

# The world in brief

Catch up quickly on the global stories that matter



Photograph: AFP

**Sir Keir Starmer's** already shaky position as Britain's prime minister looked [even less secure](#) as a scandal grew over what he knew about Peter Mandelson's relationship with Jeffrey Epstein. Rebellious Labour MPs forced the government to agree to release files relating to Sir Keir's appointment of Lord Mandelson as Britain's ambassador in Washington. Lord Mandelson is under investigation for allegedly leaking government information to the deceased sex-offender and financer.

**Tech stocks** fell for a second consecutive day, as concerns about software firms' vulnerability to AI dovetailed with [worries about chipmakers](#). America's NASDAQ index dropped by 1.5% while the S&P 500 fell by 0.5%. Shares in **Advanced Micro Devices**, a big chipmaker, plunged 17% after it warned of stuttering demand. Asian stockmarkets also fell during early trading on Thursday.

**Alphabet** said it would invest around \$185bn on building AI infrastructure this year, more than [double the amount](#) it spent in 2025. The announcement by Google's parent company came after it reported strong quarterly results. Revenues in the fourth quarter of 2025 rose by 18% year on year to \$114bn, driven by strong advertising sales.

**Xi Jinping** warned **Donald Trump** that America must handle arms sales to Taiwan “with prudence”. The two leaders had what Mr Trump described as a “thorough” phone call ahead of the American president’s planned visit to China in April. Mr Trump said that **China** agreed to buy more soyabeans from America. It had previously [slashed orders](#) in response to American tariffs.

The Trump administration withdrew 700 federal agents from **Minneapolis**, where two demonstrators have been killed during a [crackdown](#) on immigrants. Tom Homan, Mr Trump’s border czar who last week was put in charge of the brutal mission in the city, insisted that his team was “not walking away”. Around 2,000 agents would remain in the area, he said. Mr Trump has vowed a “softer touch”.

Shares in **Eli Lilly** soared after the American pharmaceutical giant posted strong earnings for 2025 and forecast robust growth in 2026. It was buoyed by soaring demand for its [weight-loss drug](#), Zepbound. By contrast, its fat-fighting European rival, **Novo Nordisk**, warned that sales and profits would fall this year as competition intensifies and American policymakers push down prices; its shares plunged almost 20%.

An [angel said to resemble Giorgia Meloni](#), Italy’s prime minister, was scrubbed from a restored fresco in the basilica of San Lorenzo in Rome. After a newspaper reported the likeness, opposition parties accused the church of fostering a personality cult. The restorer admitted he had modelled the angel on her, without explaining why. Ms Meloni has dismissed the affair as absurd.

**Figure of the day:** \$500bn, the value of additional energy and agricultural products that Donald Trump claimed India would buy from America. [Read the full story](#).



Photograph: Getty Images

## Taiwan's opposition cosies up to the CCP

Members of the Kuomintang (KMT), Taiwan's main opposition party, are in China this week for a think-tank forum with bigwigs from China's Communist Party. That marks a rapprochement: such forums were once routine, but they were paused after cross-strait relations became strained in 2016. The KMT's vice-chairman is leading this week's delegation. His trip may pave the way for a meeting between Xi Jinping, China's leader, and [Cheng Li-wun](#), the KMT's new chair, who thinks that getting closer to China will help avert an attack on Taiwan.

The forum was supposed to focus on co-operation regarding matters such as tourism. But both sides have been using the opportunity to advocate for "rejuvenating the Chinese nation". Such remarks will no doubt draw criticism from Taiwan's ruling Democratic Progressive Party, which supports independence. Opinion polls show that a majority of Taiwan's people have little appetite for unification. But the KMT will see the forum as a step towards achieving their goal of reconciliation with China.



Photograph: Reuters

## America pitches a critical-minerals “alliance”

On Wednesday America’s State Department convenes a meeting in Washington, DC, aimed at building supply chains for [critical metals](#) that do not rely on China. The stated goal is to form an alliance with like-minded countries, which may involve guaranteeing a minimum price for the commodities.

Some will be sceptical about America’s new-found zeal for co-operation on this issue. In recent months the Trump administration has largely acted unilaterally, pledging billions of dollars for projects and stockpiles at home, and signing deals with countries such as Australia and Saudi Arabia. America’s efforts are led by David Copley, a former gold miner who sits on the National Security Council. The administration has mostly ignored the European Union, [which has been slow to act](#).

