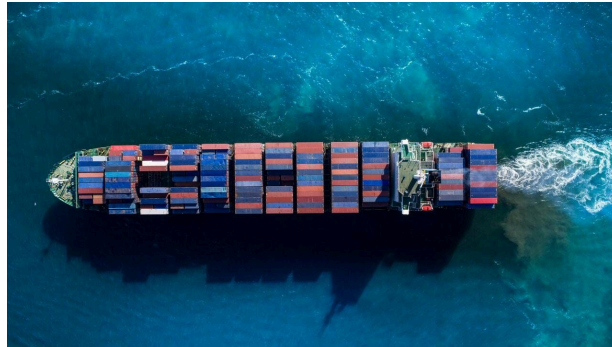


# The world in brief

Catch up quickly on the global stories that matter



**President Donald Trump** announced a “massive” trade deal with **Japan** that imposes 15% “reciprocal” [tariffs](#) rather than the 25% rate he had threatened. A 10% tariff was in force while the countries negotiated. Japan pledged to invest \$550bn in America in return. Dozens of countries face a similar August 1st deadline to reach an agreement or face higher American levies.

The deal came at a critical time for **Ishiba Shigeru**, who has faced calls to resign since the long-governing Liberal Democratic Party lost its majority in [upper-house elections](#) on Sunday. Japan’s prime minister told colleagues he would decide by the end of August whether to step down, according to local media. His ruling coalition lost its majority in the more powerful lower house in October.

Hundreds of protesters gathered in Kyiv, **Ukraine’s** capital, after the country’s parliament passed legislation that gives the presidential office greater control over **anti-corruption bodies**, [weakening their independence](#). The move follows other actions intended to rein in reformers and anti-corruption campaigners. The EU’s enlargement commissioner, Marta Kos, called the vote “a serious step back” for Ukraine.

**General Motors** said that [America's tariffs](#) had wiped \$1.1bn from its profits during the second quarter, with net income falling by around a third to \$3bn. America's biggest carmaker has largely decided to absorb higher production costs rather than pass them on to its customers. But the firm did not rule out raising prices in the coming months.

**Mike Johnson**, the Republican speaker of America's House of Representatives, will dismiss the chamber early for summer to avoid an awkward vote related to **Jeffrey Epstein**. For days Democrats, joined by some Republicans, have been trying to force a vote that would compel the Trump administration to release documents about the [late convicted paedophile](#). The House will reconvene in September.

The High Court in London ruled that the estate of **Mike Lynch**, a [British entrepreneur](#) who died when his yacht sank off Sicily last year, and his former business partner, Sushovan Hussain, owe **Hewlett Packard** about £740m (\$1bn). The ruling relates to a verdict from 2022, when a judge backed the American it giant's claims that it had [overpaid for Autonomy](#), their software company.

**Ozzy Osbourne** died aged 76. The singer of Black Sabbath, a trailblazing British heavy-metal band, later became a [pioneer of reality television](#) in a show about his family. The "Prince of Darkness", who once bit the head off a bat on stage (accounts vary on whether it was alive), called himself "a medical miracle", having survived years of drug and alcohol abuse.

**Figure of the day:** 433,000, the number of Chinese officials being probed in a crackdown launched in April 2024. [Read the full story.](#)



Photograph: Alamy

## Jerome Powell sets out his case

Speculation about who will be the next chair of the Federal Reserve is getting more intense. On July 16th markets quaked because Donald Trump, [frustrated](#) by Jerome Powell's refusal to lower interest rates as fast as he wants, talked about sacking him before his term ends next May. He thought better of it. (The *Wall Street Journal* reported that Scott Bessent, the treasury secretary, who is a contender to replace Mr Powell, persuaded him to forbear.)

Mr Powell himself will give a speech on Tuesday. He has pushed a “wait-and-see” approach to assessing how tariffs might affect interest-rate decisions. Most analysts assume that a cut at the next Fed meeting, on July 30th, is off the cards—especially as [tariffs](#) have started to increase inflation. However, last week Christopher Waller, a Fed voting member and another possible successor to Mr Powell, gave a speech titled “The Case for Cutting Now”. That's what Mr Trump wants to hear, though Mr Waller's justification—weakening labour-market data—will please him less.

