

The world in brief

Catch up quickly on the global stories that matter



Photograph: AP

Sir Keir Starmer, Britain's prime minister, said that the country would recognise a **Palestinian state** in September unless [Israel](#) agreed to a ceasefire and a two-state solution. Last week Emmanuel Macron, France's president, promised to [recognise Palestine](#). Sir Keir was at first reluctant to follow suit, but he has come under pressure to act; around 130 MPs from his own Labour Party signed a letter last week urging recognition. Binyamin Netanyahu, Israel's prime minister, said Sir Keir's ultimatum "rewards Hamas's monstrous terrorism".

After two days of talks officials from **America** and **China** agreed to extend an ongoing **tariff truce** that is due to expire on August 12th. However Scott Bessent, America's treasury secretary, said Donald Trump must approve the continuation of the pause. In May America [agreed to temporarily slash its "reciprocal" tariff](#) on China from 125% to 10%. China similarly cut retaliatory levies.

Shares in **Novo Nordisk** plunged after the Danish drugmaker cut its full-year sales and profit forecasts for the second time in 2025. It cited weaker-than-expected demand for Wegovy and Ozempic, its weight-loss drugs, amid [intensifying competition](#). Once Europe's

most valuable company, Novo Nordisk has lost more than half its market value since peaking in 2024.

America's **Environmental Protection Agency** said that the Trump administration would revoke the “**endangerment finding**”, EPA's declaration in 2009 that greenhouse gases are a risk to human health. If the finding is rescinded, regulations on vehicle and power-plant emissions introduced by Barack Obama and Joe Biden could be lifted. EPA's administrator claimed the rule had subjected Americans to “\$1trn or more in hidden taxes”.

India said it killed three **Pakistani** militants who were involved in an attack that left 26 people dead in [Kashmir](#), a region that both countries claim, in April. Amit Shah, India's home minister, said that “forensic evidence” from their rifles proved they took part in the attack. India accuses Pakistan's government of being behind the attack, a charge Pakistan denies.

Union Pacific, the largest freight-railway firm in western America, agreed to buy **Norfolk Southern**, which runs tracks in the east, for \$85bn. The [deal](#) would create America's first coast-to-coast railway operator, and would be the sector's biggest-ever merger. Regulators and unions are expected to scrutinise the merger over fears of job losses and higher shipping costs.

Eric Adams, **New York City's** mayor, said that a gunman who killed four people in Manhattan on Monday carried a note suggesting he blamed the National Football League for a brain disease that he believed he suffered. Shane Tamura, a 27-year-old who had travelled from Las Vegas, targeted a building housing the NFL's offices, as well as financial firms. He killed himself after carrying out the attack.

Figure of the day: 25m, the number of subscribers that Khan Sir, one of India's most popular civil-service exam coaches, has on YouTube. [Read the full story.](#)



Photograph: Getty Images

Anything but Epstein

On Sunday Donald Trump struck a trade agreement with the European Union. Afterwards the president, pleased with his deal, took a question from a reporter: did he rush to make an agreement to “knock the Jeffrey Epstein story out”? Mr Trump’s mood changed. “You’ve got to be kidding me,” he said.

[The story](#) is still on its feet, weeks after the Department of Justice [enraged](#) some of Mr Trump’s conspiracy-minded supporters by deciding there were no documents about Epstein, a convicted child molester who died in 2019, to be released. Some Republicans tried to force the DOJ to unseal them, creating intra-party conflict in the House of Representatives. Administration officials are trying to save face by digging out fresh information. The DOJ has asked three federal judges to make public grand-jury testimony from old investigations. Two judges in New York gave the government until Tuesday to specify what testimony they wanted. The other, in Florida, swiftly denied the request.



Photograph: Reuters

AstraZeneca's American remedy

AstraZeneca, Britain's biggest drugmaker, reported strong half-year results on Tuesday. Second-quarter revenues rose by 11% compared with a year earlier, beating analysts' expectations. But more attention is on its corporate future. Pascal Soriot (pictured), the firm's boss, is reportedly considering shifting its stockmarket listing from London to New York. Mr Soriot is frustrated by Britain's commercial environment, particularly on the pricing and approval process for drugs.

