

The world in brief

Catch up quickly on the global stories that matter

Donald Trump said he would lift all sanctions on **Syria** to give the country “a chance at greatness”. Western sanctions have long been imposed on Syria to isolate **Bashar al-Assad**, its fallen dictator. But such penalties have **hobbled the new government’s attempts** to reconnect Syria to the global economy. Mr Trump will reportedly meet **Ahmed al-Sharaa**, Syria’s new president, in Saudi Arabia this week.

Mr Trump signed a “strategic economic partnership” worth \$600bn with **Muhammad bin Salman**, **Saudi Arabia’s** de facto ruler. That includes a \$142bn arms deal, and a commitment by Humain, the kingdom’s AI company, to build infrastructure using chips made by Nvidia, an American firm. Mr Trump and MBS are also expected to discuss regional security in meetings on Wednesday.

Nissan reported a net loss of 671bn yen (\$4.5bn) for the year to March. The **Japanese carmaker** forecast sales of 12.5trn yen for the next financial year, but did not predict net profit, citing economic uncertainty caused by tariffs. The stricken firm also confirmed that it would cut 20,000 jobs around the world. Nissan is dangerously weak, having lost market share in North America and China.

America’s annual inflation rate fell to 2.3% in April, from 2.4% in the previous month. Core inflation, which excludes volatile food and energy prices, was 2.8%. Prices rose by 0.2% month on month, slightly outpacing April’s rise. The consequences of Mr Trump’s **tariff turmoil** will appear more clearly in the data in the coming months.

Microsoft will cut around 3% of its workforce—roughly 6,000 people by some estimates. It is the tech giant’s largest reduction

since 2023, when it laid off 10,000 employees amid [broader industry cuts after the pandemic](#). Microsoft beat analysts' expectations last quarter, adding that it planned to boost efficiency by “reducing layers with fewer managers”. It also made performance-based cuts in January.

Israel reportedly targeted **Mohammed Sinwar**, a leader of **Hamas**, in a strike near a hospital in Khan Younis, in southern Gaza. The enclave's health ministry said six people were killed. It is unclear whether Mr Sinwar was among them. Israel killed [Yahya Sinwar](#), Mohammed's brother and Hamas's leader, in October. Israel is under [renewed pressure](#) to negotiate a ceasefire to [end the war](#).

German police arrested members of an extreme-right group, the Reichsbürger (or “citizens of the Reich”), and banned it for attempting to overthrow the state. Those arrested included Peter Fitzek, a self-declared “King of Germany”. The interior ministry accused the group of financing itself through “economic criminal structures”.

Figure of the day: \$60, the price per barrel of West Texas Intermediate crude oil, down from \$80 when Donald Trump returned to office. [Read the full story](#).

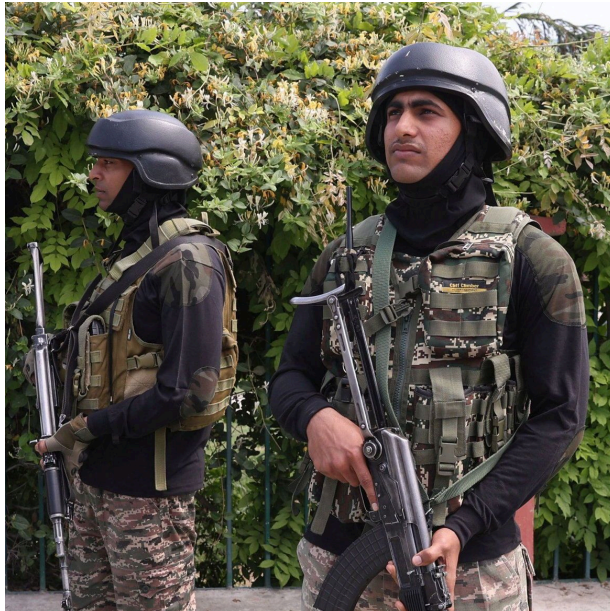


Photograph: Getty Images

Trump's gilded Arab summit

President Donald Trump arrived in Riyadh on Tuesday to begin a tour of Arab Gulf monarchies that promises fat contracts but mixed diplomatic gains. For the second time Mr Trump is beginning a presidential term with a trip to [Saudi Arabia](#). Expect deals with Saudi, Qatari and Emirati royals worth trillions of dollars in investments and contracts for American firms—and maybe the gift of a jet from Qatar.

