The Weekly Digest

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THE WORLD THIS WEEK

Politics

Donald Trump delivered his State of the Union speech, the longest ever at one hour and 48 minutes, claiming a "golden age" despite low poll ratings and voter concern over living costs. This speech followed a Supreme Court ruling striking down his "reciprocal" tariffs and duties on Canada, China, and Mexico, stating they could not be imposed under emergency powers. In Mexico, the government deployed 2,500 security forces to Jalisco after the death of "El Mencho," the Jalisco New Generation Cartel boss, in a military raid. The ensuing violence included roadblocks, business attacks, and car burnings, killing 25 National Guard troops and dozens of gang members, though President Claudia Sheinbaum declared calm. Bolivia resumed cooperation with the US Drug Enforcement Administration, marking a warming relationship under its new centrist president. Cuba opened fire on a speedboat approaching its northern shore, killing four alleged "terrorist infiltrators" from the US, leading to a US investigation amid renewed tensions. American forces seized a third Venezuelan oil tanker in the Indian Ocean, defying sanctions, and struck a suspected drug trafficking boat in the Caribbean. European leaders, including Ursula von der Leyen and Mark Rutte, met in Kyiv for the fourth anniversary of Russia's invasion of Ukraine, with NATO calling for more aid, but Hungary threatened to block a ?90bn loan over an oil pipeline dispute. Britain imposed nearly 300 new sanctions on Russian entities and individuals, including pipeline operator Transneft. Russian media reported an investigation into Telegram and its founder, Pavel Durov, for abetting Ukrainian and Western intelligence, which Durov denounced as an attempt to suppress free speech. A suicide bombing near

Savyolovsky train station in Moscow killed a policeman, with Vladimir Putin claiming the bomber was recruited online. Rob Jetten became the new Dutch Prime Minister, leading a minority centrist coalition that plans to increase defence and housing spending while cutting welfare. France's foreign minister, Jean-Noël Barrot, banned the US ambassador, Charles Kushner, from contact with French ministers after the embassy commented on rising "violent left-wing extremism" in France. Peter Mandelson, a former British government minister, was arrested on suspicion of misconduct in public office, linked to information from the Jeffrey Epstein files, similar to the earlier arrest of Andrew Mountbatten-Windsor. America's military buildup in the Middle East continued with the USS Gerald R. Ford's arrival, as Pentagon leaks revealed concerns about extended strikes against Iran, while new anti-government protests erupted at Iranian universities. The US embassy in Israel began providing passport services to Israeli settlements in the West Bank, sparking controversy as these settlements are considered illegal internationally. A key border crossing between Democratic Republic of Congo and Burundi reopened after the M23 rebel group withdrew from Uvira. The UN sanctioned four senior leaders of Sudan's Rapid Support Forces, citing last year's campaign in Darfur as bearing "the hallmarks of genocide." China immediately curbed exports of rare earths and critical minerals to 20 Japanese firms, escalating tensions after Japanese Prime Minister Takaichi Sanae suggested a forceful response to a Taiwan invasion and planned defence boosts. Pakistan conducted air strikes on suspected terrorist sites in Afghanistan following bombings, with the Taliban claiming dozens of deaths and the UN reporting 13 civilian casualties. India's Prime Minister Narendra Modi visited Israel, meeting Binyamin Netanyahu and discussing strengthened security and trade ties.

Business

Donald Trump's new 10% global tariff came into force under a 1974 statute, following the Supreme Court's rejection of his previous tariffs, with lower courts now determining tariff refunds. FedEx is the first major company to sue for a full refund of duties paid under the disallowed policy, expecting a long legal battle. Mr Trump's intention to raise the global tariff to 15% has angered trade partners; the European Parliament suspended ratification of its deal with America, though the EU trade commissioner called respect for the agreement "paramount." The American economy grew by 1.4% annually in Q4 2025, a significant drop from 4.4% in Q3, with the government shutdown shaving one percentage point off growth. Japan's yen fell sharply against the dollar after Prime Minister Takaichi Sanae nominated two dovish candidates to the Bank of Japan's policy board, who support economic stimulus and lower interest rates, potentially clashing with the central bank governor. Aston Martin plans to cut its workforce by 20% due to struggles with cash generation and debt, partly blaming "extremely disruptive" tariffs. Paramount raised its hostile takeover offer for Warner Bros Discovery from $30 to $31 a share, which Warner acknowledged as a potentially "superior proposal" to its Netflix deal, though the Netflix agreement remains in effect. Panama's government announced that Moller-Maersk and MSC are now operating two Panama Canal ports, following the annulment of CK Hutchison's contract by the Supreme Court, which the Panamanian president accused of establishing an "autonomous territory." Aliko Dangote, Africa's wealthiest man, plans to list his $20bn oil refinery on the Nigerian stock exchange, making the state oil company's minority stake available, which could boost the country's stock market. IBM's share price suffered its biggest one-day loss since 2000 after Anthropic announced its AI coding tool could update an old programming language used on IBM's mainframe computers, boasting that AI simplifies a previously complex and lengthy modernization process. IBM's stock was part of a broader software firm sell-off, partly influenced by a Citrini Research blog post that, while stressing it was a scenario and not a prediction, imagined an AI-torn economy in 2028 with 10% US unemployment and an "economic pandemic" eliminating tedious white-collar jobs. Meta announced AMD will supply it with graphics-processing units for its AI infrastructure, a deal that could give Meta up to a 10% stake in AMD, complementing a recent chip-supply agreement with Nvidia as Meta plans to spend up to $135bn on AI this year. Nvidia reported stellar quarterly earnings with revenue up 73% to $68.1bn and net profit up 94% to $43bn, driven by exponentially growing computing demand for AI.

The weekly cartoon

No significant coverage this issue.

LEADERS

America?s dangerous pursuit of critical-mineral dominance

America is intervening aggressively in commodity markets to break China's grip on critical minerals, vital for modern economies and military technology. China's dominance, seen in its control over 80% of tungsten mining and 99% of gallium refining, creates a strategic vulnerability, as demonstrated by its rare-earth export restrictions last year. While global markets have historically managed supply shocks effectively, China's state-backed consolidation and market manipulation necessitate a balanced US approach. The US campaign is currently mismanaged, spreading funds thinly across 60 minerals and inviting dubious projects, rather than focusing on the most critical metals and refining stages where China's chokehold is tightest. America should narrow its focus to niche, vital metals for defence and healthcare, prioritize projects near completion, and use a combination of stockpiles and purchase contracts while ensuring price signals remain intact to encourage innovation. Despite an "America First" stance, collaboration with allies like Europe and Japan, who possess engineering expertise and supply-chain experience, is crucial to effectively counter China's strategic advantage.

Donald Trump is at risk of launching a war without purpose

Donald Trump's repeated threats and a significant military buildup in the Middle East, including the deployment of the USS Gerald R. Ford, are bringing a potential conflict with Iran to a head. The president's ultimate objective remains unclear, shifting between punishing Iran for killing protesters, dismantling its missile arsenal, or overthrowing the regime entirely. This lack of a clear war aim is dangerous, reminiscent of past missteps where small wars escalated into larger, protracted conflicts. Iran's defiant stance, potentially willing to endure an air war, and its increased ballistic missile capabilities, risk bogging America down in another Middle East quagmire. While Mr. Trump prefers a victory without military action, he must define a clear and achievable war aim before initiating a conflict, as continuing talks with a strong military presence is preferable to a war lacking purpose, even if it appears to be backing down.

The right response to private-market dangers

The private investment industry, with giants like Apollo, Blackstone, and KKR overseeing $3trn in assets, is targeting retail savers with new funds designed to "democratise" private investment. This endeavour is threatened after Blue Owl halted withdrawals from its $1.6bn retail fund, OBDC II, sending shockwaves through the industry and causing a combined $100bn market value loss for several listed private-investment managers this year. The incident casts doubt on the model of offering limited liquidity in illiquid assets, requiring urgent industry and regulatory scrutiny. While the fund's failure may stem from incompetence rather than a fundamental flaw, the lack of transparency on liquidity management is concerning for institutional investors heavily exposed to unlisted assets. Regulators should avoid making it harder for retail investors to access private markets, as these can offer substantial returns and capital for economic growth, but investors must be critical of opaque operations and unrealistic return promises, recognizing they will not be bailed out for unwise investments.

