

## Catch up: travel chaos in France; America's falling inflation



**France's** high-speed rail network was hit by “malicious acts” hours before the opening of [the Paris Olympics](#). Trains were suspended across most of the country, after fires were lit on lines to the west, north and east of the capital. The attack also hit several lines in and out of **Paris**. It remains unclear who is behind the attack. **Gabriel Attal**, the prime minister, said the government had launched an investigation. Disruption may last all weekend and perhaps longer. SNCF, France's rail company, said that delays would affect 800,000 travellers. More than 300,000 spectators are expected to [gather in Paris](#) on Friday to watch the games' opening ceremony.

**America's** price index for core personal consumption expenditures rose by 2.5% year on year in June, down from 2.6% in May. The data shows that the **Federal Reserve's** preferred gauge is inching closer to its 2% target. [Consumer spending](#) remained strong. However, the savings rate fell to its lowest level since 2022, suggesting that Americans are dipping into their savings to maintain spending levels.

**Barack Obama** endorsed **Kamala Harris** as the [Democratic presidential nominee](#). In a joint statement with his wife, Michelle Obama, the former president lauded the vice president's "vision", "character" and "strength". The endorsement follows days of speculation about whether Mr Obama might withhold support and instead suggest an open contest. Other senior Democrats—including President Joe Biden and the Clintons—quickly rallied behind [Ms Harris](#).

American authorities arrested two leaders of [the Sinaloa cartel](#), a **Mexican drug-trafficking** group formerly run by Joaquín "El Chapo" Guzmán, in Texas. One of the detainees is Ismael "El Mayo" Zambada, who co-founded the group with El Chapo; the other is El Chapo's son. They face multiple charges. The cartel trafficks fentanyl, an opioid that kills around 70,000 Americans each year, among other drugs.

**Apple** fell out of the top five of smartphone sellers in **China** for the first time in four years, according to Canalys, a research firm. The [iPhone-maker](#) is losing market share to domestic firms that offer cheaper handsets, including front-runners Vivo and Huawei Technologies, as well as Xiaomi, which entered the top-five. A government crackdown on iPhones is also hurting sales.

The **Australian government** blocked an attempt by a subsidiary of Rio Tinto, to mine [uranium](#) in Jabiluka, a national park in the north of the country. Indigenous communities opposed the company's attempt to renew its licence. The government said it would designate the park as "reserved land", to prevent other mining companies from trying to exploit it.

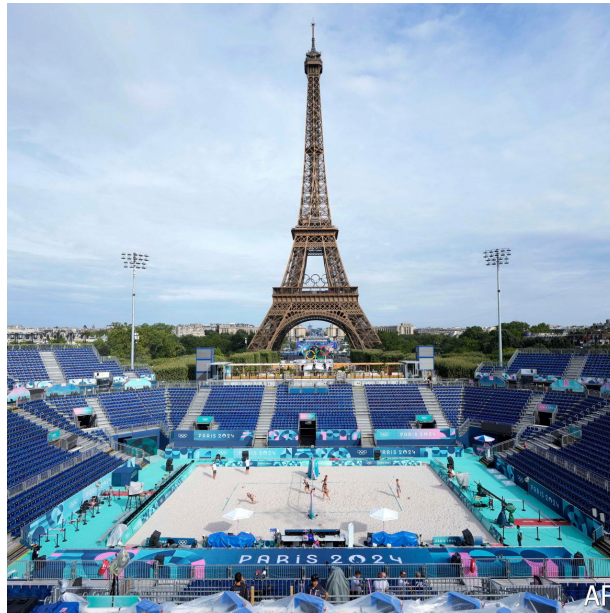
A group of **North Korean hackers** conducted a global [cyber-espionage scheme](#) to try to steal military secrets, America, Britain and South Korea said in a joint statement. The attempt was allegedly backed by the hermit kingdom's intelligence agency. The group breached systems at a range of engineering and defence

firms worldwide. American officials claim it is funded by ransomware attacks on American hospitals and health-care companies.

**Figure of the day:** 11%, the share of Olympic medals won by American athletes between 2000 and 2021. [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 Olympics in the City of Light



The news around the Olympic Games in Paris started earlier than expected. On Thursday night arson attacks forced France's operator of high-speed trains, the SNCF, to cancel services. The supposed acts of sabotage could affect some 800,000 passengers, according to *Le Monde*, a French newspaper, as hundreds of thousands of spectators arrive ahead of the opening ceremony on Friday.

If all else goes to plan, the show along the River Seine will feature a flotilla of boats carrying national teams past bridges and river banks packed with spectators. The event has been designed to show off the diversity and energy of modern France.

The games will run until August 11th. Some of the events will take place against iconic Paris backdrops: skateboarding in the Place de la Concorde; beach volleyball by the Eiffel Tower. But the organisers also plan to leave behind a [legacy of better transport](#) and sports facilities for the city's peripheral suburbs, or *banlieues*, to boost the neglected neighbourhoods in a way that outlasts the games.

