

# The world in brief

Catch up quickly on the global stories that matter



**Donald Trump** said he had reached a deal with **Indonesia** in which its exports to America will face a tariff of 19%, while those going the other way will not be taxed. Mr Trump also said Indonesia had agreed to buy American energy, agricultural goods and Boeing jets. Last week America's president **threatened Indonesia** with a 32% levy.

**Inflation** in America accelerated in June. Consumer prices rose by 2.7% compared with a year ago; in May they were up by 2.4%. Core inflation, which excludes volatile food and energy prices, was 2.9%. Firms have begun paying the **tariffs** imposed by the **Trump** administration, and appear to be **starting to pass** the higher prices on to consumers.

Meanwhile **Jamie Dimon**, boss of JPMorgan Chase, the world's biggest bank, called the **Federal Reserve's** independence "absolutely vital", as the Trump administration heaped pressure on its chair, Jerome Powell. On Tuesday Scott Bessent, America's treasury secretary, said the search had already begun to find a replacement for Mr Powell, whose term ends in May.

Thousands of **Afghans** have been secretly resettled in **Britain** since 2023, according to court documents made public on Tuesday. In

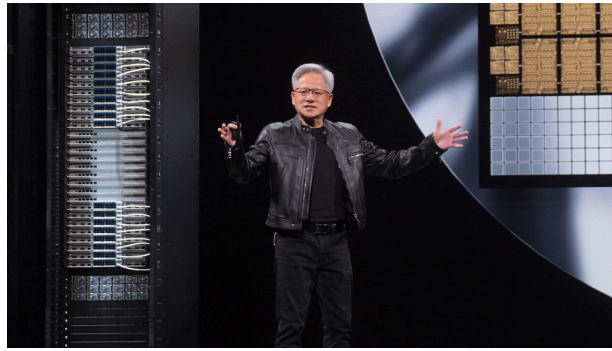
2022 a British official accidentally leaked the personal information of 19,000 Afghans seeking to move to Britain after the **Taliban** regained control of the country. About 4,500 were relocated under a scheme set up by the previous British government.

**Thinking Machines Lab**, a buzzy AI startup founded by Mira Murati, raised \$2bn in new capital, valuing the firm at \$12bn. Ms Murati has recruited an impressive roster of researchers from OpenAI, where she was previously chief technology officer. That helped to persuade Nvidia and AMD, two giant chipmakers, to invest, even though the firm currently [lacks much of a strategy](#) (or revenue).

**Syria's** defence minister announced a **ceasefire** after a week of [sectarian clashes](#) between the country's Druze minority and Sunni Bedouin tribes that have left dozens dead. On Tuesday **Israel** launched strikes on behalf of the Druze, targeting security forces deployed by the Sunni-led government. Syria's foreign ministry condemned Israel's intervention which it said killed civilians and troops.

**France's** prime minister, Francois Bayrou, proposed scrapping two national holidays in a bid to slash national debt. Other suggested cost-cutting measures, worth €43.8bn (\$50.9bn), included a new tax on the rich and freezing welfare payments. But Mr Bayrou's plans may be scuppered: he is likely to face a no-confidence vote this autumn. France's [budget deficit](#) is the widest in the euro area.

**Figure of the day:** 15%, the estimated amount that internet-search traffic fell by in the year to June as users increasingly turned to AI chatbots. [Read the full story.](#)



Photograph: Alamy

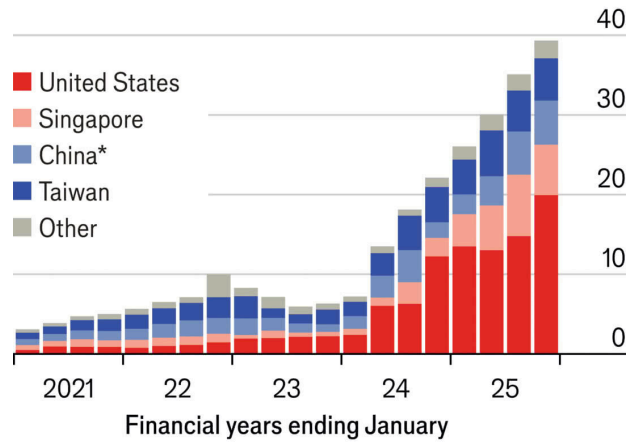
## A turning point in the chip wars

For several years America has tightened its chokehold on advanced semiconductor technology reaching China. Not only have presidents Joe Biden and Donald Trump banned sales of the chips that China needs to power artificial-intelligence computation (namely those [made by Nvidia](#), an American tech giant) but also much of the equipment needed to manufacture comparable kit within China. In late May Mr Trump added EDA, a type of software needed to design chips, to the growing list of restricted products.