America?s states should beware of copying Europe too much

While Europe envies America's economic growth, US states are increasingly adopting European-style policies, blending some beneficial experimentation with problematic fragmentation and interventionism. States are creating conflicting laws on new technologies like artificial intelligence and self-driving cars, undermining America's single market, and even fragmenting antitrust enforcement. Concurrently, many states are building generous welfare states, offering mandatory paid maternity/paternity leave and significant income replacement, financed by higher taxes, mirroring European provisions. While state-level policy laboratories are valuable and some European models (like Denmark's welfare-market balance) offer lessons, regulatory divergence poses a significant threat to America's single market and innovation. US politicians must be careful not to take the nation's economic advantages for granted, as excessive emulation of Europe's fragmentation could undermine its dynamism despite its current resilience.

Heathrow?s third runway is turning into another infrastructure fiasco

Britain's Labour government's commitment to a third runway at Heathrow airport, intended as a signal of growth, is facing issues mirroring the ill-fated High Speed 2 (HS2) rail project. The estimated £49bn ($66bn) cost is nearly double Dubai's plan for four runways, risking doubled landing charges and deterring passengers. Both Heathrow and HS2 face high London construction costs and a sclerotic planning system that inflates expenses, with Heathrow's planning paperwork alone projected to exceed £1bn. A deeper problem lies in misaligned incentives: Heathrow Airport Limited (HAL) benefits from higher investment costs due to the regulator's profit-return model, leading to gold-plated proposals like £1.3bn for car parks and complex terminal designs. Cancelling the project would be a mistake given Britain's need for expanded global connections, but the government must intervene decisively by fast-tracking planning legislation and stripping design control from HAL, establishing an independent body to manage costs and ensure commercial astuteness.

LETTERS

In favour of allowing under-16s to continue using social media

A selection of correspondents debated the merits of banning under-16s from social media. Critics of a ban argued that difficulty in enforcement is not a reason for inaction, and that restricting access for minors, like age limits on alcohol or driving, signals norms and supports parents, especially given potential harm to a meaningful minority. They also contended that age thresholds matter for impulse control and resilience, and that platforms should be proven safe by design before being accessible to young users. Conversely, supporters of continued access argued that banning social media is counterproductive, as the developing brain actively seeks social complexity online. They suggested that abrupt exposure at age 16, rather than gradual learning within a cultural structure, could be problematic, likening it to binge drinking among those who encounter alcohol late. The focus, they asserted, should be on re-tuning platform features (e.g., slower feeds, greater user control) to allow young minds to navigate digital complexity safely, rather than rigid bans driven by adult anxiety.

Other letters discussed Jeffrey Epstein's network in academia, Thailand's economic challenges under a new conservative government, the booming live music scene in China fueled by both indie and pop acts, the need for Parliament to fund British science adequately, the unfair reputation of British cuisine, and a "Simpsons" reference to the unrealistic nature of single-earner households.

BY INVITATION

The Supreme Court tariffs ruling reins in Donald Trump

The Supreme Court's unanimous decision to strike down Donald Trump's "Liberation Day" tariffs, ruling that the International Emergency Economic Powers Act (IEEPA) does not grant the president unchecked authority to impose tariffs on a whim, is a positive development. This victory for small firms like VOS Selections, which challenged the tariffs, prevents a radical rewriting of the constitution by affirming that taxing power rests with Congress. However, the ruling did not address the refunding of tens of billions of dollars in illegally collected tariffs or the fate of existing trade deals, leaving these issues for lower courts and future negotiations. Despite this win, the president retains ample authority under other statutes, such as Section 122, 301, and 232, to rebuild tariff walls, albeit with more procedural hurdles and less discretionary power. This highlights a flaw in post-war American trade laws where Congress excessively deferred power to the president, an assumption that has proven false, suggesting a future need for congressional checks on presidential tariff authority.

BRIEFING

America?s new era of state-sponsored mining

America is embarking on a new era of state-sponsored mining, urgently hunting for critical minerals globally to break China's near-monopoly. The Trump administration is pursuing an "aggressive, imaginative, transactional" approach, reminiscent of the early Cold War, involving billions in subsidies, the creation of giant stockpiles, and the potential setting of price floors to protect Western mines. China's dominance, cultivated over decades through public funds and lax environmental standards, gives it significant leverage, demonstrated by its export restrictions on rare earths that threatened US defence and civilian industries. The US strategy, coordinated by David Copley of the National Security Council, is broad, targeting up to 60 critical minerals from around the world, though it focuses more on mining than refining, where China's control is tightest. It involves direct investment, loans from institutions like EXIM and DFC, and bilateral agreements that sometimes restrict sales to China. Project Vault, a national stockpile for civilian industries, and proposed price floors for minerals within a "minerals club" aim to counter Chinese dumping and market manipulation. While Western allies share similar goals, they are not as aggressive, and Japan, a past victim of Chinese manipulation, is actively securing supply chains but wary of price floors. Experts worry about America's scattershot approach, the small scale of some investments relative to project costs, and the high potential for corruption in an administration known for cronyism. The sole price-floor experiment with MP Materials shows risks of distorting incentives, and the proposed club faces challenges with Chinese refining dominance and potential re-export of refined metals. The plan also faces skepticism from markets, miners, and the risk of political winds changing, doing too little to loosen China?s tightest grip on refining and potentially proving costly for taxpayers while distorting price signals.

UNITED STATES

The Midwest?s remarkable turnaround

The American Midwest, stretching from the Dakotas to Ohio, is experiencing a remarkable demographic turnaround, gaining more domestic migrants than it lost last year for the first time since the 1950s. Cities like Rockford, Illinois, and Detroit, Michigan, are seeing a reduction in outflow or even population growth, reversing decades of decline caused by deindustrialization. This shift is primarily attributed to the Midwest's lower cost of living compared to fast-growing Sunbelt cities like Phoenix, with significantly cheaper rents and housing prices. While the slowdown in manufacturing job decline and rising wages in the sector have contributed, the long-term sustainability of this trend is uncertain due to harsh winters and renewed struggles in manufacturing. A significant challenge, however, is the Trump administration's tightened immigration policy, which has curtailed international migration, slowing overall US population growth and limiting the Midwest's access to new workers, making any regional growth dependent on other areas shrinking.

The Trump court? Not quite

The Supreme Court's 6-3 decision striking down Donald Trump's sweeping tariffs, with two of his own appointees voting against him, demonstrates that presidents cannot control their nominees once confirmed. This ruling in *Learning Resources v Trump* stands as a significant counterpoint to the conventional view of the Supreme Court as a reliable ally for Mr. Trump, despite its conservative supermajority smoothing his return to the White House in other cases. The justices' decision revolved around rarefied questions of statutory interpretation, particularly the "major-questions doctrine," rather than political alignment. Chief Justice John Roberts and Justices Barrett and Gorsuch applied this doctrine to Mr. Trump's tariffs, while the liberal justices reached the same conclusion through textualism. This case, the first full-dress merits ruling of Mr. Trump's second term, shows the court has red lines and is working towards establishing enduring constitutional principles beyond a single presidency.

The battle to flip Texas

Donald Trump's unpopularity offers Democrats a strong chance to win the House and potentially the Senate in November's midterms, with a dramatic race in Texas illustrating this possibility. The Republican primary for Senate pits incumbent John Cornyn, a traditional conservative, against Ken Paxton, a populist aligned with Trump's base, who has faced accusations of corruption and impeachment. Polls show a tight race, likely heading to a run-off where Paxton is expected to win due to hardcore voters. Democrats face a choice between Jasmine Crockett, a firebrand congresswoman, and James Talarico, a calmer, more electable state representative who uses scripture to challenge Republicans and appeals to a broader audience. Betting markets predict a Paxton-Talarico general election, in which the national Democratic Party would heavily invest, as flipping Texas would be crucial for gaining the four Senate seats needed to constrain Trump.

Each year tens of thousands of Americans accidentally kill

Tens of thousands of Americans accidentally kill someone each year, often in car crashes, leaving a huge and hidden psychological toll on those responsible. America's road death rate is double France's and four times Britain's, exacerbated by extensive road networks, high-speed "stroads," larger vehicles, and drunk driving, with Sunbelt states being particularly dangerous due to infrastructure prioritizing efficiency over safety. The

Hyacinth Fellowship, a support group for accidental killers, reveals a widespread, often silent trauma, with members experiencing guilt, fear of retribution, strained relationships, and persistent nightmares. While families of victims often resort to wrongful-death lawsuits, these can inflict further emotional and financial distress on perpetrators. Urban planners like Jeff Speck propose fixes such as environmental cues, tighter bends, narrower lanes, and four-way stop signs to make roads safer. However, addressing the societal stigma surrounding accidental killing and providing better mental health support is crucial, with the Hyacinth Fellowship striving for broader recognition to help survivors cope.

