

The world in brief

Catch up quickly on the global stories that matter



Photograph: Bloomberg via Getty Images

Emmanuel Macron, France's president, said that his country will recognise **Palestine** as a state, becoming the first G7 member to do so. He also called for an end to the war in Gaza and for [aid to flow](#) to civilians. Meanwhile Steve Witkoff, America's special envoy to the Middle East, pulled out of ceasefire talks, saying **Hamas** was "not acting in good faith".

Sporting hard hats, **Donald Trump** and **Jerome Powell**, the chairman of the Federal Reserve, had a tense exchange at the central bank's headquarters. The president, who [wants Mr Powell to lower interest rates](#), has accused him of mismanaging an ongoing renovation. Mr Powell fact-checked Mr Trump's claim that the project's cost had ballooned. Presidents rarely visit the Fed, which is meant to be independent.

The **European Central Bank** kept its main interest rate at 2%. It is the first time in more than a year that it has held rates. Christine Lagarde, the ECB's president, said the "inflationary shock" of recent years is "now behind us". The bank is expected to cut rates by 0.25 percentage points in September, after an EU-America [trade deal](#) has been finalised.

Saudi Arabia's investment minister met **Syria's** president in Damascus and pledged more than \$6bn for the Syrian economy. The investment will be in the public and private sectors, spanning energy, property, infrastructure and agriculture. The Saudis have been important supporters of the new Syrian government, as it tries to rebuild after 14 years of civil war.

Ukraine's president, [Volodymyr Zelensky](#), appeared to bow to public pressure as he drafted a new bill to assure the independence of two anti-corruption agencies. The move comes a day after [thousands](#) took to the streets to protest his earlier decision to increase presidential control over the bodies. Parliament went into recess on Wednesday, however, so it was unclear when it would consider the new draft.

A **Russian plane** carrying 49 people crashed in the eastern Amur region. There were no survivors, according to media reports. The aircraft was flying from the city of Blagoveshchensk on the Russian border with China to the remote town of Tynda. TASS news agency reported that an error during landing in poor visibility caused the crash.

Jeremy Corbyn, a [former leader](#) of Britain's Labour Party, and **Zarah Sultana**, an MP who left Labour earlier this month, launched a website for a new left-wing party. The website calls the outfit Your Party, though Ms Sultana denied this was the party's name. The party—which promises to hold its inaugural conference “soon”—has not said when it will announce its official name.

Figure of the day: \$2.4bn, the revenue that Deloitte forecasts women's professional sports will generate in 2025 (up from \$692m in 2022). [Read the full story](#).

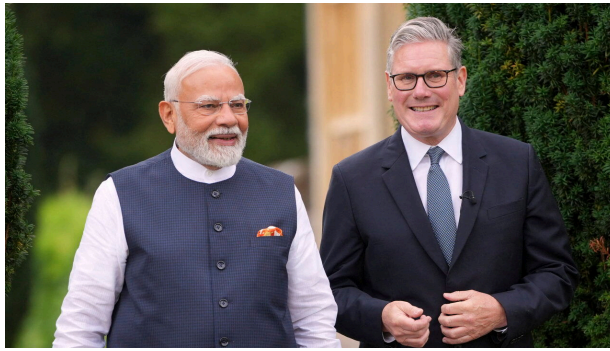


Illustration: David Simonds

EU chiefs' frosty meeting with Xi Jinping

For a celebration of half a century of diplomatic relations, China and the European Union are not showing much love. Tensions are growing over everything from trade—the EU has a €306bn (\$360bn) trade deficit with China—to security (China's propping up of Russia's defence industries). But they are at least talking. A summit kicked off in Beijing on Thursday. China's leader, Xi Jinping, met the European team, including the European Commission's president, Ursula von der Leyen, and the European Council's chief, Antonio Costa.

But the build-up has been turbulent. The EU scrapped a preparatory meeting on economic matters. China cancelled a side trip to the city of Hefei where the Europeans had been expected to meet businesspeople. And less than a week before the summit, the EU slapped sanctions on two Chinese banks that had dealings with Russia. The countries reiterated their joint commitment to climate, but trade and security disputes still divide the two.



Photograph: Getty Images

A rare win in the Wild West of global trade

On Thursday India's prime minister, Narendra Modi, signed a [trade agreement](#) with his British counterpart, Sir Keir Starmer, in London. Britain's biggest post-Brexit trade deal axes tariffs on some 99% of Indian products. India will reduce, or eliminate, tariffs on 92% of existing goods imports from Britain. Britain hopes the pact will add £4.8bn (\$6.5bn) to its annual GDP.

