

Catch up: reactions to Trump's Gaza plan; Honda and Nissan talks on the verge of collapse



Karoline Leavitt, the White House press secretary, said that **Donald Trump** has not committed American troops or funding to carry out his [proposed takeover](#) of **Gaza**. Appearing to walk back Mr Trump's suggestion that Palestinians be "permanently" resettled elsewhere, Ms Leavitt said that they would be "temporarily relocated". Earlier Hamas rejected Mr Trump's proposal, and Saudi Arabia reaffirmed its support for an independent Palestinian state.

Talks between **Nissan** and **Honda**, two Japanese carmakers, to create the world's third-largest carmaker by sales, are close to collapsing just months after they began. On Wednesday Nikkei, a news outlet, reported that the two companies had failed to reach an agreement. Nissan insisted it was continuing "various discussions" with Honda. The merger would be a big boost for Nissan, which is [floundering](#).

Javier Milei, Argentina's president, announced that the country will withdraw from the **World Health Organisation**. A government spokesman cited "deep differences" over health management, particularly during the covid-19 pandemic, and said that Argentina would not allow an international body to "interfere" in its sovereignty. The move follows [America's exit](#) last month.

Mr Trump signed an executive order that seeks to bar **transgender athletes** from competing in women's sports, delivering on a promise he [heavily campaigned on](#). The directive denies funding to schools that do not comply and will be enforced by the Department of Education. It draws authority from Title IX, a sex-discrimination law that the Biden administration tried unsuccessfully to revise to include trans students.

Equinor said it will halve investment in [green energy](#) and boost **fossil-fuel** production. The Norwegian energy giant, which dropped "oil" from its name seven years ago, plans to produce the equivalent of 2.2m barrels of oil a day by 2030, 10% more than previously forecast. The company joins BP and Shell in scaling back investment in renewables. Rising costs and weak margins have hurt the offshore-wind industry.

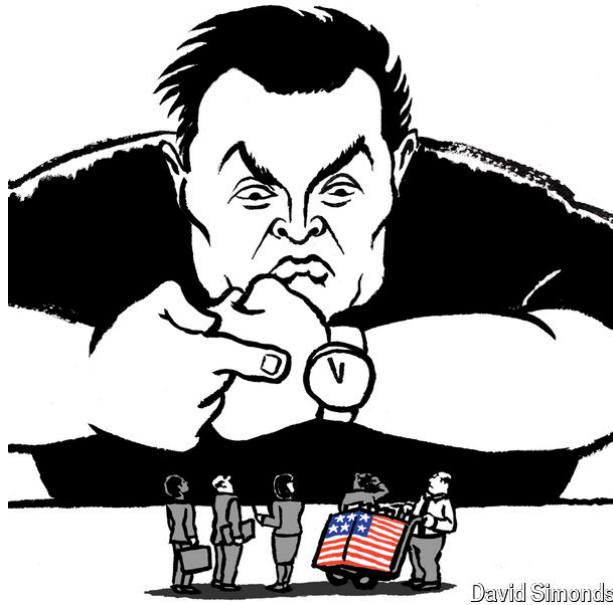
Santander's net profit rose by 11% year on year in the fourth quarter to €3.27bn (\$3.4bn), bringing full-year earnings up 14% to €12.57bn. [Spain's largest bank](#) benefited from increased lending. It added 8m customers in 2024. In Britain, a core market, net profit climbed by 10% to €331m, as higher lending margins offset a 4% drop in loan volumes. The bank announced €10bn in share buybacks.

The **US Postal Service** said it will resume accepting parcels from China and Hong Kong after a brief suspension following President Donald Trump's decision to end duty-free imports under \$800, known as [de minimis exemptions](#). The move disrupted shipments

from retailers like Shein and Temu. Nearly half of *de minimis* packages sent to America come from China.

Figure of the day: \$12m, the amount Deloitte has earned since 2020 from DEI-related work for America's Department of Health and Human Services. [Read the full story.](#)

Civil servants dodge DOGE



Thursday is the deadline for federal workers in America to accept the “[deferred resignation](#)” [scheme](#) devised by Elon Musk and his Department of Government Efficiency. Under the offer, civil servants who agree to resign in September will be excused from nearly all work requirements until then—while still collecting a salary.

