

Politics



President Donald Trump pulled America out of the deal brokered by world powers in 2015 to roll back **Iran's** nuclear-weapons programme, saying it was "rotten". He reimposed all sanctions and gave foreign firms up to six months to stop doing business with the country. Other signatories—Britain, France and Germany—said they would continue to honour the agreement, to which Iran seemed to be adhering. "If we achieve the deal's goals in co-operation with other members of the deal, it will remain in place," said President Hassan Rouhani of Iran.

Binyamin Netanyahu, **Israel's** prime minister, applauded Mr Trump's "bold decision". Twenty rockets were fired from **Syria** into the Israeli-controlled side of the Golan Heights. Israel blamed Iran and struck back at dozens of targets in Syria. It was the biggest exchange of fire across the border since 1974.

Hizbullah and its allies gained seats in **Lebanon's** parliament, according to preliminary election results. The Iranian-backed militia-cum-political party increased its share of power at the expense of the country's prime minister, Saad Hariri, whose party sustained heavy losses.

An outbreak of **Ebola** killed at least 17 people in the Democratic Republic of Congo. This is the ninth outbreak of the disease in the country since its discovery in the 1970s.

Zimbabwe, which has suffered a crippling liquidity crisis in financial markets because of

a shortage of foreign currency, is now at risk of suffering an acute liquidity crisis in its alcohol market. Delta, its biggest brewer, is running out of ingredients because it cannot get dollars to pay for imports; it may have to cut beer supplies.

A friendly start

The leader of the protests against **Armenia's** government, Nikol Pashinian, was elected as prime minister by parliament. The Russian president, Vladimir Putin, congratulated him. Mr Pashinian has promised that he will not break with the Kremlin.

Mr Putin was re-inaugurated as **Russia's** president, after winning a landslide election victory in March. His fourth term lasts six years; it is supposed to be his last. Protests against him were violently broken up.

Italy remained without a government; but the odds for one led by a technocrat appointed by the president receded. A coalition between the radical Five Star Movement and the right-wing Northern League seemed to be back on the cards.

A night to remember



Malaysia's opposition won a stunning upset victory at the polls, paving the way for the country's first ever change of government. The ruling party used all manner of dirty tricks to pervert the vote, but still lost. Najib Razak, the prime minister, whom American officials had accused of embezzling nearly \$700m, is out. Mahathir Mohamad, a sprightly 92-year-old former prime minister who had quit the ruling party in disgust, will replace him.

A Malaysian investor whose firm has done public-relations work for the **Cambodian** government bought the *Phnom Penh Post*, the last daily newspaper in Cambodia that regularly criticises the government. Many of its journalists resigned in a row about its coverage of the acquisition.

Pakistan's interior minister, Ahsan Iqbal, survived an assassination attempt after being shot in the shoulder. Mr Iqbal's outspoken defence of minorities has earned him the enmity of Muslim radicals.

North Korea released three Americans speciously accused of espionage and "hostile acts". Mike Pompeo, the secretary of state, returned to America with the three after visiting North Korea to discuss arrangements for a summit between Donald Trump and Kim Jong Un, the North's dictator. Mr Kim went to China for a second meeting with President Xi Jinping. He was the first North Korean leader to go abroad by plane in 32 years.

Sun Zhengcai, a former member of **China's** ruling Politburo, was sentenced to life in prison after being found guilty of taking bribes worth \$27m.

The place they called home

The Trump administration said it was ending a "temporary protected status" programme for 57,000 **Hondurans** living in America. They will have to leave by 2020. The government gave the status to Hondurans after a hurricane struck their country in 1998. The administration also announced plans to separate children and parents caught entering the country illegally.

Marco Rubio, a senator from Florida, suspended American funding for a UN-backed anti-corruption commission in **Guatemala** known as CICIG. Mr Rubio said the long sentences given to a Russian family convicted of buying false passports suggested that the Kremlin influenced the commission. Supporters of CICIG say Mr Rubio is the one being

manipulated by allies of the Guatemalan president, Jimmy Morales.

Not too Trumpy, please

A number of party primaries were held across America. The most closely watched result was for the Republican Senate candidate in **West Virginia**. Don Blankenship, a former coal baron and jailbird who campaigned on a message of being "Trumpier than Trump", lost to Patrick Morrisey, who had the support of the party hierarchy, including Donald Trump.



The Senate held a hearing on whether to confirm Gina Haspel as the next director of the **CIA**. She was asked about her role overseeing a secret site where prisoners were tortured and ruled out any return to a similar programme. Ms Haspel offered to withdraw from consideration days before the hearing, an offer that was rejected by Mr Trump.