It?s California?s 250th birthday, too

California is marking its 250th birthday, dating back to the Anza expedition in 1775-76 when Spanish soldiers and settlers colonised Alta California, predating America's Declaration of Independence. This historical narrative, often overlooked in the east-to-west telling of

American history, highlights the region's distinct colonial past. The expedition, led by Juan Bautista de Anza, traversed 1,200 perilous miles from Mexico to San Francisco Bay, with names of coastal neighbourhoods still reflecting its descendants. While the expedition led to the tragic decline of indigenous populations like the Chumash due to disease and displacement, its routes evolved into modern California's coastal roads and railways. Today, parts of the original trail are hiked by groups, offering a glimpse into this often-forgotten chapter of American history.

Donald Trump?s unworthy state of the union

Donald Trump's State of the Union address, delivered on America's 250th anniversary, diverged sharply from his 2017 promise of unity and strength, instead focusing on polarising rhetoric. He proclaimed a "golden age" under his leadership but repeatedly attacked Democratic congressmen as "sick" and "crazy," accusing them of "destroying our country" and cheating in elections. The speech, lasting a record one hour and 48 minutes, saw Mr. Trump most engaged when deviating from his script, offering few new policy ideas but signaling an offensive on the economy and immigration to unify Republicans. The address revealed Mr. Trump's limited control over the Supreme Court, which had just invalidated his tariff powers, and his contempt for a Democratic opposition that largely opposes his agenda. Ultimately, the speech failed to offer a new vision for major challenges like the war in Ukraine or the threat of China, instead solidifying its legacy merely through its length and contribution to the shrinking significance of the State of the Union address.

THE AMERICAS

The killing of Mexico?s most powerful narco will please Donald Trump

The death of Nemesio Rubén ?El Mencho? Oseguera Cervantes, boss of the Jalisco New Generation Cartel (CJNG), in a Mexican special forces raid is a major triumph for President Claudia Sheinbaum. This operation, a top priority for the US due to El Mencho's drug trafficking, will earn Sheinbaum significant praise from Donald Trump, who has pushed Mexico to dismantle gangs and threatened unilateral military action. However, the success risks plunging Mexico into turmoil, as the "kingpin strategy" often leads to gang fragmentation and increased violence, a concern Ms. Sheinbaum has previously voiced. The immediate aftermath saw widespread attacks and 60 deaths, and while calm has returned, a power vacuum within the diverse CJNG, combined with its immense firepower, raises fears of sustained inter-gang conflict. With Guadalajara set to host World Cup matches in June, controlling violence is a high political stake for Sheinbaum and her security minister, Omar Harfuch.

Brazil?s high court is caught up in a vast scandal

Brazil's Federal Supreme Court (STF) is embroiled in a vast scandal revealing an over-cosy relationship between its powerful judges and business/political elites. The arrest of banker Daniel Vorcaro for fraud uncovered his ties to senior judges, notably Justice José Antonio Dias Toffoli, who initially handled Vorcaro's case despite alleged conflicts of interest and investments with the banker. Separately, Justice Alexandre de Moraes opened an investigation into tax officials for leaking confidential information after his wife's law firm received a vague, lucrative contract from Banco Master, using his authority as head of the court's "fake-news inquiry" to probe the leaks. These incidents, alongside longstanding issues of nepotism where relatives of STF judges represent an increasing number of cases before the court, are fueling public indignation and conservative calls for impeachment ahead of general elections. In response to plummeting public trust, the STF's new president, Edson

Fachin, has proposed adopting an ethics code, though some justices like Toffoli and Moraes resist it.

Donald Trump?s oil embargo reveals a solar boom in Cuba

Donald Trump's effective oil embargo on Cuba, designed to squeeze the regime, is paradoxically accelerating a solar boom on the island, primarily driven by Chinese solar panel imports. The energy shortage has caused severe daily life struggles, including petrol rationing, soaring food prices, and frequent blackouts, leading to the reappearance of charcoal stoves. However, Cuba's imports of Chinese solar panels increased 34-fold in the year to April 2025, the fastest rate globally, allowing the island to meet 40% of its fuel needs with its own crude and significantly increase solar power generation. The government aims for renewables to provide 24% of electricity by 2030, while private businesses and households are also adopting solar panels and Chinese electric vehicles. Despite the rapid energy transition, high costs and the ongoing American embargo limit accessibility for most families, making the current crisis persist, and Mr. Trump's aggression only makes Chinese financing for new panels more hesitant.

ASIA

Modernisation is making South-East Asia more Islamic

In Malaysia and Indonesia, economic modernization is unexpectedly leading to intensified Islamic piety rather than secularization, challenging conventional assumptions. This religious assertion manifests peacefully through politics, laws, consumer culture, and social pressure, distinct from past concerns about Islamist terrorism. Indonesia's new criminal code bans pre-marital sex and expands blasphemy laws, while Malaysia's Terengganu state enforces sharia provisions punishing Muslim men for missing Friday prayers, a measure stricter than in Iran or Saudi Arabia. In Malaysia, Islam drives political competition as ruling and opposition parties vie for Malay-Muslim voters, pushing the country towards greater conservatism and Islamicization, with religious authorities increasingly encroaching on civil legal spaces. In Indonesia, despite a state ideology guaranteeing religious freedom, social media fuels a similar religious revival, notably in hijab adoption, although politicians have largely avoided using religion as a political tool.

SOS for India?s Pink City

Jaipur's walled city, known for its dusky-pink façades and World Heritage status, is at risk of losing its UNESCO designation due to demolition of traditional townhouses (havelis) and a breakdown of its distinctive colour code. Corruption, apathy, and lack of funds have led to the destruction or unrecognizable modernization of hundreds of havelis, while pollution and uncoordinated painting have replaced "Jaipur pink" with historically inaccurate shades. The old town, built for a tenth of its current 600,000 residents, suffers from rotting rubbish, sagging wires, and open drains, making heritage conservation seem an elite concern amidst daily struggles. UNESCO's ultimatum to preserve its heritage by year-end, however, might be a crucial catalyst, potentially unlocking UN funds and prodding authorities and property owners to protect valuable assets, as politicians may prioritize the status conferred by the world-heritage tag.

China piles pressure on Japan after Takaichi Sanae?s triumph

China is escalating pressure on Japan with new curbs on rare-earth exports to 20 Japanese firms, intensifying a feud sparked by Prime Minister Takaichi Sanae's triumph and her strong stance on Taiwan. Ms. Takaichi's China hawk position, including comments on Japan's role in a Taiwan crisis, has angered Beijing, evident in

Xi Jinping's failure to send congratulations and a Chinese consul-general's threatening remarks. Domestically, these diplomatic tensions have bolstered Ms. Takaichi's image, contributing to her Liberal Democratic Party's historic election victory and plans to lift a ban on lethal weapons exports. China's economic coercion, including a 50% drop in lunar new-year flight traffic to Japan, leverages its 20% share of Japan's total trade and reliance on Chinese rare earths. While both sides have shown some restraint, China's coastguard patrols near disputed islands and Japan's plans to deploy missiles near Taiwan indicate simmering tensions with a growing risk of escalation.

Google Maps makes another pitch for better South Korean data

Google Maps is making its latest attempt to acquire high-quality cartographic data for South Korea, where its navigation app has lacked basic directions for nearly two decades due to government national-security concerns.

South Korea's refusal has allowed domestic tech firms like Naver to dominate the digital map market. This new bid comes as South Korea pledged to facilitate "cross-border transfer of data" for American companies as part of an investment deal with the US, which Donald Trump has threatened to penalize for slow ratification. Google seeks 1:5,000 scale map data, currently censored by the government, and wants to process it on global servers for worldwide user access, while local firms and the Korean Association of Spatial Information oppose the move, fearing loss of market edge and Google's low corporate tax payments.

India?s VIP culture is out of control

Despite Prime Minister Narendra Modi's insistence that his government is dedicated to public service, India's "VIP culture" remains rampant and out of control. Mr. Modi has symbolically renamed streets and offices to emphasize "service," but practical actions frequently inconvenience ordinary citizens for the sake of VIPs. A recent AI Impact Summit in Delhi saw thousands of attendees displaced and city roads closed to accommodate Mr. Modi, causing widespread gridlock and flight delays. This entitlement extends across geography, parties, and government branches, with public servants often demanding swift passage through congested cities and disrupting essential services. Such incidents, including stampedes at religious gatherings attributed to VIP-reserved spaces, sometimes carry a price greater than inconvenience, highlighting a deeply stratified society where status dictates different rules for "masters" and "servants."