However, ministers from G7 countries (and a dozen others) are expected to attend on Wednesday. They will find out if America is really interested in embracing a more multilateral approach. Mining’s new great game is just getting started.



Photograph: Getty Images

## The era of nuclear-arms control is over

New START, the last treaty limiting American and Russian nuclear arsenals, is about to expire. Though he has spoken of “denuclearisation”, Donald Trump has ignored calls by Russia to abide voluntarily by the treaty’s limits on “strategic” (ie, long-range) weapons for another year.

The [new nuclear age](#) will be more complex than that of the cold war. The two-power nuclear stand-off is becoming a three-way contest as China builds up its arsenal. It has grown from 240 warheads in 2012, when Xi Jinping came to power, to 600-plus, and is on track to exceed 1,000 by 2030, reckons the Pentagon.

That is well behind Russia and America, which have 5,000-odd warheads each, but big enough for America to worry that it lacks the weapons to deter both Russia and China. Short of a last-gasp deal, America is poised to deploy perhaps hundreds of warheads from its reserves in the coming months. A new arms race looms.



Photograph: Getty Images

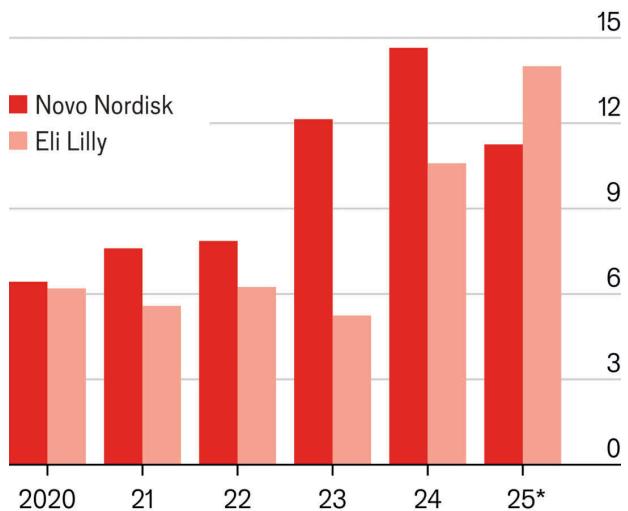
## Novo and Lilly battle for profits

Novo Nordisk, a Danish pharmaceutical giant, posted quarterly results on Wednesday, followed by its American rival Eli Lilly. Novo was first to market GLP-1s, a class of drugs that reduce their users' appetite, and thus weight. The firm announced sales of DKK309bn (\$48.9bn) in 2025, up 10% from the previous year at constant exchange rates. But Lilly's were stronger still, and the company also forecast high growth for 2026. In 2025 sales of Zepbound, its injectable drug, overtook those of Wegovy, Novo's equivalent.

But Novo is attempting a comeback. In January it introduced an oral version of Wegovy, which showed superior weight-loss results to Lilly's pill in clinical trials and is much cheaper than injectables. Lilly is expected to release its own pill later this year. Both companies are developing drugs that promise fewer side-effects. But it could take a while for Novo's investments to pay off: on Tuesday the firm warned that sales in 2026 could decline by as much as 13%. Its shares dropped by nearly 20% on Wednesday.

## Weight-loss wars

Pharmaceutical companies, net profit, \$bn



\*To September 2025

Source: FactSet



Photograph: Getty Images

## The euro zone gets over inflation

Inflation in the euro zone is [back on target](#). Annual price increases for January slowed to 1.7%, according to data released on Wednesday, down from 2% for December. The figures all come in below the European Central Bank's 2% annual target.

Spain (from 2.9% year on year in December, down to 2.4% in January) and France (0.7% to 0.4%) reported steep drops in inflation, although Germany's rose. Adding to the downward pressure on inflation could be a stronger euro. Compared with the dollar, the euro has gained almost 15% since early February 2025, which will be felt in prices over time. The ECB, which meets on Thursday, lowered interest rates between June 2024 and June 2025, but has held them since. Low inflation will give it some room to consider a further cut.



Illustration: Sandra Navarro

## Daily Quiz

We will serve you a new question each weekday. On Friday your challenge is to give us all five answers and tell us the theme. Email your responses (and your home city and country) by 1700 GMT on Friday to [\[email protected\]](mailto:[email protected]). We'll pick three winners at random and crown them on Saturday.

**Wednesday:** The Pahlavi family ruled which Middle Eastern country?

**Tuesday:** Which African country is by far the most populous?

*Knowing what must be done does  
away with fear.*

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**Rosa Parks**