

The world in brief

Catch up quickly on the global stories that matter

Donald Trump eased the pressure on American carmakers by signing an executive order to reimburse some levies on imported auto parts and exempt them from additional duties. Levies of [25% on foreign cars](#) came into effect this month; tariffs on parts are due to begin on Saturday. The reprieve reportedly comes after domestic manufacturers said they needed more time to relocate supply chains.

China's official manufacturing purchasing managers' index turned negative, falling from 50.5 in March to 49 in April (anything under 50 represents a contraction). American importers have reduced orders to avoid Mr Trump's new tariffs, which are [as high as 145%](#). Earlier Amazon denied it planned to display the impact of tariffs on prices of the products it sells through its marketplace. China makes 70% of Amazon's products.

Mr Trump phoned **Mark Carney** to congratulate him on winning [Canada's general election](#) and suggested the pair meet soon. The prime minister's Liberal Party fell just shy of winning a majority, but has enough support to form a government. Mr Trump's trade war and ambition to absorb Canada into America dominated the election campaign. America will "never ever" own Canada, Mr Carney promised in a victory speech.

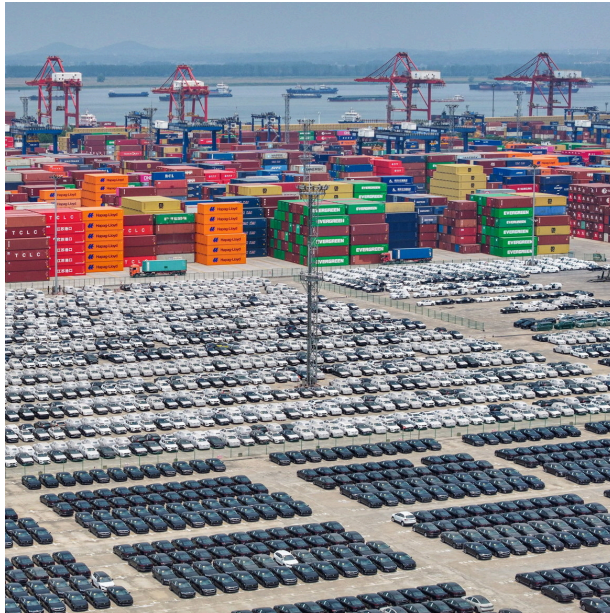
Starbucks's quarterly results once again were more short than venti. The American coffee chain's net earnings fell by 50% compared with the same period last year, though revenue was steady. Starbucks's boss, [Brian Niccol](#), is yet to see the financial fruits of a plan to reduce waiting times. The company scrapped an overhaul of cafés and a new in-store ordering system because they were too expensive.

America imposed sanctions on six firms in **Iran** and **China**, accusing them of helping Iran procure chemicals for ballistic-missile propellants. Scott Bessent, America's treasury secretary, said Iran's missile-development programme "violates the global agreements intended to prevent the proliferation of these technologies". America and Iran are in [negotiations](#) over a nuclear deal; envoys are next due to meet on Saturday.

Novo Nordisk said it would sell **Wegovy**, its GLP-1 [weight-loss drug](#), through American **telehealth** platforms, including Hims & Hers and LifemD. Hims & Hers will sell a discounted Wegovy subscription plan. Novo Nordisk and Eli Lilly, which produces a similar drug, have been reducing their prices, especially for Americans paying without insurance. The telehealth firms' shares jumped on the news.

A salvage operation will begin on Wednesday to recover a superyacht owned by **Mike Lynch**, a British tech entrepreneur. The boat sank off the coast of Sicily during a violent storm last summer, killing seven people, [including Lynch](#). The co-founder of Autonomy, a software firm, had been celebrating his acquittal in a years-long legal battle, one of Silicon Valley's biggest-ever fraud cases.

Figure of the day: 70. The age of the Bandung conference, a gathering of the global south. Why has its anniversary been a damp squib? [Read the full story.](#)



Photograph: Getty Images

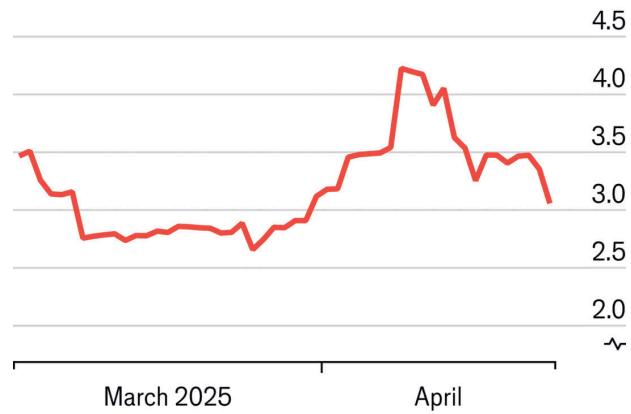
China braces for tariff landfall

“Have you heard of the eye of the storm?” asks a new video posted by China’s Ministry of Foreign Affairs. The centre of a tropical cyclone can appear deceptively calm. But it is actually a “deadly trap”. The world economy is caught in a similar predicament, the ministry argues, thanks to [the “tariff storm”](#) America has conjured up. President Donald Trump’s exorbitant levies on Chinese goods went into effect on April 9th. But as container ships chug slowly across the Pacific, American shoppers are still waiting to feel the full impact.