CHINA

How to get rich in modern China

While many Chinese face economic hardship from a property bust, deflation, and high youth unemployment, a new elite known as "nongchaoer" are thriving by "riding the tide" of state-backed strategic technologies like AI and robotics. Unlike past millionaires from manufacturing or property, these tide-riders are highly educated, typically holding STEM degrees from top universities, and are concentrated in tech hubs like Beijing, Shenzhen, and Hangzhou. Their lucrative careers in tech, with AI researchers earning ten times the average white-collar salary, reflect a shift in economic opportunity from social connections or land to technological prowess. Critically, these entrepreneurs view officials not as regulators but as crucial backers, receiving subsidies for R&D, office rent, and travel, and benefiting from state-guided innovation that discourages destructive competition. While this state-driven approach has led to impressive global competitiveness in EVs, renewable energy, and AI, it also risks creating an economy that disproportionately benefits a few and contributes to job losses in traditional industries through automation.

Anthropic says China?s AI tigers are copycats

America's leading AI labs, Anthropic and OpenAI, accuse Chinese rivals like DeepSeek, Moonshot, and MiniMax of illicitly "distilling" their models by feeding them prompts to learn from and mimic responses. These "distillation attacks" allow Chinese firms to rapidly advance their AI models at a fraction of the cost, raising concerns among American officials about intellectual property theft and unfair competition. The sophistication of Chinese efforts, including masking origins and splitting tasks, makes detection and prevention difficult. While American labs spend billions on creating high-quality training data, Chinese copycats can harvest solutions directly from existing models without the same investment. This practice has contributed to China's growing share of the open-model market, surpassing America's, prompting calls for government action like sanctions or cloud provider bans, though political considerations may limit immediate responses.

Mapping China?s holiday rush

China's annual Spring Festival travel rush, or chunyun, is evolving with new social trends, despite a shrinking population. This year, officials expect a record 9.5bn trips, reflecting an increase in domestic tourism alongside traditional family visits, though per-person spending is down from pre-pandemic levels. Modes of transport are shifting, with private transport accounting for four-fifths of journeys and high-speed rail becoming increasingly popular due to network expansion. Data analysis shows the busiest travel day before the new year is creeping closer to the actual day, potentially indicating workers prioritizing earning more before the holiday. Travelers are also covering shorter distances, with a greater share of trips remaining within provinces, suggesting the development of regional economic clusters and localized migration patterns, with the busiest routes connecting major economic centers to their satellite cities.

The rotten tail of China?s property bust

China's property bust has left an estimated 20m pre-sold, unfinished properties, or "lanweilou," trapping a staggering 17trn yuan ($2.5trn) of household wealth and creating a significant economic drag. Many homebuyers, like the Guos and Lis in Zhoukou, are stuck in desolate, partially completed complexes, often unable to move or resell their properties at their original value. The government's "guaranteed delivery" program, launched in 2022, aims to complete these projects by extending credit to developers, but its unstated plan is to spread the financial pain widely across the economy rather than bailing out developers or fully compensating homebuyers. While some projects, like Zhongao, show glimmers of hope for restarting construction, buyers face the bitter reality of receiving homes worth significantly less than what they paid, with legal challenges to recover investments largely unsuccessful. Officials are focused on slowly pushing projects to completion to prevent widespread defaults and maintain social stability, confirming that the costs are being borne by ordinary people.

MIDDLE EAST & AFRICA

Americans have no idea what Donald Trump wants from Iran

Despite a two-month military build-up and presidential threats, Donald Trump's ultimate goal for Iran remains unclear, leading to a "war in search of an objective" if conflict arises. His statements on Iran's nuclear program have been contradictory, at times suggesting a desire for a new deal, at others threatening toppling the regime or missile disarmament. Recent talks with Iran, while pushing for concessions on uranium enrichment, appear less urgent given Iran's current inability to enrich highly. Most Americans are confused by this shifting stance, with only 27% supporting a strike on Iran, and even some MAGA allies are baffled by the prospect of another Middle Eastern war. A string of leaks suggests Mr. Trump's aides are focused on tactical questions, rather than why a war should be fought, reflecting a broader historical struggle for American leaders to identify a realistic goal in Iran.

Iranians? angry defiance is growing once again

Despite January's severe repression, Iranians' angry defiance is resurging, with university campuses filling with protests challenging the regime's authority. Grief over the massacre of demonstrators has transformed into radical chants for monarchy restoration and denunciations of the theocracy and its religion. Years of economic hardship, state repression, and war fears have fueled a yearning for regime change, with some even purchasing weapons for future conflict. Newspapers are testing red lines, reporting casualty figures and adopting monarchist symbols, while talk of secession grows in peripheral provinces. The regime remains largely cohesive, having prepared succession plans after Israel's 2024 war, and views student protests and media criticism as safety valves, but maintains a coercive state machinery. The prospect of foreign attack combined with domestic unrest is unsettling the regime, leading to renewed, albeit cautious, diplomatic engagement and proposals to limit nuclear enrichment and missile transfers to proxies in hopes of sanctions relief.

Ali Larijani is an increasingly plausible heir in Iran

Ali Larijani, secretary of the Supreme National Security Council, has emerged as an increasingly plausible successor to Ayatollah Ali Khamenei in Iran, effectively managing crucial foreign relations and even relations with proxies. His extensive reach across the regime, combining academic prowess with clerical lineage and high-level government experience, positions him uniquely. Larijani portrays himself as a loyal but pragmatic conservative, having previously supported the 2015 nuclear deal and criticizing hardliner vote-rigging, though hardliners have historically mistrusted him. His ambition for the presidency, and even potentially the supreme leadership, is evident, despite rivals and past hardliner attempts to bar him from office. However, his extensive foreign connections and willingness to normalize relations could face significant opposition from Iran's fractious internal politics and regime ideologues.

Iran may insist Hizbullah fights on its behalf

Hizbullah, Iran's most powerful proxy in Lebanon, is weakened and faces high domestic costs if it joins a war on Tehran's behalf, yet its decision-making is more influenced by Iranian strategic logic than its standing in Lebanon. The militia's popularity at home has waned after drawing Israeli attacks in 2024, and Lebanese officials have been warned of Israeli targeting of civilian infrastructure if Hizbullah intervenes further. Despite these domestic concerns, Hizbullah's military wing is controlled by Iran's Islamic Revolutionary Guard Corps, and its political leaders adhere to the Islamic Republic's ideology. Therefore, if Iran's leaders perceive an existential threat, Hizbullah's internal Lebanese political considerations will likely be secondary, underscoring its role as a key regional asset despite Israel's reduction of its arsenal.

South Sudan?s decrepit regime is unravelling

South Sudan's regime, led by ageing and erratic President Salva Kiir, is unravelling, taking the country down with it amidst escalating conflict and a severe economic crisis. The international airport is running out of money due to a dispute over overflight fees directed to a company linked to Kiir's family, symbolizing the broader malaise. The collapse of the unity government and the arrest of Vice-President Riek Machar have reignited fighting between the army and Nuer militias, forcing 280,000 people from their homes in Jonglei state, with reports of brutal attacks and systematic sexual violence. Mr. Kiir's shrinking resources, partly due to Sudan's civil war disrupting oil exports and foreign-aid cuts, have narrowed his support base, with his inner circle now largely confined to family. Public frustration is growing amid a 30% economic contraction, declining safety, and an army with sagging morale. While Kiir clings to power with regional support and a divided opposition, the looming succession battle is expected to exacerbate the country's conflicts.

EUROPE

Giorgia Meloni is taking on the courts in Italy

Italian Prime Minister Giorgia Meloni's populist-right government is pushing for a referendum to reform the judiciary, intensifying animosity between the executive and the courts, particularly after rulings against her hard-line immigration policies. The reform aims to separate prosecutors and judges, who currently form a single professional corps, making them subject to different supervisory bodies and preventing career-switching. While eliminating suspicion of bias is a valid goal, critics argue the reform's mechanisms for council appointments, which favour the governing majority and dilute judicial independence, are misguided. The reform's main flaw, however, is its failure to address Italy's most pressing judicial problem: its absurdly slow legal system, which deters foreign investment and prolongs disputes, despite receiving significant EU recovery funds for staffing boosts. Voters are expected to approve the bill in March, but it is unlikely to deliver faster, cheaper, or necessarily better justice.

Ukraine is scaling up interceptor drones

Ukraine is rapidly scaling up the use of interceptor drones to counter Russia's cheap and accurate Shahed drones, which form the backbone of its campaign against Ukrainian infrastructure. Volunteer units, comprising diverse professionals, are training to operate these drones, like Skyfall's P1-SUN and the more advanced, semi-autonomous Sting, which costs less than half of other models at $2,000. This cat-and-mouse game has driven significant innovation, with Russia constantly adapting its drones and tactics, and Ukraine responding by disrupting navigation methods and improving interception rates, downing a record 1,704 Shaheds in January, with 70% intercepted by drones. The Defence Ministry, under tech prodigy Mykhailo Fedorov, aims to "close the skies" as a key battleground initiative, alongside raising Russian attrition and squeezing its economy. While confident in handling current drones, commanders anticipate future challenges from jet-powered drones and swarming tactics, suggesting the need for fully automated interceptor walls, a development that Europe should also prepare for.