Still, America brings challenges of its own. Donald Trump [wants to cap drug prices](#) at levels charged in other rich countries and has threatened tariffs as high as 200% on medicines made abroad. AstraZeneca is already adapting. Last week it pledged to invest \$50bn in America by 2030, expanding its manufacturing and research operations. A new plant in Virginia will be its biggest investment in a manufacturing facility globally. AstraZeneca wants to reach \$80bn in total revenue by the end of the decade, with half of that coming from America. The success of its latest investments will be critical.



Photograph: Alamy

The sky looks brighter for Boeing

Boeing's second-quarter results, out on Tuesday, should show that the American aerospace giant is finally getting [back on course](#) after a difficult stretch. Revenues may grow and, although the firm will probably report a quarterly loss, it looks set for its first annual operating profit for several years.

Kelly Ortberg, Boeing's boss since August 2024, is trying to restore Boeing's reputation for engineering excellence. Production of both single aisle and long-haul passenger planes is picking up and orders are rolling in. Boeing's defence arm also got a boost with its selection by the Pentagon to develop the F-47, the next generation of military jet.

Donald Trump's trade deals often include an order for Boeing passenger jets for countries winning favourable terms. But the firm still faces American tariffs on imported components, and foreign tariffs on finished jets if other countries retaliate against America. That makes plotting its ascent all the tougher.



Photograph: eyevine

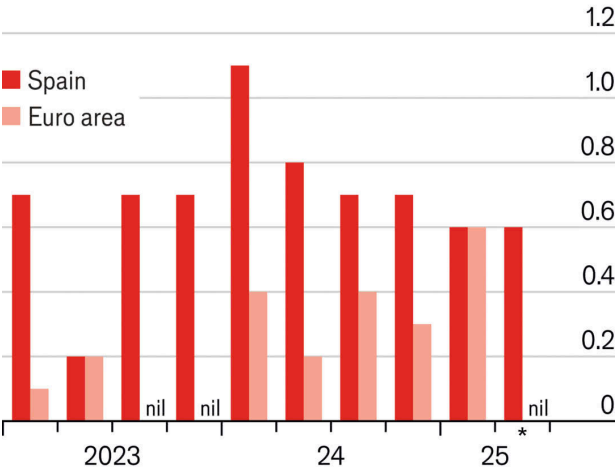
The good times roll for Spain's economy

Pedro Sánchez, Spain's prime minister, is [struggling politically](#) as his Socialist Party has become embroiled in corruption scandals. Still, the country's economic health may provide some comfort. Preliminary data released on Tuesday showed that Spain's GDP grew by 0.7% in April-June, compared with 0.6% during the previous three months. That will probably be significantly more than the figure for the whole euro area. The Spanish uplift comes from private consumption, booming tourist arrivals and a growing labour force, helped in part by immigration.

Nonetheless, the numbers show a gentle slowdown from last year's growth of 3.2%. There are headwinds in the longer-range forecast: European post-pandemic funds must be spent by August 2026; America's tariffs will hurt exports. And pressure is growing to cut public debt—still above 100% of GDP—more aggressively, while the good times last.

Ahead of the pack

GDP, % increase on previous quarter



Source: LSEG Workspace

*Estimate



Photograph: WWE/Courtesy of Netflix

The writers behind the wrestlers

Vince McMahon, who co-founded World Wrestling Entertainment, is one of Donald Trump's closest friends. His co-founder and estranged wife, [Linda McMahon](#), is Mr Trump's secretary of education. America's president has appeared in WWE events, once shaving Mr McMahon's head in the ring, and often seems to run his administration on wrestling's central dictum: attention is everything. Cognoscenti long sneered at the "sport" because it is "fake". Yet that misses the point. Scripted television dramas that do not involve giants in singlets hurling each other around are fake too, but still compelling.

On Tuesday, five days after the death of WWE's greatest star, Terry "Hulk Hogan" Bollea, Netflix premieres "WWE: Unreal", a series that takes viewers into the writers' room. Even non-fans will enjoy seeing how the writers build and adapt storylines and stars. It is the story of a specific type of dramatic production—and it may enhance viewers' understanding of the most powerful man in the world.



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.

Tuesday: Who is the hapless human protagonist in “The Hitchhiker’s Guide to the Galaxy” series?

Monday: Which British potter and artist is fond of cross-dressing?

Yesterday’s edition did not include a quiz question because of a production error. Sorry. You can see Monday’s question above. Thanks to all our loyal players who wrote in.

*Find things beautiful as much as
you can, most people find too
little beautiful.*

Vincent van Gogh