One big winner is Scotch whisky, which makes up about 90% of Britain's food and drinks exports to India. Indian connoisseurs will have to practise delayed gratification, as a 150% tariff withers down to 75% and then 40% over the coming decade.

The two countries announced the completion of a deal on May 6th, only for a military stand-off between India and Pakistan to sideline the news the following day. Two months later, the global uncertainties of Mr Trump's tariff vendettas make the pact stand out as an unusually well-negotiated and orderly way of boosting global trade.



Photograph: Alamy

America's railway coupling

Union Pacific, America's largest rail freight carrier, reported its earnings on Thursday. During its investor call UP, which along with BNSF dominates the rail networks west of Chicago, announced that it was *en route* to a [mega-merger](#). After months of growing speculation that consolidation is coming to the industry, UP said it was discussing a tie-up with Norfolk Southern, one of two big operators in the eastern states. If a deal happens, it would probably force BNSF and CSX, the other large operator in the east, to combine.

Turning the big four firms into an even bigger two could be a boon for the industry, since avoiding interchanges between networks would mean faster trains and fewer delays. But it would also face huge challenges, starting with regulation. Since 2001 the federal Surface Transportation Board, which regulates the industry, has demanded that deals should “enhance” competition, rather than just preserve it, a vague and untested standard.



Photograph: Getty Images

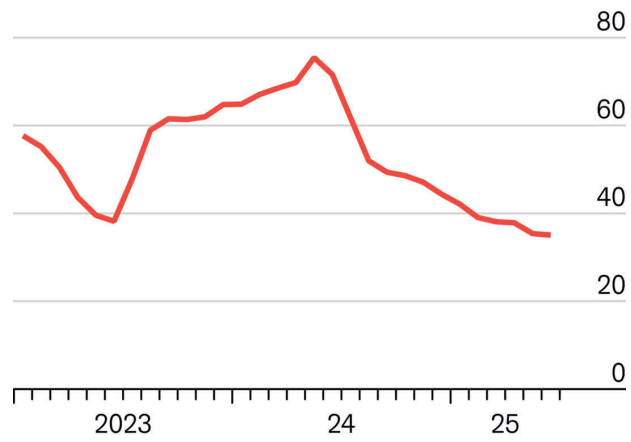
Easing resumes at Turkey's central bank

Things have not been going to plan for Turkey's monetary authorities. Three months ago, in the midst of an easing cycle, the central bank suddenly had to respond to the arrest of [Ekrem Imamoglu](#), President Recep Tayyip Erdogan's main political rival. In the wake of the subsequent market panic, it increased interest rates by 3.5 percentage points.

Mr Imamoglu, the secular Republican People's Party's (CHP) candidate in the next presidential elections, remains in prison. Hundreds of others, including the CHP mayors of some of Turkey's biggest cities, have been detained since his arrest. But the sell-off in Turkish assets, as well as the lira, the country's currency, has slowed. That, plus another decrease in [inflation](#), which dipped to an annual rate of 35% in June, has paved the way for the central bank to resume cutting rates. The bank's monetary policy committee did so on Thursday, lowering the benchmark rate by 3%, to 43%.

Inflation tumbles

Turkey, consumer prices,
% increase on a year earlier



Source: Haver Analytics



Photograph: Getty Images

Should Rhodes fall?

A new biography, “The Colonialist: The Vision of Cecil Rhodes”, by William Kelleher Storey, makes one thing crystal clear. Rhodes, a businessman, diamond monopolist, gold trader and a builder of the British empire in Africa, was also a white supremacist. As prime minister of the Cape Colony in the 1890s, he helped lay the foundations for apartheid South Africa, and he established today’s Zambia and Zimbabwe.

Yet neither he nor the empire was uniquely evil. Rhodes was a man of his time, sharing the attitudes of most western Europeans. The Cape Colony was kinder to native Africans than German South West Africa, the Boer Republics or the Congo Free State, also controlled by Europeans. Rhodes’s legacy to Oriel College, Oxford, and the Rhodes scholarships were both munificent and beneficial. Those who want to [scrub his name and image](#) from public life, insisting that “Rhodes must fall” everywhere, could learn much from this balanced account of his life and times.



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.

Thursday: Which rock star was known by the nickname “The Lizard King”?

Wednesday: Back to Black was a biopic of which British singer-songwriter?

The most difficult thing is the decision to act; the rest is merely tenacity.

Amelia Earhart