Why one corner of Europe?s car industry is still booming

Slovakia's car industry is booming, making it the world's most car-intensive economy by population, despite a general slump in European production. The country produced nearly 1.1m vehicles in 2025, contributing 10% of its GDP and a third of its exports, attracting significant investment from Western European firms like Volkswagen and Porsche, and Asian firms like Kia. Volvo is investing ?1.2bn in a new EV plant, drawn by a skilled workforce, good infrastructure, and government subsidies. Slovakia's industry has been resilient to pandemic upheavals and EU emission rules, partly due to investments in the transition to electric vehicles. However, this heavy reliance on carmaking makes Slovakia vulnerable to market fluctuations and intense competition from other countries offering incentives, low wages, and trade deals, such as Spain, Morocco, and

Hungary (where Chinese EV giant BYD is opening a plant), raising concerns about the long-term sustainability of its growth.

France?s far left reckons with the murder of a far-right activist

The fatal beating of 23-year-old far-right activist Quentin Deranque in Lyon has forced France's populist left to confront its extremist elements and is set to damage its image. Seven suspects, including Adrian Besseyre and Jacques-Elie Favrot, who had ties to Jean-Luc Mélenchon?s Unsubmissive France (LFI) party and its anti-fascist Jeune Garde movement, are under investigation for voluntary homicide or complicity. This incident has inverted the usual debate on political violence, with the far-right National Rally (RN) now calling for a "cordon sanitaire" around LFI and presenting itself as a defender of democratic politics. While political violence deaths remain rare, the killing has fueled public concern about growing extremism and led to a diplomatic spat with the US ambassador.

How the war in Ukraine affects Siberian Russia

The war in Ukraine has profoundly impacted Yakutia, Russia's vast Siberian republic, with a disproportionately high death toll for its small population, including a reindeer-herder seeking funds for his family. Once a vibrant region with a booming film industry and successful IT firms, Yakutia has seen independent media shut down and tech companies relocate staff abroad due to pressure. Mobilization efforts have been met with protests, and the economy has suffered from sanctions, affecting diamond mining and traditional reindeer herding. Despite these changes, many who fled are now returning, drawn by the region's nature and ancestral culture, as recruitment posters and captured Ukrainian vehicles become commonplace.

Luxury goods are Europe?s global tax on

vanity

Europe's luxury goods industry thrives by selling "slices of aspiration" to wealthy non-Europeans, generating ?358bn in annual sales and cementing Europe's cultural cachet. Brands like Louis Vuitton and Hermès offer exorbitant items, largely purchased by Floridian developers, Arab sheikhs, and Chinese high-rollers, who seek the European imprimatur to elevate their bling. This "gilded trifles market," which is 80% European-dominated, allows the continent to levy a "global tax on vanity," creating well-paid jobs and financing welfare states. However, this alchemy is showing signs of strain: sales are slipping, and the industry faces challenges from rising prices that make goods unattainable for affluent Europeans, the growing ubiquity of luxury items among the foreign moneyed masses, and the emergence of American and Chinese high-end brands with patriotic appeals. The long-term sustainability of Europe's "velvet tax on vanity" is uncertain as global elites may eventually flaunt wealth without paying tribute to French or Italian firms.

BRITAIN

Heathrow?s expansion is on track to be eye-wateringly expensive

Heathrow's proposed third runway, a Labour government ambition to boost growth, is threatened by escalating costs, echoing the problems of the High Speed 2 (HS2) railway. The £49bn ($66bn) expansion and modernization plan by Heathrow Airport Limited (HAL) is nearly double the original estimate and would make Heathrow the world's second-most expensive airport for passengers, potentially doubling landing fees. High London construction costs and Britain's sclerotic planning system, which has paperwork costs exceeding £1bn, contribute to the expense. A key issue is HAL's incentive structure, where regulated returns on investment encourage gold-plating, such as a £1.3bn budget for car parks and complex new terminal designs. To avoid another infrastructure fiasco, the government must adopt radical measures like specific legislation to bypass legal challenges, and separate design control from HAL, giving it to an independent body with commercial acumen to scrutinize and curb costs.

Britain?s civil service has a new leader

Sir Keir Starmer has appointed Dame Antonia Romeo as his new cabinet secretary, a controversial choice signaling his commitment to "delivery and results" and injecting "energetic, visible leadership" into Whitehall. Dame Antonia's memo to senior civil servants emphasized getting things done, taking initiative, and scrutinizing performance, promising to back appropriate risks. Her appointment follows the ousting of Sir Chris Wormald and is a gamble by the prime minister, whose administration is stalling and complains about unresponsive institutional "levers." Critics question whether Dame Antonia's abrasive approach is counterproductive and if she provides sufficiently candid advice, noting her past involvement in the botched privatization of the probation service. While supporters praise her ability to translate political aspirations into action, her success is crucial not only for Sir Keir's political fortunes but also for the legitimacy of Britain's 170-year-old apolitical civil service, which faces doubts and threats of reform from parties like Reform UK.

Labour?s handling of special educational needs offers hope

Labour's understated announcement of reforms for England's Special Educational Needs and Disabilities (SEND) system offers hope for constructive governance, distinguishing it from past missteps. With over 1.7m children in England having SEND, the current system incentivizes conflict, as parents and schools battle cash-strapped local authorities for Education, Health and Care Plans (EHCPs) to access funding, leading to spiraling costs projected at £14.8bn in 2025-26. Labour plans to reserve EHCPs for the most complex needs by 2030, introducing two lower tiers of support with legal force, and pledging £4bn over three years to mainstream schools and 50,000 new special state school places. While teachers' unions worry about insufficient funding and some parents remain wary, the government has balanced considerations carefully, delaying main reforms until 2030 for a phased introduction and engaging in extensive consultation with parents and charities. This approach, contrasting with Labour's prior welfare reform debacle, suggests a more united party discovering how to govern effectively.

Reform UK?s economic plan looks a lot like Labour?s

Robert Jenrick, Reform UK?s shadow chancellor, presented an economic plan that closely resembles Rachel Reeves?s Labour agenda, despite claiming to offer a "new economic model" for Britain. Both parties emphasize fiscal prudence, respect for the OBR and Bank of England, and "liberating planning." Mr. Jenrick's proposals to save £25bn annually by cutting foreign aid and welfare for foreigners are minor compared to the larger issues of rising health spending and unaffordable pensions, which both parties avoid. Both also support the unsustainable triple-lock pension policy. While Mr. Jenrick differs on net zero, Reform's voter base shares NIMBYist opposition to development. Ultimately, his plan, like Ms. Reeves?s, ducks the major structural challenges facing Britain, and Reform's internal dynamics will likely temper any radical economic ideas, leaving the country without the fresh policies it needs.

It?s a good time to be a British football prodigy

British football is experiencing a golden age for prodigies, with players like Marli Salmon and Max Dowman making home and Champions League debuts for Arsenal at exceptionally young ages. The average age in Premier League starting teams has hit a record low of just under 27, and fees for minors have more than doubled in recent years, with Liverpool paying millions for a 17-year-old. This surge is primarily driven by Brexit, which ended the EU loophole allowing international transfers of players under 18, thus limiting the supply of talented foreign youth to Premier League academies. Additionally, new Premier League financial rules, which cap club spending, have increased demand for home-grown talent that can be sold for quick income, with Chelsea making over £250m from selling 16 academy stars in three years. While these changes are benefiting national men's teams, evidenced by two consecutive European under-21 championships, there's concern that closed academies might struggle to maintain top standards without exposure to the best continental talent.

A massive engineering project has changed

the shape of the Thames

A massive civil-engineering project, the Tideway Tunnel, has altered the shape of the River Thames by creating seven new public spaces, or "polyps," that bulge into the water. These new areas, located from Wapping to Putney, are the visible parts of a deep sewer built beneath the river to cope with London's growing waste and stormwater runoff, which previously led to untreated sewage discharges. The new parks, such as the one near Blackfriars Bridge, sit atop colossal vertical shafts that channel foul water into the tunnel, encouraging Londoners to engage with their river in a fresh way. Unlike Victorian embankments, these intrusions are minimally invasive, often faced with granite, and feature tall twisted vents for sewer gases and abstract or whimsical art installations. Two of the spaces are washed by the river at high tide, and all offer new vantage points, allowing people to get closer to the Thames, which should now be considerably cleaner.

