

Catch up: Firefighters contain one of LA's blazes; Zelensky offers prisoner swap



One of [four fires](#) burning in **Los Angeles County** was contained, according to California's fire department. The winds that originally helped spread the blazes are expected to pick up again during the week, complicating firefighting efforts. At least 24 people have died. California's governor, Gavin Newsom, warned the disaster could be the costliest in America's history.

Volodymyr Zelensky offered to swap **North Korean** soldiers captured on the battlefield for Ukrainian prisoners of war being held in Russia. Ukraine's president said he was certain more [North Korean soldiers](#) would be taken prisoner, after the first troops from the country were captured in Russia's Kursk region. South Korea said North Korean soldiers fighting there had been ordered to kill themselves before capture.

Apple urged shareholders to reject a motion calling for its **Diversity, Equity and Inclusion** programme to be scrapped. The right-wing think-tank behind the proposal says [the DEI scheme](#) opens up the tech giant to legal and financial risk. Separately, a trial

over Apple’s “excessive” app-store charges was set to begin in Britain. Developers argue they are tied into a monopoly and are claiming £1.5bn (\$1.8bn).

Justin Trudeau said **Canada** would retaliate in kind if America [imposed tariffs](#) on the country, just as it had when Donald Trump raised levies on Canadian aluminium and steel in 2018. Canada’s prime minister pointed out that many American states relied on the Canadian market. He also dismissed Mr Trump’s repeated suggestion that Canada become the 51st state as a “distraction”.

Tens of thousands took to the streets of Bucharest, the capital of **Romania**, to protest against the annulling of the country’s presidential elections. On December 6th Romania’s Constitutional Court [declared the first round](#) of the election void when Calin Georgescu, a long-shot pro-Russian candidate, unexpectedly came first. A re-run is currently scheduled for May 4th.

Sweden said it would send up to three vessels to join NATO’s efforts to prevent the sabotage of undersea cables in the Baltic sea. The Scandinavian country, which joined the alliance in March, will also contribute surveillance planes. On Saturday Germany tugged a drifting Russian oil tanker—believed to be part of [Russia’s “shadow fleet”](#) of old ships used to dodge sanctions—off its Baltic coast.

Italy “revoked” the arrest of Mohammad Abedini, an **Iranian** businessman wanted by America. He allegedly supplied drone parts used in an attack that killed three American service personnel in Jordan last year. (Iran denied involvement.) Cecilia Sala, an Italian journalist arrested three days after Mr Abedini, was freed from Evin prison in Tehran last week. Iran said her detention was not connected to Mr Abedini’s.

Figure of the day: More than \$50bn, the estimated economic damage of the LA fires. [Read the full story.](#)

Ukraine and Russia position for Trump



The fighting between Russia and Ukraine is intensifying. Each side wants to control as much territory as possible come Donald Trump's inauguration on the 20th, in case he presses for a ceasefire. There were 192 skirmishes on just one day of last week, according to the Centre for Defence Strategies, a Ukrainian think-tank.

Ukrainian analysts believe that Russia may be preparing to seize Pokrovsk, either by enveloping it from the north or through grinding street-by-street assaults. They have been trying to capture the logistically important town in Donetsk since the summer. Meanwhile Ukrainian forces mounted a surprise offensive in Russia's Kursk region on January 5th. Such is the fierceness of the fighting in Kursk that Ukrainian sources estimate that Russia will need reinforcements in a week if losses continue at their present rate. On January 9th Volodymyr Zelensky, Ukraine's president, claimed that 4,000 North Korean troops had been killed or wounded in Kursk.

China's export fears



On Monday China revealed that its exports surged by 10.7% year-on-year in December, the last full month before Mr Trump returns to the White House. His inauguration will usher in a more difficult era for Chinese trade. When he first took office in 2017, America was buying over 18% of Chinese exports. That share is now below 15%.

Further declines seem certain, but little else is clear. Will new tariffs rise as high as 60%, as Mr Trump has suggested? Will they apply narrowly to a few industries or more widely? And how long will they last? Despite the trade barriers Mr Trump introduced during his first term, America's share of Chinese exports held up surprisingly well for several years. It then dropped significantly after his successor, Joe Biden, made it clear most of these impediments would remain. The height and breadth of Mr Trump's tariffs will matter. But so will their persistence.

Imran Khan's corruption trial



A Pakistani court was scheduled to announce a verdict in Imran Khan's latest corruption trial on Monday. The former prime minister has languished in prison since August 2023 on a series of charges. In December inciting "rebellion" in the armed forces was added to the list. Mr Khan claims that all of the allegations against him are "bogus". His party, Pakistan Tehreek-e-Insaf, has made a habit of protesting about his detention, resulting in a number of arrests.

At the last minute, the court hearing the case delayed it for a third time. That may be because the PTI and the prime minister, Shehbaz Sharif, have started talking. The PTI wants its prisoners, including Mr Khan, released, and a judicial probe into government violence against protesters. The government wants Mr Khan to stop criticising the armed forces, who back Mr Sharif. A third round of talks will start soon. More than a verdict, Mr Khan's fate hinges on their outcome.

The frugal European consumer



One indicator in Europe's troubled economy is doing well. Real incomes have grown by 3.8% over the past two years, according to calculations by the European Central Bank. That should be good news for consumption and growth. Yet Europeans are hesitant to spend. The household savings rate has grown consistently for two years. On Monday fresh data will probably show that continuing in the third quarter of 2024.

The euro zone's household savings rate, which was 15.7% in the second quarter of 2024, is a lot higher than the 4.4% of disposable income that Americans set aside. And since Russia invaded Ukraine it has risen dramatically. One factor is a decline in net real wealth caused by inflation, reckons the ECB. Political anxiety and low confidence in Europe's economic outlook also contribute. A recent consumer survey found that households are deferring major purchases. Europeans see rainy days ahead, and are saving accordingly.

A massive holy gathering in India



On Monday Hindus began to descend on Prayagraj, a city in the north Indian state of Uttar Pradesh, to take part in the Maha Kumbh Mela. It is the largest gathering of people in the world. Over 44 days more than 400m will take a dip in the chilly waters at the confluence of the Ganges and the Yamuna rivers (where they also meet the mythical Saraswati river, according to legend). Bathing, credants believe, grants salvation.

The state government, led by India's ruling Bharatiya Janata Party, hopes for more earthly rewards. It has poured around 64bn rupees (\$765m) into this year's event, building a temporary township with 150,000 tents and 3,000 kitchens. It expects the influx of visitors to spend 2trn rupees, approximately 8% of the state's GDP. But more than money, the state government is after political blessings. A successful mela could boost the BJP's credentials among its Hindu-nationalist base.

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 GMT on Friday to QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Monday: Sigmund Freud's book "*Die Traumdeutung*" is generally known in English by what title?

**Arguments hardly affect the faithful—
their beliefs have an entirely different
foundation.**

Paul Feyerabend