

Catch up: America and Ukraine to sign minerals deal; Nvidia's bumper earnings



Donald Trump said America would not give **Ukraine** security guarantees “beyond very much” as the countries prepared to sign a [minerals deal](#). Volodymyr Zelensky, Ukraine’s president, will probably meet Mr Trump on Friday to finalise the agreement. It commits the countries to the idea of creating a joint fund to manage investments into Ukraine. It appears to have steered away from America’s initial brazen, extractive demands.

Mr Trump also said that he planned to impose a 25% **tariff** on imports from the **European Union**. During the first cabinet meeting of his second term, which [Elon Musk](#) attended, the president accused the bloc of being “formed in order to screw the United States”. Mr Trump said the [levies](#) would apply to “cars and all other things”.

Nvidia’s net income rose by 80% year on year, to \$22bn, in the quarter ending in January. The American chipmaker’s strong earnings beat analysts’ expectations, as did its sales forecast, of \$43bn, for the current quarter. Shares in Nvidia tumbled in January

after [DeepSeek](#), a Chinese firm, released its latest AI models, which were developed with fewer chips. The stock has since mostly recovered.

A group led by the founding family of **Seven & i**, 7-Eleven's parent company, abandoned efforts to buy out the Japanese convenience-store chain because they could not secure financing. The firm's shares fell by 10.5% after the announcement. The failed attempt gives Alimentation Couche-Tard, a Canadian rival, another chance to bid for Seven & i, which rejected its [\\$38bn offer in September](#).

Hamas returned the bodies of four hostages to **Israel**, which is set to free around 600 Palestinian prisoners. Israel had delayed their release because of what it described as cruel treatment of the hostages. With the exchange, [Hamas](#) and Israel will have completed the first phase of a fragile ceasefire. The second is due to begin this weekend.

Eli Lilly, a drugmaker, said it plans to invest \$27bn over five years to open four manufacturing plants in **America**. Lilly's boss, David Ricks, said he hoped the Trump administration would extend the corporate-tax cuts that the president, who has [threatened tariffs](#) on pharmaceuticals, imposed during his first term. Earlier this week Apple said it would invest \$500bn in domestic manufacturing.

Iran has accelerated its production of highly enriched, near-weapons grade uranium, according to a confidential report from the UN's nuclear watchdog. On February 8th Iran had 278kg of Uranium enriched up to 60%, up from 182kg in November. The fuel could be converted to 90% weapons-grade material within days.

Figure of the day: 120, the number of public schools in Texas that teach mariachi, the most Mexican of music genres. [Read the full story](#).

Starmer brings an offering to the White House



On Thursday Sir Keir Starmer, Britain's prime minister, will meet President Donald Trump in Washington. Sir Keir has good news for Mr Trump. On February 24th he announced that British defence expenditure will increase to 2.5% of GDP by 2027, from 2.3%. Pete Hegseth, the American defence secretary, called that a "strong step from an enduring partner".

When announcing the decision Sir Keir acknowledged obliquely that Europe must rely less on America to protect it: "The historical load we must carry to fulfil our duty is not as light as it once was." Sir Keir has offered the use of British ground troops to enforce any peace deal in Ukraine. On Wednesday Ukraine and America struck a preliminary deal to jointly exploit the former's mineral resources, but the agreement did not appear to include the security guarantees that [Ukraine](#) had wanted. Sir Keir will probably press Mr Trump for them.

India and the EU huddle up for warmth



A packed agenda awaits Ursula von der Leyen, the president of the European Commission, when she arrives in Delhi on Thursday. During her two-day trip she hopes to improve co-operation with India, which she describes as one of the EU's "most trusted friends and allies".

One focus will be a "common tech agenda", which covers artificial intelligence, green technology and digital public infrastructure. Officials will also discuss trade. Although the EU is India's biggest trading partner, a free-trade deal has been elusive. Discussions began in 2007, but have been stymied by disagreements over issues such as agriculture and labour standards.