The paranoid style in British politics

Britain is experiencing a "second golden age of paranoia," with nearly half of voters believing secret groups control major world decisions, reflecting a deep-seated distrust in institutions across the social spectrum. This "paranoid style," where corruption is a guiding frame for interpreting political and economic decline, permeates both "left-behind" towns and the "well-ahead" Middle England, who attributed Brexit to Russian interference and the Queen's hats. Even elites, like a Labour minister who suspected a Russian hack for a donation scandal, exhibit conspiratorial thinking, often overlooking simpler explanations. While lamenting this blurring of reality, paranoia can also be seen as a necessary symptom of social conflict, acting as an "immune system" that prompts scrutiny and demands accountability. This era of heightened suspicion, exemplified by public anger over Peter Mandelson's ties to Jeffrey Epstein, suggests that in times of consequence, paranoia, though messy, is the cost of caring.

INTERNATIONAL

Who speaks for the Muslim world?

Despite the Muslim "umma" having no single spokesperson, several politicians are auditioning for the role, with Turkey's President Recep Tayyip Erdogan currently leading in global appeal. Ayatollah Ali Khamenei of Iran, a Shia leader, casts struggles in sacred hues, but his influence is limited among Sunnis and diminished by domestic repression. Ahmed al-Sharaa, Syria's rebel-leader-turned-president, appeals to Sunnis for his religious convictions and overthrow of the secular Assad regime, but his inexperience may tarnish his reputation quickly. Saudi Arabia's Crown Prince Muhammad bin Salman, while popular, emphasizes modernity and venture capital over religious leadership, maintaining circumspection on emotive topics like Gaza. Mr. Erdogan, by contrast, frequently denounces Israel's conduct in Gaza and champions the cause of downtrodden Muslims worldwide, leveraging his long tenure, extensive travels, and Turkish investments to cultivate an image as a strong, brave leader who stands up to the West, despite his chequered domestic record.

A stay-calm plan to save the world

Finland's President Alexander Stubb, known for his unflappable optimism and can-do attitude, has gained international renown as a leader promoting a "stay-calm plan" amidst global turmoil. Mr. Stubb, a devoted Atlanticist and European integrationist, believes middle powers can defend themselves and that mutual dependence still binds America and Europe, even as he chides Western commentators for dismissing figures like Vladimir Putin as "crazy." In his manifesto, "The Triangle of Power," he proposes a rebalanced international order by giving Global South countries more seats at top tables, emphasizing trade, and engaging with autocracies like China with a belief in their potential for rational reassessment. While his strategy reflects "a little bit of hope" that foreign leaders will be reasonable, and his optimism is linked to a conviction that today's disruptions are temporary, critics suggest his plan is a bet on hope rather than a guarantee of survival, as the current disorder might be a more enduring revolution against the liberal order.

BUSINESS

Rejoice! Private equity is taking over America?s small businesses

Private equity (PE) firms are increasingly acquiring small service businesses across America, from fitness chains and coffee shops to pest controllers, a trend that may seem alarming given PE's ghoulish reputation for debt and layoffs. Despite the caricature, most of PE's 85% investments are now in firms with under 500 staff, attracted by their internet-proof nature and potential for consolidation into chains. While PE is not without fault, rigorous studies show PE-backed firms are no more likely to default than others, and negative effects in sectors like nursing homes are often mitigated by market competition. The financial firepower and expertise provided by PE can transform small businesses for the better, as seen with Solidcore, which doubled its studio openings and revamped its business model with PE backing. This influx of capital helps service businesses thrive, filling retail spaces that might otherwise remain empty, especially compared to Europe where PE funding is less abundant.

The Sphere is taking its success in Las Vegas to the world

The Sphere, a monumental orb-shaped attraction in Las Vegas, has become a smash hit, now planning global expansion following a remarkable financial turnaround. After opening in 2023 at nearly double its projected $2.3bn cost and accumulating losses, its parent company announced a 62% revenue surge in Q4 2025, narrowing operating losses significantly. This success is partly driven by the remastered "The Wizard of Oz," which has sold over 2.2m tickets, generating $290m. The Sphere is now moving to Abu Dhabi and National Harbor near Washington, D.C., with future plans to expand globally, using new financing models like franchise fees and considering smaller, cheaper designs to make them viable in diverse markets. While the hundred-metre-high orbs are exciting attractions, they also face local opposition over issues like light pollution, as seen in London's rejection of a proposed Sphere.

The stunning rise of China?s most audacious miner

Zijin Mining, a Chinese firm founded in 1993, has become the world's fourth-most-valuable mining business, worth $150bn, thanks to an ambitious global expansion strategy and soaring gold and copper prices. The company's operations span 18 countries, with over half its copper and gold mining taking place abroad, and it aims to be a top three producer of both by 2028. Zijin's efficient operations and vertical integration, including a vast refining and smelting business, have proven highly profitable, allowing it to ship semi-processed rock back to China for further treatment. To fund this growth, Zijin has borrowed heavily and listed a subsidiary in Hong Kong. Despite its success, the company faces challenges including past environmental damage and current geopolitical crossfire, having been added to the US entity list for alleged forced labor ties in Xinjiang, raising questions about its independence despite not being state-majority owned.

The fake-meat industry is in trouble

The plant-based meat industry, once a darling of investors, is now in trouble, with declining sales, a significant drop in market value for companies like Beyond Meat, and stagnant consumer adoption. Key problems include higher prices compared to animal meat, despite rising meat costs, and taste issues, with many consumers finding some plant-based products "awful." The industry is also caught in America's culture war, facing criticism for being "ultra-processed" and less "whole" than traditional meat, despite efforts to highlight high protein and fibre content. In response, some companies are exploring half-meat, half-plant burgers and expanding into protein-dense beverages. Investors are increasingly shifting focus to cultivated meat, grown in labs from animal cells, which faces its own challenges like cost and state-level bans, but proponents believe it has a stronger "real meat" perception. The industry acknowledges the need for careful, gradual scaling to avoid further setbacks.

The war against PDFs is heating up

The portable document format (PDF), introduced by Adobe in 1993, has become ubiquitous with over 2.5trn files in existence, but it faces new challenges in the age of AI. PDFs have long-standing drawbacks, including poor mobile viewing, difficult data copying, and accessibility issues for screen readers, while also serving as a vehicle for cyber-attacks. Critically, large language models (LLMs) often struggle to parse PDFs, leading to "hallucinations" in AI chatbots. Startups like Factify are aiming to displace the PDF with new, AI-friendly file types, but proponents argue the fault lies with developers, not the format itself. Adobe's Acrobat AI assistant and Google's Gemini tools are designed to better ingest PDFs, suggesting the format's reign is not over yet.

Pete Hegseth wages war on Anthropic

Pete Hegseth, America?s secretary of war, is clashing with AI lab Anthropic over its refusal to grant the Pentagon carte blanche to use its Claude models for mass domestic surveillance or autonomous weapons. Anthropic, a key DoW contractor, insists on these red lines, leading Mr. Hegseth to threaten contract termination and even invocation of the Defence

Production Act (DPA), which obliges companies to do national-security work. While Anthropic's contract is small, the DPA threat and potential labeling as a supply-chain risk highlight the Pentagon's reliance on Claude's advanced capabilities. Rivals like Elon Musk's xAI and Google have shed similar compunctions, with Grok and Google's AI models now "on board" for classified defence work. The standoff reignites concerns about militarizing AI, the impact on brainy AI researchers, and the need for constitutional oversight of the armed forces to ensure trust, especially after controversial decisions like strikes against civilian boats raised fears about misuse of autonomous weapons.

Tony Robbins, the megalosaurus of motivation

Tony Robbins, the world's most famous life coach, conducts stadium-filling motivational events and free online summits like "Time to Rise," which serve as an elaborate marketing funnel. Attendees, including cynics and fervent followers, experience an energetic, hours-long sermon filled with anecdotes, self-help clichés, and an oddly engaging performance. Mr. Robbins's physical presence, deep voice, and unwavering enthusiasm are central to his appeal, captivating audiences despite the apparent generic nature of his advice. The events cultivate a sense of shared purpose and transformation among participants, with many feeling inspired to make significant life changes. Ultimately, while the content may be questioned, Mr. Robbins's undeniable stamina and salesmanship leave a lasting impression, even on the skeptical, prompting a reflection on the power of belief and the source of such tireless energy.