China’s exporters are registering the effects first. On Wednesday China’s National Bureau of Statistics and *Caixin*, a business magazine, each released monthly surveys of manufacturers. They both showed a marked decline in new export orders as American buyers reduced purchases to avoid the new tariffs. The eye of the storm may be calm. But the impending havoc is visible for those who look.

Freightening stuff

Shanghai to Los Angeles,
container-freight costs, \$'000
Per 40-foot container



Source: Freightos



Photograph: Getty Images

Myanmar's junta ends its fake ceasefire

At midnight in Myanmar, a ceasefire declared by the country's junta after a devastating earthquake a month ago will come to an official end. Nothing, however, will change on the ground. The army never observed the ceasefire.

The earthquake that struck on March 28th killed over 3,000 people and injured a further 4,600 or so. It devastated Naypyidaw, the junta's capital; the damage is so bad that some ministries have moved back to Yangon, the capital until 2005. The second-largest city, Mandalay, was hit hard, too. But rather than redirecting resources towards rescue and recovery, the generals stepped up attacks on ethnic armed groups and anti-junta insurgents who have been fighting the army since it took power in a coup d'état in 2021. The subsequent civil war has displaced over 4m people, and left thousands dead. Tragically, there is no end in sight.



Photograph: Getty Images

Donald Trump's slowing economy

The damage that Donald Trump is doing to the American economy is starting to come into focus. When first-quarter GDP figures are released on Wednesday, they are expected to show that growth slowed to a crawl and perhaps even went negative. That would be a sharp deceleration from the average quarterly expansion of nearly 3% in annualised terms during Joe Biden's presidency. Yet there will still be debate about how to interpret the slowdown since Mr Trump took office in late January.

The main cause of the expectedly dreary data will be a surge in imports, as companies and consumers have tried to get ahead of tariffs. Arithmetically, higher imports subtract from GDP. At the same time, any build-up in inventories will have added to GDP, for now. Looking through those factors, the evidence will probably paint a picture of a slowdown that has been gradual, so far—but may turn more severe in the coming months.



Photograph: Alamy

Volkswagen idles in the trade wars

Europe's [largest carmaker](#) published dreadful final results for the first quarter on Wednesday. Though sales for Volkswagen improved by around 3% year on year to €78bn (\$89bn), operating profit dropped by around 40% to €2.9bn, compared with €4.6bn a year ago. The German group is spending to meet the EU's new emissions regulation and a costly restructuring of CARIAD, its automotive-software company.

Bosses trying to plan around Donald Trump's tariffs will be tearing their hair out. In the latest twist, America's president largely reversed course on additional tariffs on imported car parts, which had been planned to take effect this weekend. vw runs a big car plant in Chattanooga, Tennessee. And Audi (part of the vw group) is planning to build a factory in America. The carmaker left its forecast of up to 5% sales growth unchanged, but did not factor in American tariffs. They will no doubt have a big impact.



Photograph: Getty Images

Fifty years since the fall of Saigon

Fighter jets soared above tanks and troops in Ho Chi Minh City on Wednesday. Vietnam's business capital is marking the 50th anniversary of “reunification day” with huge military parades, fireworks and drone shows. On April 30th 1975 soldiers from communist North Vietnam captured the city—then called Saigon—from American-backed South Vietnam, ending the Vietnam war. The Communists soon united the country under their rule. They have remained in power since.

The fall of Saigon also changed America, for which it was an embarrassing, painful loss. Images of America's evacuation—aboard overloaded helicopters, as some desperate Vietnamese were left behind—became symbolic of the superpower's humbling. *The Economist* [wrote in 1975](#) that these events damaged America's credibility and potentially threatened its role atop the liberal world order.

In the end, American supremacy endured for decades. But today, as Donald Trump pursues an “America First” foreign policy, the American-led order is again being seriously questioned.



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: Which geographical area, around 7m square kilometres in area, is bounded by the Atlantic ocean to the east and the Andes mountains to the west?

Tuesday: What well-known word is formed from the first two Greek letters?

In a political struggle, never get personal—else the dagger digs too deep.

Jack Valenti