television. The ban officially comes into force in January, but the food sector has agreed to comply earlier.

The restrictions apply to food designated as high in saturated fat, salt and sugar; in short, more than 20% of food-and-drink purchases in British supermarkets, and the subject of 60% of food-and-drink ads. Big supermarkets will be banned from selling such stuff using volume-based promotions.

The legislation aims to encourage food companies to make their products healthier. But it could equally open the door for all sorts of gimmicks. For example, brands may still be advertised without showing their worst-offending products. Making regulations work, like sticking to a healthy diet, is never easy.



Photograph: AP

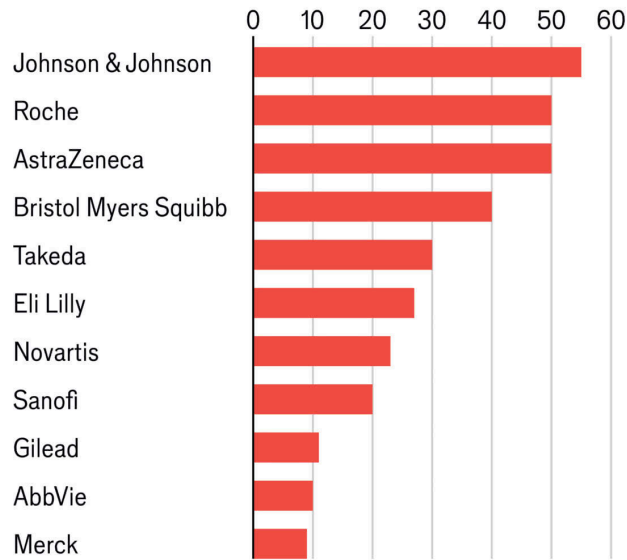
America's tough medicine for pharma

President Donald Trump's 100% tariff on imported branded drugs takes effect on Wednesday. This sounds drastic, but generic drugs, which account for over nine-tenths of prescriptions by volume, are excluded. And makers of branded medicine have been preparing. Since the start of the year big pharma has pledged more than \$330bn to expand production in America. Mr Trump has said that firms building factories at home will be exempt.

He has also demanded that branded-drug prices in America match the [lowest charged in comparable countries](#). Pharmaceutical companies are starting to cut deals with the administration. On Tuesday Mr Trump announced "TrumpRX", a direct-to-patient government website that will allow consumers to pay cash for certain heavily discounted drugs; Pfizer has signed up. Pfizer will also cut the prices of all of its prescription drugs for Americans on Medicaid (the government's health programme for the poor), the president said. More pharma firms could follow suit. "We're making deals with all of them," he added.

Pill-plant pledges

Selected pharmaceutical companies,
new manufacturing and R&D investment
commitments in the US, 2025, \$bn



Source: Company reports



Photograph: Bodleian Libraries

John le Carré's tradecraft on show

Like the spies in his novels, John le Carré [hid a lot about his life](#) and working methods. But an exhibition opening on Wednesday draws him out of the shadows. The Bodleian Libraries at the University of Oxford have opened up their extensive le Carré archive to display for the first time a wealth of material that illuminates his creative process.

Among the highlights of “John le Carré: Tradecraft” are heavily annotated drafts of [novels such as “Tinker Tailor Soldier Spy”](#) and “The Constant Gardener”, along with character sketches of protagonists, from unassuming British spymaster George Smiley to his KGB nemesis, Karla. These and additional exhibits—plot outlines, letters, notebooks and photos from field trips—reveal the breadth of le Carré’s research and his attention to detail. The show will excite both aficionados and readers yet to venture into the author’s secret worlds.



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 band's first top-ten hit "Surfin' USA" was based on a Chuck Berry song?

Tuesday: Which British band's first hit was "You Really Got Me" in 1964?

*Character builds slowly, but it can
be torn down with incredible
swiftness.*

Faith Baldwin