

The world in brief, June 5th 2024



The **Israel Defence Forces** launched an offensive in **central Gaza** as talks over a ceasefire deal continued. The assault included air strikes and ground attacks on Bureij, a refugee camp, and near Deir al-Balah, a city to the south. Dozens of people are thought to **have been killed** since the strikes began on Tuesday. America is trying to finalise an agreement over a pause in the fighting and the exchange of Israeli hostages held by Hamas for some Palestinian prisoners, forming the basis for a long-term “cessation of hostilities”.

The **Bank of Canada** became the first central bank in a G7 economy to cut interest rates in the current cycle, lowering its main rate from 5% to 4.75%. The European Central Bank is expected to reduce rates by a similar margin on Thursday. But America’s Federal Reserve will **probably hold rates steady** at its next monetary-policy meeting on June 12th.

The **Bharatiya Janata Party** and its allies **won India’s election**, but with a reduced mandate. The ruling alliance won 292 seats, more than the 272 needed to form a government but well below its stated ambition of 400. The BJP lost 63 seats compared with the

last election in 2019. Nevertheless Narendra Modi, **India's** prime minister, said he was “very, very happy”. The shock result sent Indian stockmarkets tumbling.

Slovenia's parliament voted to recognise **Palestinian statehood**, having rejected an opposition proposal to hold a referendum on the matter. Ireland, Norway and Spain [took the same decision](#) last month, provoking anger from Israel. Almost three-quarters of UN members formally recognise Palestine, though many Western countries, including America, Britain and France, have not done so.

Boeing launched its **Starliner** spacecraft on its first crewed flight to the International Space Station. A series of technical malfunctions had put the mission years behind schedule and at least \$1.5bn in the red. The successful launch gives Boeing a chance of competing with Elon Musk's [SpaceX](#), whose rockets are already serving the ISS.

A group seeking to launch a **stock exchange** in **Texas** said it had raised \$120m from several investors, including BlackRock and Citadel Securities. The TXSE Group said it hopes to become “the most well-capitalised exchange entrant” and to challenge the dominance of the New York Stock Exchange and Nasdaq through laxer regulation.

An EU court ruled that **McDonald's** does not have a trademark over its “**Big Mac**” brand for chicken burgers in the bloc, after a lengthy legal battle with Supermac's, an Irish burger chain. The court said that the American fast-food giant had not used the name for poultry products enough to hold a trademark. The iconic [Big Mac beef-burger](#) is unaffected.

Figure of the day: 30m, the estimated number of dogs ending up in stews and barbecues across Asia each 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.

Grasping for peace in Gaza



On Friday President Joe Biden announced an Israeli proposal of steps towards a possible ceasefire. The outline included an initial pause in fighting and the release of Israeli hostages held by Hamas, followed by the withdrawal of Israeli troops.

Mr Biden called the plan “a roadmap to an enduring ceasefire and the release of all hostages”, and exhorted both sides to accept it. But neither is nearly as enthusiastic as he is. Hamas has yet to formally respond. Parts of the Israeli government are strongly opposed to the proposal. Two far-right Israeli ministers have threatened to quit if it goes ahead, which would jeopardise the governing coalition. An Israeli official claimed that Mr Biden’s version of the original Israeli proposal left out important details. In any case, moving on to a workable plan for Gaza’s future will take weeks, if not months, of laborious negotiations. Meanwhile [the carnage of war](#) continues.

America's job market weakens



After a remarkable bull run, the world is watching for clues about the health of [America's economy](#). One indicator, released on Wednesday, came from ADP, a payroll-service provider. Its employment data showed that America's private sector added 152,000 jobs in May, short of the 175,000 that economists expected.

Job creation slowed sharply in April, and analysts have predicted that the more important official figures for May, due on Friday, will probably remain at about the same level. Another smidgen of information will come on Thursday, in the shape of weekly unemployment-insurance claims.

The hope for investors and officials alike is that a weaker jobs market helps to alleviate inflationary pressure without harming the economy. So far the signs have been generally good. Wage growth has decelerated, even though the unemployment rate has remained below 4%. A continuation of such trends would suggest that the economy is softening, but not cracking.

Climate contradictions on World Environment Day



On Wednesday the UN secretary-general furiously criticised fossil-fuel companies, and called on governments to ban their advertising. Much more urgent action is needed to slash emissions and avert “climate hell”, António Guterres said.

Last year the International Energy Agency, a forecaster, predicted that, because of the rapid expansion of renewable-energy sources, [fossil-fuel use](#) would peak in 2025. But prognostications have recently become gloomier. In May Wood Mackenzie, a consultancy, predicted that emissions will peak in 2032. BloombergNEF, another consultancy, now predicts that the global cost of reaching net-zero by 2050 will be \$34trn higher than previously thought. Both reckon that high interest rates and supply-chain problems will make expanding renewable capacity much more expensive and difficult.

Companies and countries seem more inclined to accept that the future will be grim than to listen to Mr Guterres. Big oil companies recently weakened their environmental targets. In April Scotland’s

government scrapped its goal of cutting emissions by 75% by 2030, saying it was unrealistic.

Australia's economy slows to a crawl



Data released on Wednesday shows that Australia's economy barely grew in the first quarter of this year. Weak consumer spending pulled down the annual growth rate to just 1.1%

That is a problem for Australia's central bank. It raised interest rates to 4.35% last year in a bid to [reduce inflation](#). Analysts had expected it to start loosening monetary policy soon. Yet recently inflation has increased. It rose to an annual rate of 3.6% in April, up from 3.4% in February. The costs of services such as rents and insurance is proving especially hard to tame.

So central bankers are unlikely to cut interest rates before next year. They may still be able to return inflation to their target of below 3% without causing a recession, but achieving a soft landing is proving to be more difficult than expected.

Charles III is on the money



For decades most Britons came into daily contact with their queen by handling notes and coins bearing Elizabeth II's face. On Wednesday the keenest notaphilists can queue at the Bank of England to get the first banknotes featuring [King Charles III](#).

Elizabeth was the first British royal to appear on paper currency. Her final portrait, made in 1990 when she was 64, appeared on notes until her death in 2022. Charles, too, will probably remain frozen in late-middle age. Although the king was 73 on the day of his coronation, his monetary image is based on a photograph taken ten years before.

Britons will see far less of him than they did of his mother. Many [no longer carry cash](#). And the late queen's notes will not be taken out of circulation unless they are damaged—a rare occurrence, since they are made from a durable polymer. Wallets will continue to hold Elizabeth's image alongside her son's, and perhaps even that of the monarch who succeeds him.

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.

Wednesday: What is the capital of Nevada?

Tuesday: Who was the first chief justice of the United States?

30m

The estimated number of dogs ending up in stews and barbecues across Asia each year.

Read the full story.

**It is better to be roughly right than
precisely wrong.**

John Maynard Keynes