America?s bosses are being dragged into local politics

American corporate bosses, traditionally focused on high-level politics, are increasingly being drawn into parochial local and state-level political battles, forced to become "CEO-councilmen." This shift is driven by political disintegration and technological acceleration, leading to a fragmented regulatory landscape. In the absence of federal rules, states are passing conflicting laws on AI and self-driving cars, challenging mergers, and regulating consumer finance, forcing companies to contend with 50 different regulatory bodies. Some firms are relocating from states like California or Delaware to places like Florida or Nevada to escape high taxes or adverse court rulings. This regulatory fragmentation, which mirrors Europe's economic challenges, burdens CEOs with a complex and often unappealing new set of respons responsibilities, eroding trust and potentially hindering innovation, as many tech bosses struggle to navigate local populism and its demands.

FINANCE & ECONOMICS

America?s trade chaos is just beginning

America's Supreme Court struck down Donald Trump's IEEPA tariffs, but the president immediately invoked Section 122 of the Trade Act of 1974 to levy new 10% tariffs on all imports, which he plans to raise to 15%. While the effective tariff rate may marginally decrease from 13.7% to 12.2%, this ruling marks the beginning of prolonged trade chaos. The Supreme Court's silence on refunding $180bn in illegally collected duties sets up a new legal battle, complicated by the administration's potential resistance. Trading partners who previously negotiated better terms under IEEPA are now angered by Section 122's indiscriminate application. Legal challenges are expected for Section 122's validity and subsequent uses of other trade statutes like Sections 301 and 232, which are cumbersome and require formal investigations. Companies, instead of reshoring, are hiring trade lawyers to optimize customs arrangements and redefine goods' origins to reduce tariff bills. This period of uncertainty and ongoing trade-warmongering will likely create economic drag, despite a potential modest stimulus from refunds and slightly lower tariffs, leaving everyone exhausted except trade lawyers.

The AI productivity boom is not here (yet)

Despite rapid advancements in artificial intelligence and viral claims of a "big happening," evidence of a substantial AI-fuelled productivity boom in the economy remains thin. While America's GDP grew by 2.2% in 2025 and hiring slowed, the productivity growth, estimated at 1.9%, is near the long-run average and far below the internet boom's improvements. This gap between output and employment is largely attributed to a surge in AI infrastructure investment rather than underlying efficiency gains, and tight immigration policy boosting average productivity by removing low-productivity workers. AI adoption is rising, with 41% of American workers using generative AI by November 2025, but daily usage remains low at 13%, primarily for discrete tasks like writing assistance or coding. While studies show significant productivity gains (12-40%) on individual tasks when AI is used, a back-of-the-envelope calculation suggests AI has contributed only a modest 0.25-0.5 percentage points to overall productivity growth, likely an overestimate as time saved may not be productively redeployed. The true productivity revolution, like with electric motors or personal computers, will likely occur when firms reorganize production around AI, a stage that has barely begun, as most executives report no measurable improvements in labor productivity.

A viral research note on AI gets its economics wrong

A recent research note from Citrini Research, which went viral, imagined a near future in 2028 where artificial intelligence renders white-collar jobs and entire industries obsolete, leading to widespread unemployment and a collapse in consumer spending despite growing output?a phenomenon dubbed "Ghost GDP." However, the note's economics are shaky, echoing 19th-century debates about a "general glut" where production outstrips demand. Classical economists like David Ricardo argued against a general glut, adhering to Say's Law that "production creates its own demand." Later, John Maynard Keynes posited that money could interrupt this, allowing for a general glut if firms hoarded cash. In today's context, AI companies are desperately reinvesting cash into data centers rather than hoarding, making a scenario of an AI-driven economy lacking spending power implausible. Furthermore, policymakers possess stimulus tools to combat demand slumps, making an AI take-off unlikely to cause a collapse in consumer spending or a fall in GDP, even if unemployment rises in specific sectors.

America?s welfare state is more European than you think

America's welfare state, often perceived as minimal, is becoming more European at the state level, with many states offering generous social programs akin to those in

France or Germany. Families in states like Massachusetts can access comprehensive prenatal care, paid maternity and paternity leave (often replacing four-fifths of wages for five and three months respectively), subsidized child care, child tax credits, and robust unemployment benefits. While federal provision is limited, state-level policies, especially in larger states like California and New York, are providing a European-style bargain of higher taxes and extensive welfare. These state schemes, though varying greatly in generosity and often withdrawing support sooner than in Europe, can match European benefits in their initial months, with California's paid-leave scheme showing positive impacts on family well-being without harming women's labor-market trajectories or employers' profits. States are increasingly emulating successful models due to federal gridlock, but this approach raises concerns about democratic accountability, lower take-up rates due to citizen unawareness, and the vulnerability of state-balanced budgets to economic downturns, despite a quadrupling of states offering paid family leave since 2017.

Protectionists dislike trade and migration. And capital flows?

Globalization has seen a tough decade for goods and people flows, but the movement of capital, while controversial, has stagnated rather than reversed. The total foreign assets of world economies reached $227trn in 2024, equivalent to 204% of global GDP, a figure largely unchanged since 2007. Economists use new indices, like the Financial Account Restrictiveness Index (FARI) and FinOpen, to measure capital controls, revealing a receding trend between 1999 and the early 2010s, followed by another drop from 2016-2019 despite populist nationalism, though a modest comeback has occurred since 2019 in 41 countries. India and China, the two largest emerging economies, remain less open than average but have gradually liberalized, making numerous tweaks to their capital controls, mostly withdrawing restrictions. This suggests that while de facto financial openness may level off due to the growing economic scale of less open economies, capital is not truly becoming less globalized, as most changes have been towards liberalization.

Markets are churning furiously beneath the surface

Despite the S&P 500 remaining near record highs, America's financial markets are experiencing furious churn beneath the surface, driven by anxieties about AI's disruptive potential for business models. Software firms' stock prices have tumbled, with IBM's shares slumping 13% due to vague AI worries, and volatility spreading to logistics and commercial real estate, influenced by research imagining widespread AI-driven lay-offs. This turmoil is evident in the stockmarket's high dispersion, a measure of expected differences in individual stock movements, which is currently higher than 98% of the past decade. Debt markets also reflect this reassessment, with risky bonds from American tech firms yielding significantly more than Treasuries, mirroring spreads seen during the tariff panic. The consequences could be severe for leveraged loans and private credit, heavily exposed to tech and business services, with potential jumps in defaults and outflows from private-credit funds. This ongoing reassessment, coupled with the potential for AI-related losses to hinder credit and slow AI infrastructure development, suggests that market calm on the surface may not last.

Why Chinese people spend so much on food

During the Spring Festival holiday, Chinese consumers dedicate a significant portion of their spending to food, a fact illuminated by new data from the National Bureau of Statistics (NBS). Food (excluding dining out, booze, and tobacco) accounted for 17.2% of household consumption in 2025, confirming a passion for eating but also indicating China lags behind on Engel's law?an observation that as incomes rise, the share spent on food decreases. This "Engel coefficient" is often used to infer living standards, and past economists have questioned China's official income figures based on its high food spending. While the official Engel coefficient (including dining out) mysteriously stopped falling, potentially indicating a "severe development setback," an analysis excluding dining out suggests that the narrower measure of food spending has indeed continued to fall. This indicates that China has not broken Engel's law, with the perceived high spending on food partly driven by the added costs and experiences of dining out, rather than economic stagnation.

SCIENCE & TECHNOLOGY

AI tools are being prepared for the physical world

Project Genie, an experimental AI model by Google, is a groundbreaking "world model" designed to help AI systems navigate complex, unpredictable physical spaces, essential for future humanoid robots or self-driving cars. Rooted in a 1943 psychological concept, world models enable AI to test hypotheses before acting in reality, moving beyond purely reactive responses. Three main approaches are being explored: AI video generators, which simulate coherent worlds but have limitations; 3D environment creation, led by Fei Fei Li's spatial intelligence approach, offering internally consistent and complete digital worlds for multiple users; and Yann LeCun's Joint-Embedding Predictive Architecture (JEPA), which aims for less literal, more abstract modeling of both physical and virtual environments, allowing AI to plan actions without visualizing every second. An alternative view, held by OpenAI co-founder Ilya Sutskever, suggests that large language models (LLMs) inherently learn world models by compressing internet information. Research into LLM interpretability by labs like Anthropic supports this, finding neural network clusters that correspond to real-world features and influence model behavior, indicating AI is on the verge of engaging with the physical world.

