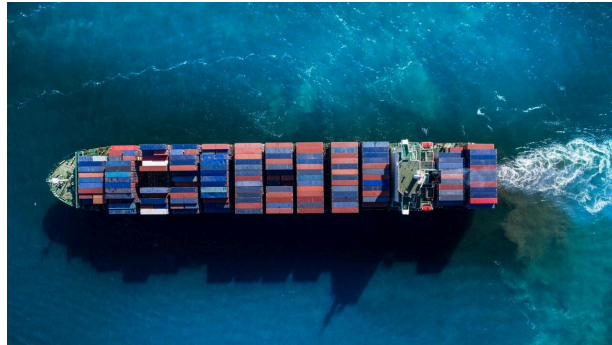


The world in brief

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 child molester](#). The House will re-convene 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: 200,000, the number of electric suvs that Xiaomi, a Chinese firm, sold within three minutes of bringing the the model onto the market last month. [Read the full story](#)



Photograph: Alamy

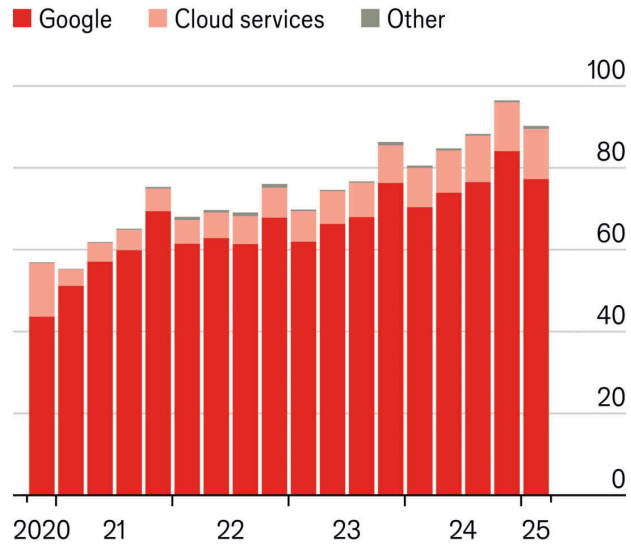
Sunny, with clouds on Google's horizon

Alphabet will kick off big tech's earnings season on Wednesday with what are likely to be solid second-quarter results. Google's search business is still humming, despite the threat generative [artificial intelligence](#) poses to search-related clicks. Gemini, its family of AI models, is popular, and YouTube continues to bolster advertising revenues. Its cloud-computing service is having a good year. In July it signed up OpenAI, maker of ChatGPT, as a client.

Like its cloud peers, Alphabet is spending heavily on data centres, and investors have remained largely on board with the splurge. President Donald Trump is expected to announce his government's AI Action Plan soon, which may further stimulate investments by giants such as Google. Yet amid the enthusiasm, the company faces the risk this summer that a judge may decide to break it up as part of an antitrust remedy related to its search business. That's why Alphabet's shares have lagged many of its big-tech rivals this year.

More than search

Alphabet, revenues, \$bn



Source: LSEG Workspace



Photograph: Alamy

Why Ukraine is talking to the hand

Another round of direct talks between Ukraine and Russia could take place on Wednesday in Istanbul. Ukraine's president, Volodymyr Zelensky, announced the meeting on Monday; Russia, though, seemed surprised. Mr Zelensky says he wants the talks to focus on three issues: a further [prisoner exchange](#); the return of 20,000 abducted Ukrainian children; and preparation for a summit between him and Vladimir Putin to discuss a ceasefire.

The Russians are usually happy to negotiate prisoner swaps, but they have mocked the idea that there are any kidnapped Ukrainian children to send back. Nor has Mr Putin shown any interest in meeting Mr Zelensky, unless it is to accept Ukraine's surrender. In [earlier meetings](#) Russia sent insultingly low-level delegations. However, Mr Zelensky clearly thinks that his call for more talks will earn favour with Donald Trump, by showing that only Ukraine has a serious interest in ending the war.



Photograph: Getty Images

Signor Orce v the politicians

Seldom has the future of a bank been harder to assess than that of Italy's UniCredit, which on Wednesday improved its outlook after reporting first-half net profit of €6.1bn (\$7bn). Its ambitious plans for expansion under [Andrea Orce](#), its chief executive and a veteran dealmaker, are heavily dependent on politics.

UniCredit wants to acquire Commerzbank, a German lender, to create a European super-bank. But on Friday, Friedrich Merz, the German chancellor, criticised the Italian lender's plans as "a hostile approach we neither accept nor support". Unicredit already holds a 20% stake in Commerzbank and could convert derivatives to give it around 9% more. On Tuesday it dropped its bid for Banco BPM, a smaller Italian bank, because of resistance from [Giorgia Meloni's](#) right-wing government. Mr Orce can expect an eventful Summer.



Photograph: Getty Images

Poland's government reboot

Almost halfway into its term, Poland's liberal government under Donald Tusk has little to show for its year-and-a-half in power. In June, Mr Tusk's preferred candidate, Rafal Trzaskowski, surprisingly lost the presidential run-off against a [hard-right rival](#), plunging the ruling camp into an uncomfortable cohabitation for the remainder of its term, ending in 2027.

Less than a third of Poles say they approve of Mr Tusk's government. His core supporters are disappointed by slow progress on [restoring the rule of law](#) and holding his populist predecessors to account. No one likes how the sprawling ruling coalition has bloated the cabinet and failed to agree on policy priorities.

Mr Tusk promised a “new opening” in June. He is expected to announce a government restructuring on Wednesday. Ministers will be demoted and ministries merged. A bigger change, rumoured for months, would be the eventual resignation of Mr Tusk. But for now at least, no successor has emerged able enough—and willing—to inherit his mess.



Photograph: Getty Images

Climate change and international law

What are states legally required to do about climate change? What consequences should they face if they fail to do it? On Wednesday the International Court of Justice will answer those questions. The UN asked the court to ponder them two years ago in response to lobbying by Vanuatu and other small island states. The case has attracted more submissions from international organisations and governments than any other climate case.

The ICJ's decision will clarify existing international laws rather than create new ones. For example, it will rule on whether states have an obligation under human-rights law to mitigate and adapt to climate change, beyond their responsibilities laid out in climate treaties such as the Paris Agreement. And the court will assess whether the states most responsible for climate change should pay [reparations](#) to those most damaged by it. Its decisions are binding, but it has no means to enforce them.



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.

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

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

Anything could happen, and it usually does, so there is no point in sitting around thinking about all the ifs, ands and buts.

Amy Winehouse