As the deadline approaches, workers have reported being bombarded with emails pressuring them to accept the deal. One, sent on Tuesday night, hinted that most who refuse will probably be put on furlough or pushed out by other means. The abrupt closure of USAID, America’s aid agency, suggests the threat is real.

Yet uptake has been low. According to Axios, a news outlet, only around 20,000 workers—less than 1% of those eligible—have accepted. Many probably doubt the scheme’s legality. Several laws bar civil servants from taking outside jobs or abandoning their duties, regardless of what the Office of Personnel Management—now controlled by Mr Musk’s team—claims

A weak yen hurts Nippon Steel



Nippon Steel reports quarterly financial results on Thursday. Analysts believe that profits dropped in the three months to December. Weak demand and a depreciating yen, which raised the cost of imported raw materials, have squeezed the Japanese steelmaker.

Its ambitions took a hit in January, when Joe Biden blocked its \$15bn [takeover of US Steel](#), citing national security concerns. The acquisition would have helped Nippon Steel increase its production capacity by 20m tonnes a year, strengthening its competitiveness.

The decision, which David Burritt, US Steel's boss, called "shameful and corrupt", triggered two lawsuits by the companies. One claims that Mr Biden's ruling was politically motivated; the other accuses Cleveland-Cliffs, a rival bidder, and the United Steelworkers union of colluding to scuttle the deal. Mr Burritt has pleaded for Donald Trump to intervene, so far in vain.

The Bank of England's dilemma



On Thursday the Bank of England is widely expected to cut interest rates by 0.25 percentage points, to 4.5%. The outlook for the rest of the year is murkier. Financial markets anticipate just two more quarter-point cuts in 2025.

The caution reflects economic challenges—at home and abroad. Inflation in Britain is proving stubborn: core inflation, which excludes volatile food and energy prices, remains more than one percentage point above the bank's 2% target. Surveys show businesses and households expect inflation to remain high. External risks loom as well: trade tensions could push prices higher, though Britain has so far escaped direct pressure from the [Trump administration's tariffs](#).

Meanwhile, Britain's economy lost steam at the end of 2024 and may have shrunk in the final quarter. If growth remains weak, the Bank of England could face a difficult balancing act later in the year.

A sinister new age of cybercrime



Deception is as old as human nature. But the internet, cryptocurrencies and artificial intelligence have turned scams into a global industry of unprecedented scale. Online fraud may now be worth more than \$500bn annually—bigger than the illicit drug trade.

Criminal networks deploy sophisticated psychological tactics to exploit greed, fear, loneliness, grief and even boredom. An estimated 1.5m people are involved in this underground economy, with operations concentrated in South-East Asian countries such as Myanmar, Laos and Cambodia. Scam hubs have also emerged in Dubai, Fiji, Georgia, Peru and the Isle of Man.

For the past year, *The Economist* has investigated this predatory industry for an [eight-part podcast series, *Scam Inc.*](#), which is out today. Listen to the story of this sprawling cybercrime network wherever you get your podcasts.

The queen and the Iron Lady



Audiences with Britain's monarch are famously secret. Playwrights and producers have delighted in imagining what happens at the weekly meetings between the prime minister and the sovereign behind Buckingham Palace's gates. "The Audience" (2013), a play by Peter Morgan, a British writer and creator of "[The Crown](#)", staged Queen Elizabeth II's chats with leaders from Winston Churchill to David Cameron.

On Thursday a production of Moira Buffini's "Handbagged" starts a tour of England at the Queen's Theatre in London. The play, which won an Olivier award in 2014, explores the relationship between her majesty and Margaret Thatcher, Britain's prime minister from 1979 to 1990. The pair debate everything from the Falklands war to the miners' strike to the merits of an interval at the theatre. The charmingly irreverent comedy has been embellished with remixes of 1980s pop classics. It is, as speculations of the relationship between crown and state go, great fun.

Daily quiz



The Economist

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.

Thursday: Which comedian was the fifth member of the rat pack, alongside Frank Sinatra, Sammy Davis junior, Dean Martin and Peter Lawford?

Wednesday: What is the common term for someone who is second-in-command of a ship?

Music is the language of the soul

Lata Mangeshkar