One-stop blood tests for multiple types of cancer are increasingly popular

Blood tests for early cancer detection, such as GRAIL's Galleri, are gaining popularity, but their effectiveness in improving survival rates remains contested. Galleri, which analyzes DNA fragments from cancer cells, failed its latest three-year trial to reduce late-stage cancer diagnoses among 142,000 participants aged 50-77, though full results may show benefits for specific cancers or populations. Previous trials showed Galleri spotted 40% of cancers, often identifying the correct body part, but missed 60% and generated many false alarms. A crucial, unknown factor for multi-cancer tests is whether they predominantly detect treatable tumors or harmless, slow-growing types that lead to overdiagnosis and unnecessary treatments, as seen with the PSA test for prostate cancer. Scientific advances in molecular diagnostics, including less destructive methylation analysis, whole-genome scanning, and AI-assisted data analysis, promise more sophisticated and powerful tests. However, the balance of harms and benefits for these tests varies by cancer type, and the ethical dilemmas of early diagnosis for fatal cancers also need careful consideration.

Marks left by Stone Age humans were surprisingly complex

Archaeological research into geometric markings, or "signs," on 260 Stone Age artefacts from the Swabian Jura in Germany, dating back 43,000 to 34,000 years ago, reveals a surprising complexity. Linguist Christian Bentz and archaeologist Ewa Dutkiewicz used linguistic and machine-learning tools to analyse these signs, discovering they were applied intentionally and systematically. While the signs do not resemble modern writing due to high repetition and low information density, their statistical fingerprint significantly overlaps with early proto-cuneiform scripts, which preceded true writing 5,000 years ago. This suggests that the complexity of human-made markings remained stable for tens of thousands of years before the rapid emergence of writing. The study also offers clues to their purpose, noting, for example, that dots appear on lion and human figurines but not on tools, and ivory figurines are the most information-dense.

Should you be fibremaxxing?

"Fibremaxxing," the new dietary trend emphasizing increased fibre intake, involves adding fibre to various processed foods, prompting questions about its efficacy. Fibre, a largely indigestible plant carbohydrate, helps regulate digestion by slowing sugar and fat absorption, trapping harmful compounds like cholesterol, and adding bulk to bowel movements. It also benefits gut bacteria, which produce short-chain fatty acids that support metabolism, appetite regulation, and immune function, leading to wide-ranging health benefits like reduced risk of cancer, diabetes, and heart disease. However, focusing solely on hitting 30g of fibre per day from an imbalanced diet, such as relying heavily on bread, can lead to a lack of essential vitamins, minerals, and soluble fibres found in a varied plant-based diet. Health experts recommend a mix of plant-based foods, consuming up to 800g of fruits and vegetables daily, to achieve both adequate fibre and a balanced nutritional profile. When increasing fibre intake, it's advised to start slowly with partially broken-down fibre and drink plenty of water to avoid discomfort.

CULTURE

The biggest band you?ve never heard of

Stray Kids, a South Korean boyband, achieved the world's second-highest-selling album last year, a feat largely unknown to Western audiences despite their massive global superstar status. With billions of views on YouTube and TikTok, and their "DO IT" album hitting number one on the Billboard 200 eight times, their success is rooted in a defiantly original "noise music" sound that eschews K-pop's typical effervescence. The eight members, hand-picked by leader Bang Chan, write most of their own music, incorporating "melodic symbols" that resonate across language barriers. Their public image, characterized by makeup, designer clothes, and open discussions about anxiety and vulnerability, promotes a progressive kind of manhood that deeply connects with their predominantly young female fanbase. Stray Kids exemplify a generational shift in music consumption, thriving on streaming platforms and direct fan engagement, demonstrating how consumers, not traditional media outlets, are the new kingmakers in the 21st century.

Life after escaping from Nazi Germany: a family?s story

Sir Michael Moritz's memoir, "Ausländer," traces his parents' escape from Nazi Germany and the Holocaust, offering an exquisitely observed family history of dislocation and inherited despair. His parents, Alfred and Doris, an unlikely pair, fled to Britain, where Sir Michael was born in 1954, but carried their past trauma, which unconsciously shaped his own sense of being an "outsider." The book details his father's challenges as an "Enemy Alien" and his mother's belligerent stoicism, both refusing the label of "survivors" for themselves. Sir Michael, a successful venture capitalist, grapples with his own identity, feeling neither Welsh, British, nor American, and deeply Jewish without synagogue affiliation. His memoir, a profound examination of intergenerational tragedy, joins a growing body of work by children of Holocaust victims, aiming to keep the memory alive and remind the world of antisemitism's consequences, particularly as survivors diminish.

Why readers and viewers hunger for Hannibal Lecter

Hannibal Lecter, the psychiatrist-turned-cannibal from "Red Dragon," remains a compelling villain across novels, films, and TV, captivating audiences with his unsettling duality. Brian Raftery's "Hannibal Lecter: A Life" explores this allure, attributing it partly to the public's fascination with serial killers in the 1980s and 90s, before true-crime proliferation. Lecter's urbane charm, wit, and enigmatic nature, particularly in his early appearances, where he was a supporting character, contributed significantly to his mystique. Sir Anthony Hopkins's Oscar-winning portrayal in "The Silence of the Lambs," requiring only 16 minutes of screen time, cemented his iconic status through his poised, unblinking performance. However, subsequent expansions of his backstory and increased exposure in later books and adaptations diluted his mystery, transforming him into a less unique, "bitchy gourmet with a troubled past."

The latest choreography craze? Line dancing

Line dancing is experiencing a major resurgence, moving from traditional honky-tonks to urban bars like Desert 5 Spot in New York, where young crowds now sell out events. Google searches for line dancing have steadily climbed since 2020, with many seeing it as "sexy" rather than "corny," integrating into pop culture via music videos. This revival is fueled by a broader Americana trend in fashion, neo-Western dramas, and the surging popularity of country music, including albums by Beyoncé. Social media, particularly Instagram and TikTok, has played a key role, with millions of videos showcasing quick, short line dances well-suited to online short-form content. Furthermore, line dancing's distinct etiquette, often prohibiting drinks on the dancefloor, aligns with Gen Z's lower alcohol consumption, offering a different kind of social high and fostering community in an increasingly atomized age.

Thirty years on, Pokémon is still a monster hit

Thirty years after its launch, Pokémon remains a monster hit and the highest-grossing media franchise globally, with its first permanent theme park, PokéPark Kanto, selling out immediately in Tokyo. Originating from designer Tajiri Satoshi's childhood obsession with insect collecting, Pokémon was conceived to allow children to explore and collect creatures in a digital world. The franchise, which blends Japanese kawaii (cuteness) and otaku (geek culture), has sold nearly 500m video games, over 75bn trading cards, and broadcasts an anime series in 190 countries. Its enduring popularity stems from a richly realized world that fans can immerse themselves in, appealing to both children, who quickly form attachments to characters, and adults, who appreciate its nostalgia, environmental themes, and the endearing nature of the "harmless monsters." Pokémon GO, an augmented-reality app, still boasts 30m active monthly users, and rare trading cards fetch record sums, demonstrating its broad appeal "for every age, every gender."

How China?s Communist Party seized power in 1949

In his new book "Red Dawn Over China," Frank Dikötter argues that Communism was never popular in China and its 1949 victory was achieved through violence, terror, and crucial Soviet intervention, not widespread public support. This challenges the official party narrative, which portrays its rise as a harnessing of public discontent, heroic marches, and a key role in defeating the Japanese and corrupt Nationalists. Dikötter's systematic dissection, based on internal party archives from the 1980s, asserts that Communist forces relied on "loot and ransom," recruited bandits, traded opium, and used civilians as human shields. He highlights the Soviet Union's pivotal role after WWII, when Stalin's forces, having invaded Manchuria, denied the Nationalists access and allowed Mao's guerrillas to take control of vast quantities of abandoned Japanese weapons, shifting the military balance. American mediation efforts, particularly General George Marshall's pressure for a truce, further aided the Communists, giving them critical time to build their army with Soviet help.

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OBITUARY

Philippe Gaulier refused to tolerate boring people

Philippe Gaulier, the world-famous clowning teacher who died at 82, was renowned for his brutally honest and often insulting teaching method, which he called "torment," designed to push students beyond ego to find their unique absurdity. He believed the cardinal sin was to be boring, like a "pharmacist" or "hairdresser," and would dismiss students with cries of "Boring!" or "Suivant!" The former student of Jacques Lecoq, and an anarchist, established his school near Paris in 1980, drawing students like Sacha Baron Cohen and Emma Thompson. He taught "le jeu" (the game) and "le buffon" (the buffoon), emphasizing childlike playfulness, complicité, and the joy of breaking things and rules. Gaulier aimed to bring beauty and joy to his students, believing that freedom and light emerge as the ego cracks, and that actors should be as buoyant as a child, wanting to "eat the world" when they perform.