

The world in brief, July 8th 2024



Pollsters' survey predictions after the second round of voting in **France's parliamentary elections** suggest that a hastily formed leftist alliance has [won the most seats](#). Unexpectedly, the hard-right National Rally is predicted to finish in third place, just behind President Emmanuel Macron's centrist Ensemble party. The New Popular Front is projected to get 171-187 seats (out of 577) on an unusually high turnout. No bloc will have an outright majority, heralding a period of political horse-trading and instability.

A fifth Democrat legislator—Angie Craig, a congresswoman from Minnesota—called on President **Joe Biden** to step aside, suggesting that his television [interview](#) on Friday had failed to quell an uprising in his party. During it, Mr Biden struck a defiant tone. House Democratic Leader Hakeem Jeffries reportedly scheduled a virtual meeting on Sunday with senior House Democrats to discuss whether Mr Biden should withdraw from his candidacy. Earlier, asked by ABC news whether he would [step aside](#) if Democratic grandees urge him to, he said “they’re not gonna do that”.

Officials from **Hamas** said the Palestinian group is waiting for a response from Israel after dropping an important objection to a ceasefire agreement in **Gaza** proposed by America. Previously, Hamas had demanded Israel commit to a permanent ceasefire before signing. It will now enter into negotiations to achieve that end during a first six-week phase of the ceasefire. An Israeli delegation is studying the plan with Qatari mediators.

Sir Keir Starmer, Britain's new prime minister, arrived in Scotland on the first leg of a whistle-stop tour of all four nations of the United Kingdom. Sir Keir's Labour Party made huge gains in Scotland in his thumping **election victory** on Thursday, denting hopes of Scottish nationalists for another referendum on independence in the near future. Sir Keir then heads to Washington for a NATO summit.

The president of Argentina, **Javier Milei**, arrived in Brazil to meet former president **Jair Bolsonaro**. The two right-wingers are presiding over a political convention, CPAC Brasil, intended to bring together other such leaders in Latin America. It is unlikely that **Mr Milei** will meet the current president of Brazil, Luiz Inacio Lula da Silva, whom he has called a "communist".

"Patriots for Europe", a **right-wing political group** set up by Viktor Orban, the Hungarian prime minister, won enough support from members of the **European Parliament** to secure the parliament's formal recognition. Mr Orban, who took over the EU's rotating presidency this month, hopes to use the bloc to "change European politics". It wants to halt European support for Ukraine in its war against Russia, among other things.

BYD, a Chinese **electric-vehicle** company, **announced plans** to purchase a 20% stake in Rever Automotive, its car distributor in Thailand. The announcement came days after BYD opened its first factory in Thailand, which is its biggest market outside China. Thai

officials have begun an investigation into aggressive discounting by BYD dealers after complaints by other distributors.

Figure of the day: 40, the number of Chinese banks that vanished in the week ending June 24th, as they were absorbed in bigger ones. [Read the full story.](#)

In the run-up to America's presidential election, we've launched The US in brief—a daily update to help you keep on top of the political stories that matter. Sign up here to receive it as a newsletter, each weekday, in your inbox.

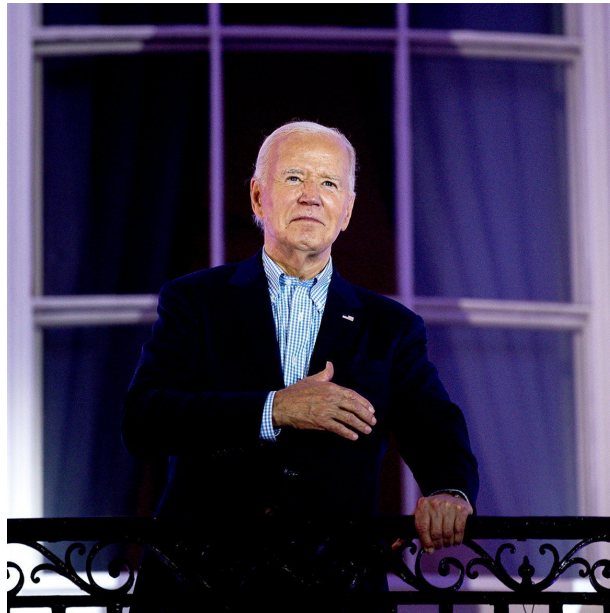
The Russian president's very welcome guest



Narendra Modi, India's prime minister, travels to Moscow on Monday to meet Vladimir Putin. India has enjoyed warm relations with Russia dating back to the cold war, but had recently been moving closer to the West. However, as Western countries cut ties with Russia and imposed sanctions on the country over the [invasion](#) of Ukraine, India has become an important [buyer](#) of Russian oil. Trade between the two countries soared to an all-time high of \$65bn in the year to April.