But Mr Trump's hope for a normalisation of Israeli-Saudi relations is receding as the Gaza war rages on. Nor does a nuclear deal with Iran seem imminent. Mr Trump may ease sanctions on Syria amid reports of a meeting with its ex-jihadist leader, Ahmad al-Sharaa. He may also fly to Istanbul for mooted peace talks between the Russian and Ukrainian leaders, though the Kremlin has so far [ignored demands for an immediate ceasefire](#). Meanwhile, talks with Hamas led to the release of Edan Alexander, an American hostage in Gaza. Excluded from Mr Trump's tour, Israel worries it is being ignored by its best friend.



Photograph: EPA

What now for India and Pakistan?

After days of escalating conflict between [India and Pakistan](#), some semblance of normality is returning. A ceasefire, announced by America on Saturday, has held—despite allegations of violations from both sides in its early hours. On Monday stockmarkets in both countries jumped and airports reopened. Indian and Pakistani military officials spoke to each other, but details of their discussions have not been made public.

The two countries will continue to wrangle. India and Pakistan are both claiming victory, and have made big claims about the damage they inflicted on the other country. America wants to bring them together for talks, but there has been no indication that this will happen. Any negotiations would be fraught. India wants Pakistan to end its links to jihadist groups, while Pakistan will want to talk about control of Kashmir, which is claimed by both countries. Fighting has stopped for now, but tension remains high.



Photograph: Getty Images

Turbulence ahead for America's economy

The latest batch of American inflation data, published on Tuesday, are a curious mix. The figures cover the month of April, and will be the first to reflect the turmoil from Donald Trump's tariffs. Annual inflation fell slightly to 2.3%, a notch above the Federal Reserve's 2% target.

But tariff announcements usually take a few months to show up in price data. Therefore Tuesday's numbers probably reflect the 10% and then 20% tariffs on China announced in February and March more than the broader set delivered on "Liberation Day".

Otherwise, most prices have not yet been seriously affected by the turmoil. Thus the inflation figures are also a window into America as it was before the White House's tariffs wars. The economy that had yet to beat inflation but was making good progress. How far that story has been derailed will become clearer in several months' time.

Calm before the storm?

United States, consumer prices
% increase on a year earlier



Source: Haver Analytics



Photograph: Alamy

Boom times for Germany's defence giant

On Tuesday Rheinmetall, a [German weapons maker](#), will hold its annual general meeting. It has much to celebrate: demand for the wares of European defence firms is the highest it has been since the end of the cold war. Rheinmetall is profiting in particular from a €100bn (\$111.4bn) off-budget defence fund announced by Olaf Scholz, Germany's chancellor at the time, in response to Russia's invasion of Ukraine in 2022.

On Thursday Rheinmetall reported strong first-quarter results. Sales of military kit rose by 73% year on year, while total group sales increased by 46% to €2.3bn. Defence made up 78% of total sales, offsetting weaker results in the firm's civilian car business. Rheinmetall confirmed its forecast of an increase in sales this year of 25-30% and operating margins of around 15%. It expects the boom to last until at least the end of the decade.



Photograph: Getty Images

A lawsuit against Donald Trump's tariffs

On Tuesday a court in New York City will hear arguments in a [lawsuit](#) alleging that Donald Trump's tariffs violate federal law and the constitution. Five businesses claim that tariffs will have “dire consequences” for their operations. Although on Monday America and China agreed to temporarily lower their respective tariffs, American businesses may still suffer because levies on trading partners are higher than they were before.

Mr Trump says that the International Emergency Economic Powers Act, enacted in 1977, empowers him to impose tariffs to reduce America's “large and persistent” trade deficits. The plaintiffs respond that such deficits do not meet the IEEPA's standard of an “unusual and extraordinary threat”.

America's Supreme Court will probably have the last word. The outcome may hinge on whether the conservative majority hews to two principles it used to rein in the Biden administration. First, the major-questions doctrine, which requires explicit congressional authorisation for significant executive actions. Second, the non-

delegation doctrine, which prevents Congress from handing its constitutional duties to the executive branch.



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 GMT on Friday to [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

Tuesday: What was the last film made by James Dean before he was killed in a car crash?

Monday: What popular nickname was attached to the member of the Stuart family who led the Jacobite rebellion in Britain in 1745.

Hate is the wrath of the weak.

Alphonse Daudet