But the mood may be changing. This month the Trump administration reversed the EDA ban. On Monday Nvidia said it had received permission from the government to resume sales of H20 chips, a type of AI semiconductor that the firm had specifically designed to comply with restrictions on exports to China. Jensen Huang, Nvidia's boss (pictured), is expected to deliver a speech at a supply-chain expo in Beijing on Wednesday. He should give a sense of what is to become of the Sino-American chip wars.

## Veering off course

Nvidia, revenues, \$bn



\*Including Hong Kong

Source: S&P Global



Photograph: Alamy

## How the EU will spend its budget

The [European Union's](#) annual budget, 1% of the bloc's GDP, is a rare case of spending that member states do together. Ideally, it would go towards things that the bloc can provide better than individual countries can, such as common security, cross-border infrastructure or large-scale innovation. Instead, the EU splurges about a third on wasteful farming subsidies. It also spends another third on measures to narrow economic disparities between regions. On Wednesday the European Commission will present its first proposal for the next budget, to be spent from 2028 to 2034.

Advocates of change will be disappointed. The EU will continue to spend the largest chunks on agriculture and regional redistribution. But the commission will make more of that spending conditional on reform, and reserve more money for defending the bloc's eastern frontier. That would be modest progress. But getting 27 countries to agree on money isn't easy.

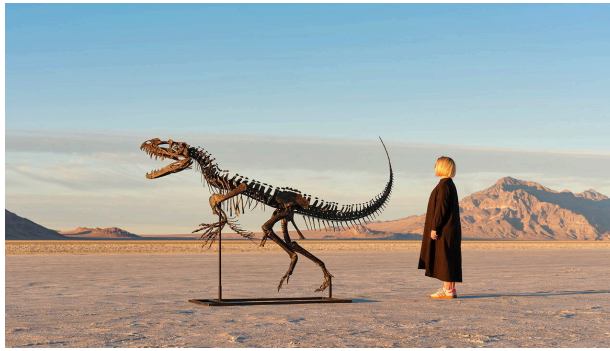


Photograph: Reuters

## K-pop's hitmaker faces scandal

Now that the baby-faced members of *BTS* have finished their military service, the South Korean boy band is set for a comeback next year. That will delight both its fans and its label, *HYBE*. Yet a troubling story is unfolding behind the scenes. Regulators have accused *HYBE*'s chairman, Bang Si-hyuk (pictured)—known as “Hitman” Bang—of stock fraud. They claim that he misled early investors in *HYBE* about the company's plans to go public, which it did in 2020, and secretly pocketed nearly \$300m. He denies the allegations. On Wednesday South Korea's financial regulator will decide whether to refer the case to prosecutors.

Mr Bang is more than a businessman. A composer and songwriter, he helped create *BTS*'s sound and turned K-pop into a global export. If found guilty, he could face a life sentence. But few expect him to serve time. Like the heads of *chaebol*—South Korea's [family-run conglomerates](#), whose leaders often receive presidential pardons for wrongdoing or bail—he may prove “too big to jail”.



Photograph: Matthew Sherman

## A bull market for dinosaur fossils

With its legs posed mid-prance and its jaws flashing a toothy grin, Sotheby's latest lot looks rather like it might have done darting across America's West some 150m years ago, albeit shorn of flesh and scales. The fossilised skeleton of *Ceratosaurus nasicornus*, named for the dainty horn on its nose, was unearthed in Wyoming in 1996. It is one of the most complete and well-preserved of its kind. When it is auctioned in New York on Wednesday, it is expected to fetch \$4m-6m.

In 1993 "Jurassic Park", a blockbuster film, kicked off a booming [trade in dinosaur fossils](#). The craze has had a fat, sauropod-like tail. Purchases by collectors such as Ken Griffin, a hedge-fund baron, have sent prices soaring. Last year Mr Griffin paid \$44.6m for a *Stegosaurus*, the most expensive fossil ever. Sotheby's *Ceratosaurus* is a less imposing beast. Still, its steep asking price suggests the [market for dead monsters](#) is very much alive.



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:** The Tintin series of stories were created by which cartoonist?

**Tuesday:** Which surrealist painter produced “The Treachery of Images” with the subtitle “Ceci n’est pas une pipe”?



*The way to right wrongs is to turn  
the light of truth upon them.*

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***Ida B. Wells***