Mr Modi is expected to suggest ways to increase Indian exports to Russia to make the trade relationship more balanced. He is also expected to raise the fate of Indians caught up in the war in Ukraine. India's foreign ministry insists it is merely a coincidence that the meeting will take place at exactly the same time as a big NATO summit in Washington. All the same, Mr Modi's visit will be a boon to the beleaguered Mr Putin.

Support ebbs away from Joe Biden



After a catastrophic debate performance against Donald Trump on June 27th, the president has been trying to stave off a rebellion from Democrats worried that he is too infirm to fight the presidential election in November. Mr Biden's reluctance to give up his candidacy has hardened into defiance. In an eagerly awaited [television interview](#) on Friday, Mr Biden said it was just "one bad night". He refused to acknowledge that he is behind in the polls, or that many members of his party believe he should stand aside.

But Democrats fretting about the president's stubbornness may harden their stances, too. A letter is reportedly circulating among Democratic senators asking Mr Biden to stand aside. At least five Democratic members of the House have asked him to do so, too. Elder statesmen who have hinted at the president leaving, like Nancy Pelosi, may become more explicit. It could be a very consequential week for a man who seems incapable of taking the hint.

Nippon Steel's takeover headaches



A senior executive from Nippon Steel, a Japanese company, will visit America this week as the company works to salvage its takeover of US Steel. The \$14bn deal has received overwhelming approval from shareholders, but has run into [opposition](#) on several fronts.

United Steelworks, a big union that represents thousands of US Steel employees, opposes the deal. Donald Trump trashed the acquisition. President Joe Biden is also against it, hoping to shore up support amongst union members in key swing states. The Committee on Foreign Investment in the United States, a regulator that screens foreign investments for national-security risks, is now looking into the deal.

Hailing from Japan, one of America's closest allies, Nippon Steel might have expected different treatment. The firm hopes that once the presidential election [passes](#), the process will move more smoothly. Markets are less sanguine. US Steel currently trades at around \$39 a share, at a steep discount to the \$55 a share that Nippon Steel offered.

Europe re-discovers tariffs



On July 4th the European Union slapped provisional tariffs on electric vehicles made in China. The EU argues that China's subsidies for its carmakers allow them to export EVs at cut-throat prices. How the new measures fit in with the EU's overall trade policy will become clearer on Monday when the bloc releases tariff data for 2023.

In 2022, 71% of goods entered the EU without any tariffs—even as “non-tariff barriers” to trade, including regulatory compliance, remained. Chinese exports faced some of the steepest levies: just 45% came in tariff-free. The EU is adapting to a world in which World Trade Organisation rules and multilateralism no longer govern global trade, and more muscular measures become the norm. But as a bloc of 27, it will also struggle to align its members' trade interests, as became apparent when France pushed for tariffs on Chinese EVs but Germany opposed them. For the EU, benefiting from trade is becoming less straightforward.

Problems mount up for Mercosur



On Monday heads of state from the Southern Common Market—known as [Mercosur](#), a South American free-trade bloc that includes Brazil, Argentina, Uruguay and Paraguay—hold their biannual summit. A bit like the Holy Roman Empire, Mercosur rarely lives up to its name. Trade between member countries is not particularly free, nor is the bloc very unified. Uruguay has threatened to leave it to pursue bilateral free-trade deals. Javier [Milei](#), president of Argentina, will skip the summit for the Conservative Political Action Conference in Brazil.

Furthermore, negotiations over a free-trade deal with the European Union, under way since 1999, are hanging by an ever-thinner thread. A preliminary agreement was reached in 2019 but has not been ratified by national parliaments. Most significantly, France's farming lobby and Brazilian protectionists in government oppose it. The recent success of the French far right in European parliamentary elections almost surely condemns the accord to death, rendering Mercosur less relevant than ever.

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 QuizEspresso@economist.com. We'll pick randomly from those with the right answers and crown three winners on Saturday.

Monday: In the imperial system, what measurement equals 0.9144 metres?

*The number of Chinese banks that vanished in the week ending June 24th, as they were absorbed in bigger ones.
Read the full story*

The mind is like an umbrella - it functions best when open.

Walter Gropius