# America's Fed gets another nudge



Central bankers and Wall Street types will be taking note of America's latest inflation data released on Friday. The price index for personal consumption expenditures is the Federal Reserve's preferred gauge. By that measure annual inflation fell to 2.5% in June, down from 2.6% last month, edging closer to the Fed's 2% target. The "core" rate, which excludes food and fuel prices, stayed at 2.6%.

The bank is under growing pressure to [ease interest rates](#) when it meets next Wednesday. Earlier this week a former president of the New York Fed called on the central bankers to loosen up, citing a softening labour market and [weaker consumer spending](#) among low-income households. The bank has stalled because it fears [stoking inflation](#). But the continued fall in the price index will reinforce the growing view that inflation is no longer the biggest risk to America's economy.



# Russia's central bank lifts rates



Russia's economy has given Vladimir Putin much to be happy about of late. Despite Western sanctions on everything from oil to [diamonds](#), the economy grew by 5.4% in the first quarter of 2024, compared with the previous year. But Russia's economy is running hot. State handouts, especially for arms makers, have pushed unemployment to a record low and sent wages spiralling. Last month prices were up by 8.6% year on year. Inflation is running at double its target.

As a result, the Central Bank of Russia on Thursday lifted its benchmark interest rate for the first time since December, from 16% to 18%. That may not be enough to get prices under control: the CBR also revised its inflation forecast upwards, to 6.5-7%, for 2024. The Kremlin shows no sign of winding down its war machine, though it did recently end a costly [mortgage-subsidy scheme](#) that drew complaints from the CBR. That may give the spirits of Russia's central bankers a gentle lift.

## Trump re-casts his attack lines



Donald Trump had built his campaign around criticising a “weak” Joe Biden. Less than a week after America’s president dropped his bid for re-election, Mr Trump’s [attack lines](#) against Kamala Harris, the presumptive Democratic nominee, are beginning to take shape. The Republican former president will continue to hone them on Friday when he appears as a special guest at a summit hosted by Turning Point Action, a right-wing group.

Rather than pushing his opponent’s frailty, as he did with Mr Biden, (Ms Harris is 59 years old), he is characterising her as a “radical left lunatic”. Not only is she part of Mr Biden’s administration, his argument goes, she is responsible for some of the worst parts of it. Ms Harris ran to the left of Mr Biden during her ill-fated presidential campaign in 2020, and Republicans have emphasised her more unpopular positions, such as her opposition to fracking. But as America’s first female, non-white vice-president, she has also faced heaps of sexism and racism. So far Mr Trump has attacked Ms Harris’s record more than her identity. Whether Mr Trump will use these same tired tropes remains an open question.

# The buried history of a Japanese mine



For decades, residents of Sado island, off the northern coast of Japan's mainland, have advocated for a historic gold mine there to gain global recognition. On Friday, the UNESCO World Heritage Committee will start discussing the mine's potential inscription on its [coveted register](#).

But the Sado mine has prompted a diplomatic spat. [South Korea's](#) government has opposed it becoming a World Heritage Site because of the mine's wartime history: between 1940 and 1945, the Japanese empire forced at least 1,500 Koreans to work at the site. But Japan wants to omit that part of the story. It focuses instead on things such as the unique mining techniques that were developed there during the Edo period (1603-1868), when Japan closed off its border. In 2022, when Japan's nationalist government made its first submission, UNESCO asked it to revise its narrative. Whether the committee will approve Japan's request this time is unclear.



## Daily quiz



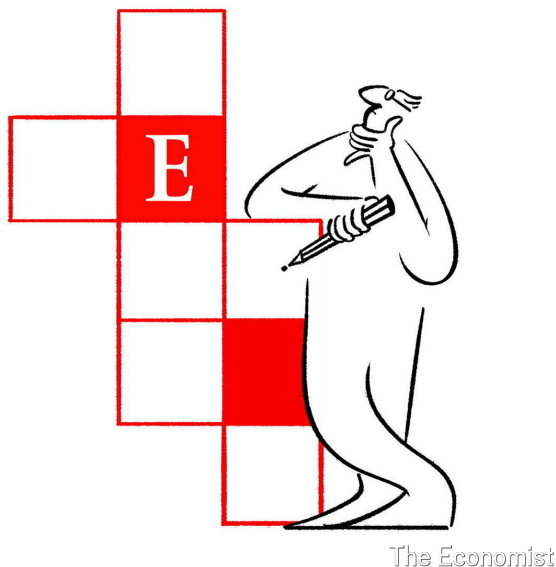
*The Economist*

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

**Friday:** T-bone and ribeye are cuts of what kind of meat?

**Thursday:** Naan, chapati and roti are Indian versions of what food?

# The winners of last week's crossword



Thank you to everyone who took part in our weekly crossword, published in the weekend edition of Espresso. The winners, chosen at random, were:

**Terry McColl**, North Vancouver, Canada

**Jorge Ferrando**, La Parva, Chile

**Sonsoles Ruiedas**, Madrid, Spain

They all gave the correct answers of [architecture](#), [Ambani](#), [Texas](#), and [exodus](#). Check back tomorrow for this week's crossword.

**\$170bn**

*The amount that mobile-phone services directly contribute to Africa's GDP.*

*Read the full story.*

**Who looks outside, dreams; who looks  
inside, awakes.**

*Carl Jung*