Now Donald Trump's tariffs and foreign policy are pushing the EU and India closer to each other. His frostiness towards Europe has made it desperate for alternative allies. India's relationship with America may be better, but it too is wary of Trumpian turns. Geopolitical uncertainty may finally unblock the India-EU trade talks.

The two-speed future of Russian sanctions

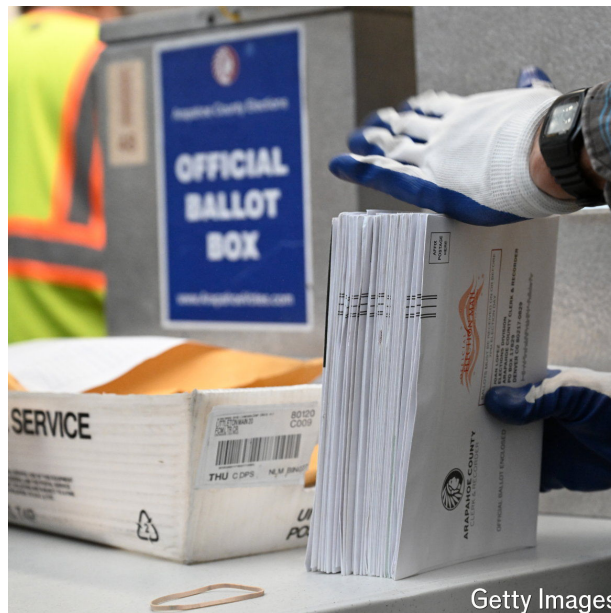


From Thursday American firms are forbidden from providing services to petroleum plants in Russia. The ban is part of a big package of sanctions the Biden administration announced on January 10th which also blacklisted more than 180 vessels and some firms that facilitate Russia's oil trade. So far their effect has been muted: after falling in early February, the country's crude exports have rebounded to near-usual levels.

The European Union and Britain want to keep the pressure on. This week they announced new sanctions that target dozens of tankers as well as firms in third countries, including some exporters of aluminium, chemicals and drones which they accuse of supplying [Russia](#).

The future of American sanctions is less certain. Donald Trump's efforts to rush a deal with Russia could see them lifted. Congress would have to approve, but these days the Republican-controlled Congress is proving rather pliant. The West's economic campaign against Russia might soon become less potent.

Democracy under threat



The latest [Democracy Index](#) published by EIU, our sister company, on Thursday, shows that [democracy](#) continued to decline in 2024. The global index score dropped from 5.23 (out of 10) in 2023 to 5.17, a record low. It has been falling since the index was first published in 2006. An increase in authoritarianism drove the trend. The number of governments classified as “authoritarian” has risen by eight since 2014; the number of democracies has fallen by five.

EIU’s report discusses two related trends at work. The first is a rise in popular dissatisfaction with democratic political systems. This fuelled a huge anti-incumbent backlash in the unusually high number of elections in 2024. The second is the subsequent, growing support for political insurgents and populists, which is driving political engagement among voters the world over. This threatens to dislodge mainstream parties and upend democratic political systems if voter concerns are not addressed.

Another British scandal on screen



Television dramas often depict dark episodes of history. Last year “Mr Bates v The Post Office”, an [ITV drama](#), chronicled the wrongful conviction of sub-postmasters in an accounting scandal in Britain. It sparked public outrage.

Jack Thorne, a television writer, has said he hopes audiences will react similarly to his new show, “Toxic Town”, released on Netflix on Thursday. Between 1985 and 1997 Corby Borough Council cleared the site of a former steelworks, moving toxic waste through the town in open trucks. Then children started being born with limb abnormalities. (The number of birth defects reported in Corby, in the north of England, was two-and-a-half times higher than in the surrounding area.)

The four-part drama follows Susan McIntyre (Jodie Whittaker), one of the mothers who took the council to court. Their children won the case, which was the first to link toxic waste in the atmosphere to birth defects.

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 movie series stars Michael J. Fox as the time-travelling Marty McFly?

Wednesday: Which play by Dylan Thomas is set in the fictional Welsh town of Llareggub?

The best way to say anything is just to say it.

Johnny Cash