Eric Schneiderman resigned as the attorney-general of **New York** state, after women with whom he had been romantically involved claimed he had slapped them in the face and choked them. Mr Schneiderman was a prominent backer of the #MeToo movement. He denies the allegations, and says he has "never engaged in non-consensual sex".

An unholy row in the House of Representatives over the sacking of its **chaplain** came to a miraculous end when Paul Ryan, the Speaker, decided to allow him to stay in the job. Mr Ryan had asked Father Patrick Conroy to resign, reportedly for praying that the benefits of the recent tax reform should be "shared by all Americans".

Business

Argentina called in the IMF, after a run on the peso prompted the central bank to raise its benchmark interest rate to 40% and spend \$5bn of reserves in an effort to prop up the currency. President Mauricio Macri went on television to explain that he had turned to the IMF to avoid the type of economic crises that have beset Argentina in the past. Mr Macri has been praised for his reforming zeal, but calling on the fund, which is widely blamed in Argentina for the country's financial crisis in 2001, is politically risky.

The multimedia revolution

In another sign of the convergence between the wireless and cable industries, **Vodafone** offered to buy a chunk of the assets in Europe held by **Liberty Global**. The transaction, valued at €18.4bn (\$21.8bn), sees Vodafone taking over Unitymedia in Germany, as well as Liberty's holdings in the Czech Republic, Hungary and Romania.

After several weeks of courtship, **Shire** accepted **Takeda's** takeover bid of £46bn (\$62bn). If approved by shareholders the deal will create one of the world's biggest drug companies. It would also represent the largest foreign takeover by a Japanese company.

Volkswagen's board was reportedly considering whether to seek damages from Martin Winterkorn in relation to the emissions-cheating scandal that surfaced in 2015. Mr Winterkorn resigned as CEO when the scandal broke. He was charged recently by America's Justice Department with conspiracy, which may muddy the carmaker's argument that senior management knew nothing about the tampering. Mr Winterkorn has repeatedly denied any wrongdoing.

Royal Bank of Scotland said that it had reached a settlement in principle with the Justice Department over the

sale and underwriting of residential mortgage-backed securities in 2005-07. Because \$3.5bn of the \$4.9bn fine is covered by provisions already made, RBS—of which the British government still owns more than 70%—should avoid sliding into a loss this year.

Take off and landing



The share price of **Air France-KLM** tumbled by 10%, after its chief executive quit amid a protracted pay dispute with unions. The company was formed by the merger in 2004 of the French and Dutch national carriers. Pilots and staff at Air France have carried out a series of strikes; they have rejected the latest proposal on wages. The French government, the biggest shareholder in Air France-KLM, criticised the unions, pointing out that KLM is more competitive. Bruno Le Maire, the finance minister, warned that the state

would not “mop up the losses of Air France” by bailing it out.

Under pressure to show that they are doing more to police their platforms, Google banned all political **advertisements** about Ireland's forthcoming referendum on abortion from its websites, a day after Facebook said it would block ads about the referendum from non-Irish sources.

In China, **Wu Xiaohui**, who transformed Anbang from a small insurer into a global conglomerate, was sentenced to 18 years in prison for fraud and abuse of power. The government took control of Anbang earlier this year, saying its rapid expansion was a threat to financial stability.

Glencore and the **Qatar Investment Authority** scrapped a plan to sell their joint stake in **Rosneft**, Russia's state oil company, to CEFC, a private Chinese conglomerate whose boss has apparently fallen foul of the authorities. The pair dissolved their venture. QIA now holds an equity stake of 18.9% in Rosneft; Glencore retains 0.6%.

In its biggest acquisition so far, **Walmart** agreed to pay \$16bn for a 77% stake in **Flipkart**,

India's leading online retailer. The country's e-commerce sector is expanding rapidly; Flipkart's net sales grew by more than 50% in the year ending March 31st. That may be one reason why Amazon was said to be interested in bidding for Flipkart, only to be thwarted by its arch-rival.

One of those selling its stake in Flipkart was **SoftBank**, which made an investment through its Vision Fund and earned a tidy return on its trade. The Japanese tech giant reported an operating profit of ¥155bn (\$1.4bn) for the latest quarter. That was up by 60% from the same period in 2017, in large part because of income from the fund. Sprint, an American wireless operator owned by SoftBank, made its first annual net profit in 11 years.

A shot in the arm

Nestlé struck a \$7.2bn deal for the rights to sell packaged coffee and other products under the **Starbucks** label. Products like packaged coffee beans and pods account for just 8% of sales at Starbucks. It intends to use the proceeds from the deal to accelerate its share buy-back programme.

For other economic data and news see **Indicators** section