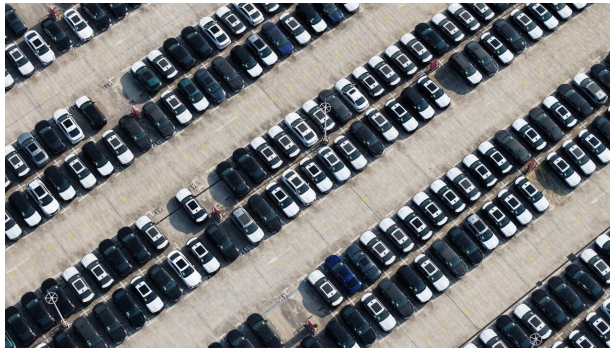


Photograph: EPA

## Israel's next steps in Gaza

As expectations of a ceasefire in Gaza grow, Israel has been intensifying its [operations](#) in the strip. On Monday it launched an attack on Deir al-Balah, to the south of Gaza City. The town has largely remained out of the fighting during the war, which has been raging for over 21 months. There has also been a shocking rise in casualties, particularly near food-distribution centers, where Palestinian health authorities and international aid organisations claim over 800 people have been killed by Israeli fire. Israel denies these numbers.

Israel claims it is attacking members of the  [Hamas](#) Islamist militant group that still controls parts of Gaza, but army officers admit in private that until they know if there is a ceasefire, there is scant military purpose to the operations. But, should the latest indirect talks between Hamas and Israel in Doha fail, Israel is planning an even larger—and more purposeful—assault.



Photograph: Getty Images

## **GM's struggles in the tariff dragnet**

General Motors' second-quarter results, released on Tuesday, reflected the costs of tariffs, which the company reiterated would sit between \$4bn and \$5bn this year. Although it posted an operating profit of \$3bn on revenues of \$47bn the firm put the impact of tariffs at \$1.1bn as the levies ate into margins for its North American business. This comes despite bumper sales in the latest three-month period, including of electric vehicles, as well as a welcome surge in sales in China.

GM has a plan to offset up to 30% of the impact of tariffs by investing \$4bn in manufacturing in America, as well as cutting costs while steering clear of price cuts to boost sales. Nonetheless, the administration's latest proposed tariff, of 50% on imported [copper](#), will add to the firm's problems; the red metal is used extensively in all cars, but particularly in electric vehicles. Mr Trump is still looming large.



Photograph: Getty Images

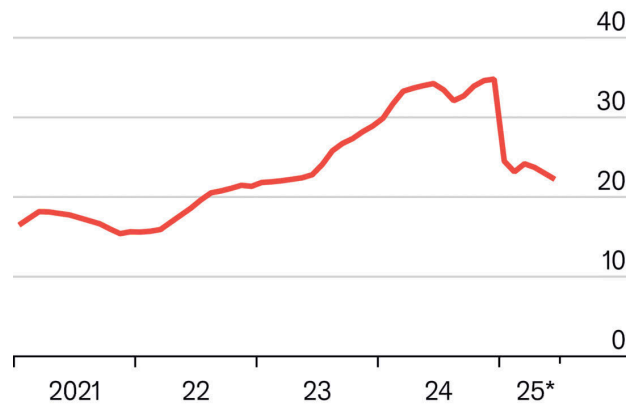
## Nigeria's economy at a turning point

The monetary policy committee of Nigeria's central bank meets on Tuesday to set interest rates. Even if there is a cut, they are likely to remain high, as the country has been operating a tight monetary policy to bring down inflation. But the approach seems to be working: headline price growth fell for a third consecutive month to 22.2% in June, an almost two-year low.

After a tumultuous few years, Nigeria's currency appears to be stabilising. This comes despite a [drop in the price of oil](#), the country's main export. The Nigerian all-share index is up 18% and some analysts expect remittance inflows to rise from \$23.8bn last year to \$25.3bn this year. An oil refinery built by Africa's richest man, Aliko Dangote, has reduced Nigeria's costly dependency on imported petroleum products. But there is room for caution: [food prices](#) have ticked up again. It will be a while before Nigerians feel better off.

## Taming inflation

Nigeria, consumer prices,  
% increase on a year earlier



\*Series rebased

Source: LSEG Workspace





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.

**Tuesday:** Who set his guitar on fire at the Monterey International Pop Festival in 1967, an event which cemented his fame?

**Monday:** Who placed an advert in Jazz News in 1962, inviting applicants to join an R&B band that became the Rolling Stones?



*Naught is too small and soft to  
turn and sting.*

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***Emma Lazarus***